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Understanding Media Studies  
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Assignment: Reaction paper

**Life, Inc. How the World became a corporation and how to take it back**  
**Douglas Rushkoff. Random House, NY 2009**

Reading Rushkoff is a lot like watching a video of Euro-centric earth history for the last 2000 years, compressed, sped up, and played backwards. *Life, Inc.* is a reverse engineered history of capitalism, as seen through the author's foregone conclusions, but with the historical overview to back up his theories. He may be seeing the crucial Big Picture (*of greed and enslavement*) as unregulated multi-national corporatism pushes industry to gobble up all the resources and sell it back to the consumer at a price the planet can't bear for much longer. A grueling but glib expose' of predatory economic practices, this very up to date book includes some prescient views of investment banks that profited by betting against their own toxic assets ( U.S. government bailout for AIG insurer to repay Goldman Sachs for selling mortgages that it knew would default). Although Rushkoff's conclusions and suppositions are biased and opinionated (oh, how he hates the suburbs), he has the concurrence of other researchers and investigative journalists that the collusion of capitalism and progress have led us to the current economic meltdown.

*"The first thing you need to know about Goldman Sachs is that it's everywhere. The world's most powerful investment bank is a great vampire squid wrapped around the face of humanity, relentlessly jamming its blood funnel into anything that smells like money."*

(Matt Taibbi, "The Great American Bubble Machine", Rolling Stone Issue 1082-83. July, 2009)

Historically, Rushkoff makes a very convincing argument that monopolies, as granted by the European crown during the Renaissance, continued to evolve far beyond the life span of the governments or regimes that chartered them. In fact the Dutch East India Corporation (VOC) was the "state within the state" and dominant power of the Spice Islands (Indonesia) from 1600s to 1800s. (Ricklefs, M.C. . *A History of Modern Indonesia Since c.1300*, 2nd Edition.1991, London: MacMillan) . It was only after the corporation went bankrupt that the government of Netherlands assumed possession of the islands. To establish a monopoly in the

colonized area and set up their own plantations, VOC had to enslave, deport, or murder the indigenous population of Banda Islands to gain control of the clove and nutmeg trade. (Ricklefs)

In the present times the International Monetary Fund and the World Bank essentially replay the same game, creating client states by loaning the funds to developing countries for creation of factories for foreign corporations to manufacture and export their goods. In exchange for opening up to free trade and greater (unfair) competition, these poor countries are repaying the loans with huge interest and trade credits. There's also the loss of their own farmland to the corporations to repay the loans, the ecological damage in unregulated pollution, and extinction of species due to destruction of habitat. ([National Zoo](#), [Smithsonian](#))

**Walmart** is doing nearly the same in China's Special Economic Zone of Shenzhen. The economy is driven by locals working long hours with low pay and little benefits for a foreign business. Shenzhen, Walmart's global manufacturing center (and also where iPods and iPhones are primarily made), was nothing but a fishing village 25 years ago. Now this city of 10 million rivals Hong Kong as a Mecca of capitalism. ([Joshua Holland](#), [AlterNet](#). Posted November 7, 2005 [quoted from Kris Hundley, *St. Petersburg Times*] ) .

Meanwhile, back in the States, **Walmart**, the country's largest private employer and the world's largest retailer (*United Food and Commercial Workers International Union*, 2009 <<http://www.ufcw.org>>), is driving local businesses out by selling foreign made goods at artificially lower prices. Whichever nation stoops the lowest in wages, removing barriers to environmental regulations and lowered standards of health, gets the contract.

These parallels, between the rise of government chartered monopolies as proxy colonialist adventurers (my example: Pizarro's conquistadors) and the current multi-national corporate profit-driven methods of maintaining consumer loyalty (which I interpret as complete dependence on a product through peer-pressure and psychological manipulation through advertising) are very well made. But at times Rushkoff also makes astonishing and sweeping oversimplified statements: "In purely corporatist terms . . . pollution is good" (36), he writes, since more production = more pollution = more medical costs = more money exchange. And: "Robert Moses developed highway schemes intended to keep undesirable people from traveling to desirable neighborhoods." (54) Is there a factual basis for that ? Rushkoff uses as proof the specious observation that the

overpasses connecting parts of New York City to the suburbs are too narrow for bus lanes. [There is actually some dispute about the veracity of the claim in Robert Caro's "The Power Broker" which was repeated in Marshall Berman's "All That is Solid ..." of Moses' *intentionally* building the bridges too low for buses to pass under. See: (Bernward, Joerges, "Do Politics Have Artefacts?" *Social Studies of Science*, Vol. 29, No. 3 (Jun., 1999), pp. 411-431) for a fascinating look at how this "urban myth" got it's legs]

As for the old axiom that real estate will never be going down in value, forget it. Rushkoff has plenty to say about commodifying land and housing. He's a World Class conspiracy theorist. [In the sense that things look this bad because some evil purpose seems to be driving humanity to it's doom]. We're in a period of economic crises right now, but it could lead to opportunity, he says, a much needed refocussing of values. Here's a funny cartoon image of our faith in banks and federal support systems (is that a faith-based bank or a bank-based faith?), that uses a Depression-era Woody Guthrie song full of socialist optimism, that historic leveling of class structure, to address bailout of banks and corporations by the government with our own tax dollars:



*"This bank is your bank, this bank is my bank..."*

(New Yorker Magazine, 10/12/09)

[This paper is based on chapters 1-3 of the book *Life, inc.* A future piece about the methods of recovery, alternate economies, and Rushkoff's possible remedies could also be written. - DS]