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years ago. Bankers were convincing people to buy houses that they couldn't afford. Then the bottom of the market fell out, and now these people are stuck with houses that are not even worth the \$200,000. Yet they still have their mortgages. They're caught: Once you get in that debt cycle you become a servant. It's very difficult to go out and protest in the streets or do anything else to change a system that you've become so indebted to. You just want to get out

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from under the debt.

A.B.: *In what ways have corporations hijacked the democratic process?*

J.P.: (Laughs) Oh, my God...

A.B.: *That's a big question, but I think it's an important one.*

J.P.: Yeah. I laugh because this last election was a beautiful example. The person that most corporate CEOs wanted to win didn't win. But yet, Obama hired people to run his economic policy that came right out of Wall Street. He hired people to run his agricultural policies that came out of the big agribusiness. And the same with oil. It's a terribly corrupt system, and Obama's caught in it because he took so much money from corporations. It's not his fault: He couldn't have become president had he not done that.

Corporations have hijacked the system by making sure that every candidate for any major post, whether in the United States or any of the other so-called democracies around the world, is beholden to them. We have roughly 10,000 lobbyists in Washington, D.C., alone, most of them hired to protect corporate interests. During most of my lifetime, the elected officials in the United States wrote the laws, but that's not true anymore. Today the major laws that deal with corporations are written by corporate lobbyists and pass through politicians who the corporate lobbyists essentially own. So corporations write the laws that govern them. Big corporations own the mainstream media, either through outright ownership or through their advertising budgets. They wield amazing power, and they take huge subsidies. Oil companies and fossil fuel companies are perhaps the most highly socialized, subsidized companies on the planet. They get tremendous benefits in subsidies, direct and indirect, from the U.S. government.

A.B.: *You mentioned Milton Friedman. How has his economic philosophy contributed to the current state of the global economy?*

J.P.: When you have a philosophy that says the only responsibility of business is to maximize profits, the corollary is that business should do everything in its power to make sure it can maximize profits. This means having a heavy influence on government policies — nationally, locally and internationally. Maximizing profits also means maximizing income for a very small sector of society: those who own the major share of corporations. So the demise of the middle class around the world and the decline of the middle class in the United States and other countries, to a very large

degree, has been caused by this philosophy, the idea of maximizing profits.

A.B.: *Many of today's economists have an interesting term for social costs: They call them "externalities." What could an economy look like that doesn't prioritize profits over social costs?*

J.P.: That's another whole issue, the issue of externalities. If we could internalize the externalities, that would solve a lot of the problem. Externalities are things that are not factored into the cost of a product that should be factored. For example, when you drill for oil in the Amazon, you destroy the lungs of the earth — the trees, the soil — and then [increased levels of] carbon dioxide causes climate change. You also destroy people's lives. You destroy the freshwater supplies of rivers and potential medicines that come from plants. You destroy a great deal.

Those are all costs, but they're not factored into the costs of oil [production]. When you use sweatshops in Bangladesh, and they burn down, people die or are terribly injured. Their families then have no way of making a living. This is a huge cost that wasn't factored into the products that were made in that factory: They were externalized. They need to be internalized.

I think what we need is to create a new goal for business. Businesses should make a decent rate of return for investors, but only within the context of being socially and environmentally responsible. Only within the context of creating a better world for we, the people. Corporations should be here to serve us, the people, not just the 1 percent.

Incidentally, one percent is a total error. It's actually much less than one percent: 400 individuals in this country have more assets than 50 percent of the rest of the country. That's a lot less than one percent. We need to create a new economic model and a new goal for businesses, one that says, "Yes, you need to make a decent rate of return for your investors, but only while serving the public interest." That should be the role of corporations.

A.B.: *These days a lot of corporations say they're socially responsible. What is the difference between philanthropy and socially responsible business practice?*

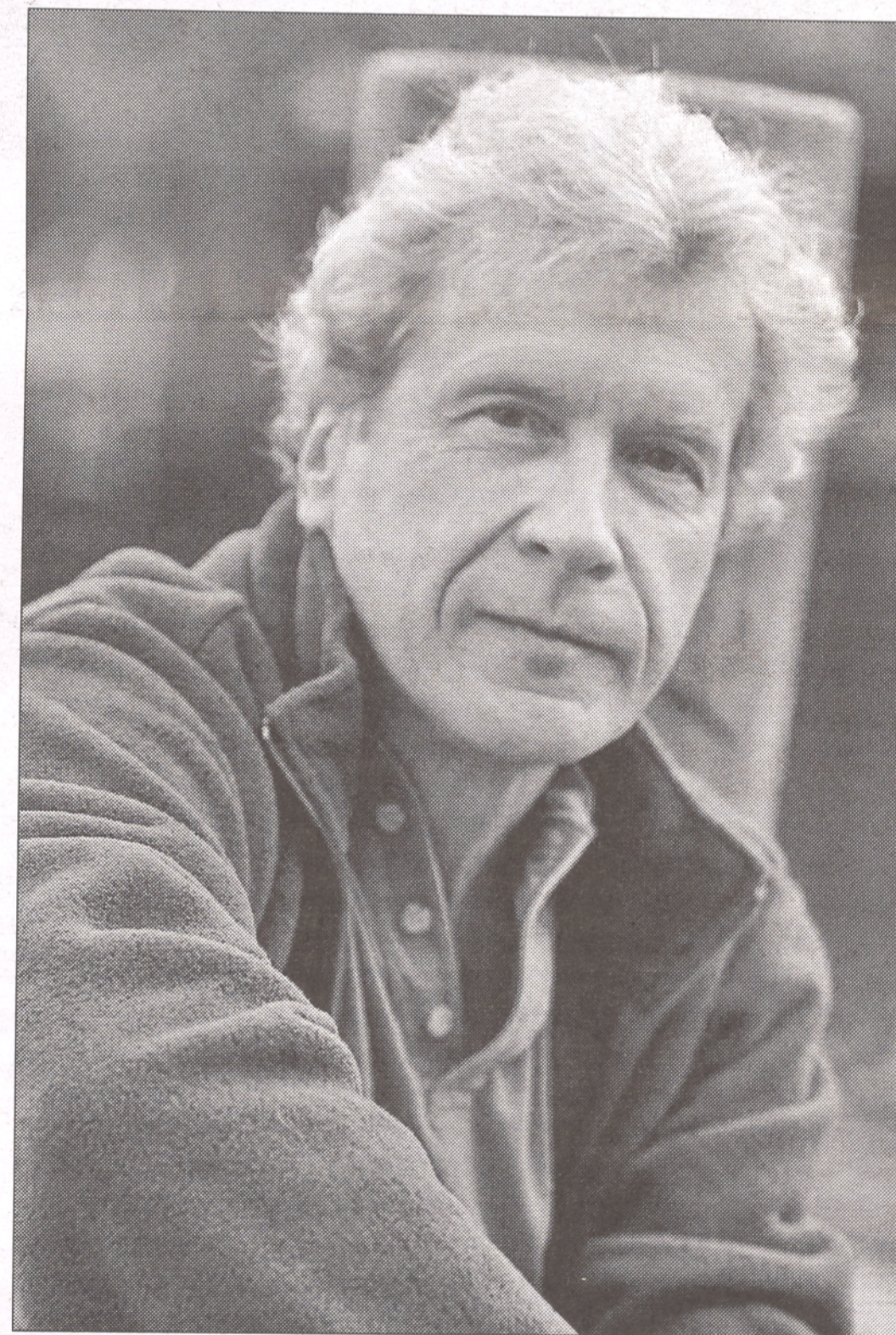
J.P.: Philanthropy can be sort of a red herring. If I'm making \$80 billion (laughs) — let's say that's my income — and I give \$30 billion to philanthropy, I've done a great service as a philanthropist. I do appreciate people who do that. But if I, as that same philanthropist, have hurt competition in the process, have screwed people by following this idea of maximizing profits, haven't paid fair wages to workers around the world or haven't helped competitors come along — if in order to make that \$80 billion, have also practiced business methods that are injurious to the general public, then I would say it would be much better for (me) to have made much less money and not given any of it to philanthropy. If you do make a lot of money, it's great to give it back to philanthropy. But, better still, as you're making that money, as you're running that business, focus on making a better world for everyone. As long as we have a model that says the only responsibility of business is to maximize profits, we're going to be in a situation where business executives find it extremely difficult to be socially and environmentally responsible because they're being told by their stockholders and their boards of directors that [they] just need to focus on maximizing profits.

A.B.: *You seem to have some hope for the*

next generation of social entrepreneurs. What are they doing to build a more peaceful, just and sustainable world? What can ordinary people do?

J.P.: First of all, I've seen major changes in MBA programs. Seven years ago, students would say that their goals in life were to become wealthy and powerful. Today, I often hear "I want to raise kids in a good world. I'm getting my MBA so that I can shape business into a better tool for creating a world my children and grandchildren will want to inherit." I think this is extremely positive. We're also seeing major businesses around the country becoming more socially and environmentally responsible. We're seeing more localized businesses.

Around the world, people are waking up. I think we're in a revolution of consciousness. We've seen it in the Arab Spring. We've seen it in the Occupy movement. We're seeing it today throughout Europe with the protests in places like Greece and Spain and Portugal and Iceland. We're seeing it in Latin America and Africa and Asia, even Russia. Once we start waking up and protesting, then the status quo, the corporatocracy, will try to stop us. It's recognition that we are waking up and that we're becoming successful; they're fearful of our success. In the long run we need to turn around so they don't have to be fearful: We'll let them know that we'll support businesses. But only those businesses that will create a better world for all of us.



A.B.: *Anything else?*

COURTESY JOHN PERKINS

J.P.: These are amazing times: We're perhaps living in one of the most revolutionary times in history. I think what we're experiencing now is bigger than the Agricultural Revolution or the Industrial Revolution or the American Revolution. This is a revolution of consciousness. I'm glad to be part of it. I would encourage all your readers to do something every day to participate in this revolution and to follow their own heart. Everybody has some passion and some talent: Use them, every day, to make a better world.

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