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SOCIAL TEXT

Corruption in Corporate Culture This special issue, edited by Randy Martin and Ella Shohat, offers a critical perspective on the prevailing simplistic discourses and narratives about fighting corruption, so as to interweave domestic and foreign, public and private, transgressive and normative dimensions that conventional politics seek to minimize and contain. We open with Peter Bratsis's tour through the antinomies of corruption and David M. Brennan's look into the Enron collapse. The scapegoating of Martha Stewart's well-reported ImClone gains is tracked by Nancy Shaw, while Christopher Holmes Smith traces the rise of the hip-hop mogul's private gain against public claims for civil rights. Barbara Spindel documents how right-wing, anti-feminist groups undermine the ideals of civil society they claim to champion. Susan Willis essays the moral panic promoted by coverage of the D.C.-area snipers. Moving outside the United States, Jane Marcus-Delgado traces the studied confusion of public and private in the Argentinean financial meltdown.

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Introduction

CORRUPTION IN CORPORATE CULTURE

Randy Martin and Ella Shohat

As bombs showered Baghdad in spring 2003, the spate of corruption scandals from a year earlier could easily have seemed a distant memory. In the context of an awesome war, corruption might have seemed a minor domestic affair no longer relevant to our "real" national concerns. Enron, Arthur Andersen, WorldCom, and ImClone could have been relegated to the arcane workings of business. Yet the question of corruption touches every fiber of contemporary sociopolitical life, linking "domestic" and "foreign" affairs in multiple ways. The war itself is haunted by hanging chads and a biased Supreme Court that helped select a president who has since dismissed numerous international agreements and institutions, including the major arena for global diplomacy, the United Nations.

The model of corporate organizational structure and modus operandi informs the management of the United States, whose CEO seems eager to establish a global power monopoly that strips international institutions of the power to make multilateral decisions and redefines the role of these institutions as merely humanitarian. Two decades after the Reagan-Bush campaign to tear down the gains of the New Deal, the Bush-Cheney regime has fostered further deregulation, enabling predatory corporate behavior. George W.'s reign, like that of his father, has resumed this vision of governing in order to undo government as the realm "of the people, by the people, and for the people." Government is conceived as a means to protect the free flow of business from so-called interest groups—a phrase the administration and the dominant media now apply to independent organizations, such as unions and environmental groups, that defend social welfare. George W. Bush has conducted his presumed fight against corruption by focusing public attention on a few "bad apples." Neoliberal efforts to rid the globe of corruption, such as that of the World Bank Governance and Anti-corruption Program, have tended to focus on Third World corruption embodied by greedy local kleptocrats. Meanwhile the bank's officers of reform are free to come and go, demanding ransoms in the form of cuts to the social economy in exchange for further aid to business, demonstrating that discussion of corruption always requires a look at the very individuals and institutions designed to combat corruption, since they can easily become facilitators of its machinery.

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Bush's model of managing corruption, furthermore, has been enacted on the world stage. The new object of the eternally displaced war on terror, Saddam Hussein, returned farcically as threat to world security within a narrative seemingly borrowed from an anticorruption campaign whose key elements are containment, preemption, and purgation. When corruption is contained, the belief that the many are clean (be they governments or corporations) is sustained. When the corrupt are preemptively attacked, the capacity to act trumps the ethical basis for decision. When evil is purged from the bowels of doubt, we can return with cautious but grateful confidence to business as usual. The Bush administration seems to be moving among these three discourses about corruption while pretending that its own actions have had no effects. Bush joined the U.N.'s inspection regime as part of a containment strategy (disarmament) that he would soon dismiss—with the effect of degrading the integrity of this global body. A preemptive strike against Iraq not only is a violation of international law and the U.N. charter but forecloses consideration of other notions of global engagement precisely at the moment of their formation. In the context of this war, purgation requires a teleological narrative of Iraq's liberation from its aberrant master while it also installs a grand model for fighting world corruption.

This moralistic and binary model pits the corrupt leaders and nations—axes of evil—against those who fight them, be they presidents of the free world or the democratic nations. Within this discourse, corruption is always imagined as "outside," simultaneously eliding any links between so-called good and evil. One may cite here U.S. political and economic backing for diverse dictators, including Hussein himself, and the continuous business deals that U.S. companies have had with Hussein's regime even as the U.S.–led embargo has continued. Consider, for example, Halliburton—of which Dick Cheney was CEO—which has had deals with Iraq since 2000 and, less than a week into the war, won the government contract to reconstruct Iraq; Richard Perle, who has been a major architect of Bush's foreign policy while serving as a managing partner in Trireme Partners, a venture-capital company that invests in companies dealing with goods, services, and technology related to homeland security and defense;[1] or the U.S. bribery of over thirty states to augment the list of coalition members, even as fifteen of these states refuse to be identified publicly. Corruption in which political, military, economic, and ideological interests are inextricably linked has reached a virtually unprecedented transnational scale. This issue of *Social Text* offers a critical perspective on such simplistic discourses and narratives about fighting corruption, insisting that the domestic and foreign are interwoven. We attempt here to

reclaim the multiple sites and manifestations of corruption in our midst and to engage its complexity, its tentacular arms.

Corruption entails traffic between an authentic and thereby purifying private interest and a perfectible public will. Corruption is, in a sense, the recurrent saga of the former infecting the latter, of an ever-vigilant effort to separate interest and will from which the distinct realms of public and private are said to spring. For those who have produced the vast literature on corruption, the scope of social activity that can be considered corruptible and the academic attention devoted to it have burgeoned in the past decade.[2] In the words of one scholar, "corruption becomes possible when those in positions of power fail to keep their public and private interests separate."[3] Indeed. Yet the interposition of public and private suggests that corruption is likely to prove endemic. Because corruption scandals possess a capacity to be at once transgressive and normative, the general conditions are likely to continue to jostle with particular cases. The challenge is to maintain the connection.

The Enron scandal that broke in late 2001, here thoroughly documented by David Brennan, has become eponymous with the present spate of corporate corruption. It is not simply that Enron showed excessive corporate greed as executives pocketed profits that would never be shared with employees not privy to insider trading, or that it manipulated energy prices through market speculation, or that it cooked the books to pay no taxes in four of its final five years. The Enron case suggests a grander imbrication of public and private interest. Ken Lay, Enron's CEO, was Bush's biggest financial backer, even lending private corporate jets to W.'s presidential campaign. Deregulation of the accounting industry led to massive concentration and combination of the public functions of audit and the private services of tax consultation. Arthur Andersen had an office inside Enron's office tower, offering, as it were, an architectural allegory on the inseparability of "inside" and "outside." Andersen also audited WorldCom in 2001 and the first quarter of 2002, despite having reported a missing $4 billion in leased equipment as capital expenditure, and, while serving Halliburton under Cheney, having reported estimates of future cost overruns in government contracts as actual income.[4]

The inducement to overstate income was part of the stock market bubble that paid handsomely for soaring corporate valuations. The entity charged with policing such activity, the Securities and Exchange Commission, briefly enjoyed the leadership of Harvey Pitt, an attorney who specialized in defending the likes of Andersen and company. The intimacy of the Bush administration with the Enron/Andersen imbroglio, like the Clinton administration's tightness with Wall Street, demonstrates the entanglement

Neil, Jeb, and George W. came of age in the eighties, when the savings and loan debacle wrestled millions from taxpayers, especially in Texas and Florida, and sent two of the three to office instead of jail.

of a certain business avant-garde with a corrupt political system. The Bush brothers dynasty—Neil, Jeb, and George W.—came of age in the eighties, when the savings and loan debacle wrestled millions from taxpayers, especially in Texas and Florida, and sent two of the three to office instead of jail. Securitized utilities and real estate investment trusts would rise from the ashes of a pillaged financial infrastructure. For corruption marks not only the normative decay that remediation can restore to health, but the actual creativity of capital where new business models tear at the existing regulatory fabric. In this regard, the task of corporate-interested governance is to decide which private interest should receive public support.

But certainly that is not all. This is an administration committed in its own national security declaration to make the world safe for business.[5] And tax cuts top the list of what nations newly liberated by the American security apparatus are meant to accomplish. The present application of tax cuts would fit neatly within a standard definition of corruption. By any measure, the legislation authorizing tax cuts that preceded September 11, and the ones that have followed, have represented the overt use of public offices for private gain in a manner that would seem to bring the legitimation and accumulation functions of the state into collision. Yet for the past two decades, tax cuts have become a conventional aspect of the management of the economy in what now counts as the public interest. Redistributing wealth upward is supposed to allow it to trickle back down. Ideologically speaking, however, the government's role in this sort of wealth redistribution is made possible because those who have spoken as heads of state in the past four presidencies have shared the assumption that government is necessarily corrupt, and that therefore people (and, sotto voce, corporations) should keep their own money—presuming of course that they already have it.

Tax cuts have done little to dampen public demand for new kinds of social services and public goods, be they in education (the growth in attention and funding for those with learning disabilities), health (pharmaceutical subsidies, especially globally with respect to AIDS), or housing (support of ownership). Needless to say, these public goods are very good for sectors of private industry, reserving the publicness of the good to its mode of distribution. War, while surely stuffing certain coffers, also launches a preemptive strike on future expenditure of public monies, and not only the $75 billion that Bush belatedly requested for the war. States and municipalities have been encumbered with daily mandatory overtime costs for police and National Guard troops that reach into the millions to pay for further militarization of daily life.[6] While the security state has been amassing its forces, it has not so stealthily reached the other hand to take away funding for social programs, as nefariously instanced by Bush's proud

state of the union announcement that he would fund antiretroviral medication to African adults (by cutting such programs for African kids) and that he would mandate testing to "leave no child behind" and then abandon them by cutting federal funds for student loans. Bush's social policy initiatives are as preemptive as his military adventures.

Language and discourse have been instrumental in the expansion of corruption. The rhetoric of Bush & Co. has consistently betrayed the marks of an upside-down world. Bush promises compassionate social services only to obliterate the remnants of the welfare apparatus. He promises peace just as he launches war. The corrupted prose of an unteleprompted president presents an Orwellian spectacle of hate speech dressed as kindness. Habermas be damned. The public sphere has been purged of reason. With a gun to the back of the head and a blank affect (an inflection of the group mind undetectable in opinion polls), the people are to be gratified by the imminent return of their laundered security.

Toward all of this, the media—scandalized by its own bad investment decisions—has been nothing but generous. It has offered cover and solace while the idea of the state has been hijacked from civil society. It has accepted the conceit of U.S. foreign policy that deposing Saddam Hussein is the pursuit of Osama bin Laden by other means. It has urged moral panic that might keep people sealed into their homes with duct tape and fearful of public parks and schools as places to duck and cover (see Susan Willis's essay in this issue on the D.C.-area snipers). The default to a critical public sphere is corporate culture itself—an ongoing sponsorship and self-promotion punctuated by occasional gasps at the fallen few. Scapegoating is a popular form of displacement. Nancy Shaw sees in the disproportionate attention given to Martha Stewart's gains from selling ImClone shares a rearguard move on women's domesticity and accessible affluence. Meanwhile, as Christopher Holmes Smith argues, the rise of the hip-hop mogul normalizes a hitherto fearsome icon of upward mobility that displaces civil rights and more egalitarian conceptions of racial justice. Normalized as well through a dense network of pundit- and policy-producing think tanks and organizations are right-wing antifeminist groups like the International Women's Forum, which, as Barbara Spindel documents thoroughly, undermine the ideals of civil society they claim to champion by funneling private philanthropy into the state's ideological coffers. These four contributions demonstrate that the supposedly pristine spaces of domesticity that public interest is meant to protect are already suffused with the politics of race, gender, and sexuality. The failure to contain corruption, or to return collective critical attention to it, is likely to unleash these politics in a manner that may underscore the unruliness of the national body over its muted unanimity.

The point of following the trail of corporate corruption is to remember what public discourse might have been distracted from by the terrors of war.

While this special issue largely concerns the United States, it also suggests that the corruption complex of containment, preemption, and purgation is not confined to national soil. Jane Marcus-Delgado traces the movement between the concern of business leaders with corporate corruption at the annual World Economic Forum, and the studied confusion of public and private in the Argentinean financial meltdown. The entailments of corruption are legion, global, and destabilizing. The point of following the trail of corporate corruption is to remember what public discourse might have been distracted from by the terrors of war. If we do not accept September 11, 2001, as an ontological break in popular mobilization, we can readily trace the continuities between the roving demonstrations from Seattle to Geneva and the recapture of the world's streets by the millions on 15 February 2003. The slogans "No Blood for Oil," "Impeach Bush," and so forth are as much anticorruption as antiwar banners that link a public will to a public interest.

We should remember Lauren Berlant's observation about the rightist assaults on Clinton—that they had reversed the famous feminist injunction that the personal is political so as to render the political personal.[7] The return of the political to the public, an idea that carries various intimations of global domesticity, has much to recommend it. We begin our issue with a cautionary reflection on the politics of the definitions of public and private upon which corruption is based. In presenting his genealogy of this founding binary and warning about the dangers of treating the public as an end in itself, Peter Bratsis guides us through the antinomies of corruption. In the end, we may have to agree that corruption is both a problem and an opportunity. Corporate corpulence can fix our attention on a variety of wounds and injuries. An interested public politics would want not simply to heal this body but to redefine the checks and balances of an altered body politic.

Notes

1. Eric Alterman, "Perle, Interrupted," *Nation*, 20 March 2003, www.thenation.com/doc.mhtml?i=20030407&s=alterman.

2. See, for example, Yves Meny, "Fin de Siècle Corruption: Change, Crisis, and Shifting Values," 309–20, and Robin Theobald, "So What Really Is the Problem About Corruption?" 491–502, both in *Explaining Corruption*, ed. Robert Williams (Cheltenham, England: Edward Elgar, 2000). This is the first volume in a multiseries collection that summarizes the state of scholarship in the field. Other representative volumes are Michael Clarke, ed., *Corruption: Causes, Consequences, and Control* (New York: St. Martin's, 1983); Kimberly Ann Elliott, ed., *Corruption and the Global Economy* (Washington, D.C.: Institute for Interna-

tional Economics, 1997); *Curbing Corruption: Toward a Model for Building National Integrity* (Washington, D.C.: World Bank, 1999).

3. Arvind Jain, "Controlling Power and Politics," in *The Political Economy of Corruption*, ed. Arvind Jain (London: Routledge, 2001), 214.

4. Much was reported on the entanglements of the Bush administration. Representative sources from which this information was culled can be found online at: William Rivers Pitt, "They're Still a Bunch of Crooks," *truthout*, 14 November 2002, www.truthout.org/docs_02/11.14A.wrp.crooks.htm; "T. Rex's Guide to Life: Politics: George W. Bush, Scandal—422," www.quinnell.us/politics/2000/bushscandal.html; "The Cheating of America: Think Enron and Arthur Andersen Are Exceptions? Think Again," 29 January 2002, www.tompaine.com/op_ads/opad.cfm/ID/5060.

5. See national security statement at www.whitehouse.gov/nsc/nssall.html.

6. William K. Rashbaum and James Barron, "Threats and Responses: New York City Fortifies Entry Points to Guard against Terrorism," *New York Times*, 20 March 2003. Operation Atlas for New York City is "expected to cost at least $5 million a week in police overtime."

7. Lauren Berlant, *The Queen of America Goes to Washington City: Essays on Sex and Citizenship* (Durham, N.C.: Duke University Press, 1997).

The Construction of Corruption, or
RULES OF SEPARATION AND ILLUSIONS OF PURITY IN BOURGEOIS SOCIETIES

Peter Bratsis

What's breaking into a bank compared with founding a bank?
—Bertolt Brecht, *The Threepenny Opera*

Defilement is never an isolated event. It cannot occur except in view of a systematic ordering of ideas. Hence any piecemeal interpretation of pollution rules of another culture is bound to fail. For the only way in which pollution ideas make sense is in reference to a total structure of thought whose keystone, boundaries, margins and internal lines are held in relation by rituals of separation.
—Mary Douglas, *Purity and Danger*

Did Somebody Say *Corruption*?

George W. Bush and his "coalition of the willing" wage war on the corrupt regime of Saddam Hussein. Islamic fundamentalists deride their national governments as corrupt and, accordingly, have little love for the United States, a patron of many of these regimes. The World Bank has declared that corruption is the single greatest obstacle to global development. The Michigan Militia and similar right-wing populist groups claim that federal institutions, such as the FBI and IRS, are a corruption. Left-leaning critics and reformers, such as Michael Moore and Ralph Nader, attack the corruption that presumably plagues American political and economic life.

The list could go on and on; it seems that there is hardly any contemporary political tendency that does not contain some form of anti-corruption agenda. It is striking that so many disparate and competing political discourses all agree that corruption is a problem, oftentimes *the* problem. Regardless of the interpretive frame (right, left, populist, technocratic, religious, secular, etc.), the specter of corruption is a constant, and is both unavoidable and unquestioned; unquestioned in the sense that the undesirability of corruption is taken as a given, no substantive argument is needed—who is, after all, in favor of corruption?—and unavoidable in that corruption seems to refer to underlying tensions, antagonisms, and traumas that, regardless of one's conceptual toolbox and political tendencies, cannot be ignored or passed over.

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These cursory observations highlight the main hurdle in, as well as the need for, the understanding of corruption. The idea of corruption has become so universal, so unquestioned, so much a part of various common senses, that its determinations, historical specificities, and social functions tend to remain hidden. If this is true anywhere, it is true in regard to the ever growing popularity of the term corporate corruption. Insider trading and bribery may likely be placed under the category of "corporate corruption." But what about embezzlement or union busting or transfer pricing or planned obsolescence? What makes something a corruption? Furthermore, what's so bad about corruption?

This essay is an examination of the foundations and function of the concept of corruption. Discussion focuses on the most developed and seminal version of the concept in modern society, political corruption. Beginning with a discussion of definitions of political corruption, the essay argues that there is a significant and much neglected difference between modern and premodern understandings of corruption. The modern understanding of corruption, it is argued, is directly tied to the rise of the organization of social life and interests by way of the categories of the public and private. The main function of the idea of corruption and the rules and rituals that arise from it has been to keep the categories of the public and private pure and believable. The homology between the rules regarding clean and unclean foods in Leviticus and the rules regarding clean and unclean politics in congressional ethics regulations is demonstrated. Based on this reading of congressional regulations, the key components behind the modern concept of corruption are identified and exposed. The essay concludes with a discussion of the implications of this argument for the question of corporate corruption, the apparent proliferation of anticorruption discourses, and politics overall.

What Is Corruption?

Nearly all definitions of political corruption emphasize the subversion of the public good by private interest. Among the more famous definitions of corruption is the one offered by Joseph Nye (1989): "Behavior which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or state gains; or violates rules against the exercise of certain types of private-regarding influence" (966). Similarly, Carl Friedrich (1989) argues that

> corruption is a kind of behavior which deviates from the norm actually prevalent or believed to prevail in a given context, such as the political. It is

> deviant behavior associated with a particular motivation, namely that of private gain at public expense. But whether this was the motivation or not, it is the fact that private gain was secured at public expense that matters. Such private gain may be a monetary one, and in the minds of the general public it usually is, but it may take other forms. (15)[1]

Contained within the modern understanding of corruption are two interrelated assumptions: that mutually exclusive public and private interests exist and that public servants must necessarily abstract themselves from the realm of the private in order to properly function.

The significance and relative historical novelty of this definition has been ignored in the contemporary literature on political corruption. The tendency has been to emphasize the continuity of the concept of political corruption from the ancient to modern times. Carl Friedrich (1989) has argued that the basic understanding of corruption as "a general disease of the body politic" is common to the ancients and the moderns (18). John Noonan (1984), who defines bribery, presumably the most obvious form of political corruption, as "an inducement improperly influencing the performance of a public function" (xi), traces the concept back to roughly 3000 B.C. and claims that, although the concept has transformed over time, it has, in its main contours, remained constant.

Along the same lines, there are usually numerous references to Aristotle and Machiavelli in works tracing the history of the concept of corruption. Aristotle is often cited for his assertion that political forms can be corrupted. In his classification of the three kinds of constitution, Aristotle lists kingship, aristocracy, and polity.[2] He goes on to note that each can be corrupted. His discussion of kingship is particularly relevant because what causes the corruption of kingship into tyranny is the disregard the tyrant has for his subjects; he rules only to further his own "interests" (Aristotle 1958, 373–75). Machiavelli's discussion of the function and causes of corruption are also often discussed, especially as he developed them in *The Discourses* in discussing the decline of the republic of Rome (Machiavelli 1970, esp. book 1). Sara Shumer (1979) has noted that Machiavelli's discussion of corruption includes the idea of the subversion of the public by the private: "One dimension of political corruption is the privatization both of the average citizen and those in office. In the corrupt state, men locate their values wholly within the private sphere and they use the public sphere to promote private interests" (9).

There are reasons to doubt this official history of corruption as a concept common to nearly all political forms and historical epochs. For one thing, the apparent lack of a word for bribery in Ancient Greek presents a problem for those who assume an unbroken line in the concept of cor-

The recipient of a bribe is incapable of the autonomous thought and moral judgment necessary for being a citizen.

ruption. Mark Philp (1997) notes that there are many words in Ancient Greek that make no distinction between a gift and a bribe (*doron*, *lemma*, *chresmasi peithein*) since, for the Greeks, to persuade through gift giving was acceptable and no perversion of judgment could be assumed (26). Philp makes the point that if the Greeks have no conception of bribery, then the whole idea of a public body in Ancient Greece is put into question: "If these were the only terms for bribery in the Ancient Greek world we would have to take the view that there is a basic untranslatability of the terms between us and them—that they not only failed to distinguish gifts and bribes, but that they also had no real concept of public office or trust" (26). On this point, Philp is absolutely right. He goes on to argue, following Harvey (1985), that there was a term for bribery in Ancient Greece, *diaphtheirein*. However, contrary to Philp's interpretation, it is not true that *diaphtheirein* has the same status as the modern term *bribery* or that it can be said to connote a form of corruption in the modern sense. *Diaphtheirein* refers to the corruption of the mind by which the ability to make sound judgments and pursue the good has been impaired and, more generally, to destruction and decay. Not all bribery is corruption in the modern sense. A closer reading of Harvey's discussion of *diaphtheirein* reveals this point. Harvey takes great pains to show that in contrast to and concurrent with neutral and positive terms, there did indeed exist at least one negative term (*diaphtheirein*) for influencing through giving money and gifts. Nowhere, however, do we find any reference to public trust, private interest, or any category we usually use in discussing bribery and corruption. Bribery as *diaphthora* (the more common version of the word) was negative because it implied that the citizen, by way of accepting a bribe, was no longer able to properly act as a citizen since the will and power to judge had been destroyed.[3] As Harvey puts it, "The man who takes a bribe surrenders his free will; what he says and does he does for another, and in that sense he no longer exists as an independent individual: he is a non-entity. That, I suggest, is the essential point" (86). Instead of some public trust succumbing to private interests, the recipient of a bribe has lost the ability to be a citizen by relinquishing his autonomy. Like slaves, merchants, and women, all precluded from being citizens since they lack basic requisites for properly acting as a citizen, the recipient of a bribe is incapable of the autonomous thought and moral judgment necessary for being a citizen.[4]

The categories of the public and the private are integral to the modern notion of corruption. Put simply, no corruption in the modern sense is possible if there is no public and private. As Philp's arguments illustrate, much of the literature on corruption assumes that the apparent omnipres-

ence of a concept of corruption is a sure sign that the public and private are also omnipresent social categories. That the ancient understanding of corruption is so far removed from the modern one puts this assumption into question.

Ernst Kantorowicz's *The King's Two Bodies* (1957) provides a useful corrective to this ahistorical tendency in the corruption literature. For Kantorowicz, our modern understanding of public and private is tied to the rise in early modern England of the legal and political doctrine of the king's two bodies. This doctrine asserts that we have two bodies, a public and a private one. In its most developed form, the two bodies doctrine asserts that while, on the one hand, we exist as concrete individuals with physical bodies, particular passions, interests, obligations, and so forth, on the other hand, we exist in an abstract sense, as members of the body politic, a body that is beyond our physical bodies and concrete social existence. This body politic is the polity, characterized by the common interests that bind its members together and is materialized in the rituals, personnel, and institutions of the state (193–272).

It should be noted that this version of public and private differs greatly from other typical uses of these categories within political thought, notably, the Arendtian understanding of public and private, most clearly exemplified by Habermas's treatise on the public sphere. Habermas (1991) notes that the terms *private* and *public* first appear in German in the middle of the sixteenth century and argues that no such divisions existed in feudal societies. He goes on to argue that these categories did exist in ancient societies and equates the ancient Greek terms of *polis* and *oikos* with public and private (Habermas 1991, chap. 1). Thus, in the Arendtian sense, the categories of the public and the private are mainly functional distinctions based on different uses of space. The public sphere becomes the space within which individuals can come together and discuss and formulate political opinions and positions. This is contrasted to the state, on the one hand, with its police and legal functions, and to the private side of civil society on the other hand, with its family ties and market relations (Habermas 1991, 30). Although the two distinctions are not necessarily mutually exclusive, this functionalist distinction between what is public and what is private is not the distinction between public and private connoted by corruption. In political corruption, private interests and passions come to displace the common good. It is not that public spaces come to be used for nonpolitical goals, for example, that makes for political corruption. Thus, although we see the categories of public and private applied to most societies, including those of the ancient world, it is usually done so in this more functionalist way and the categories themselves have

little in common with the ways in which the ancients understood and organized political life.[5]

In light of these observations, the categories of public and private that our modern concept of corruption presupposes are fairly recent. Even up to Machiavelli, despite Shumer's point, noted above, our modern concept of corruption seems to be missing. Related to the argument regarding the rise of the public and the private is the question of the rise of the concept of interests. As Albert Hirschman (1977) has argued, it is only in the modern era that the concept of interests emerges and this marks a radical break with premodern conceptions of the good. For Hirschman it is the increasing dominance of finance and money that explains the change in the term *interest* from simply a financial term to a concept that is central to our understanding and organization of contemporary politics.[6] It is in this context that Hirschman sheds light on the question of Machiavelli's notion of corruption and notes how the term *corruption* went through a similar transformation in meaning: "'Corruption' has a similar semantic trajectory. In the writings of Machiavelli, who took the term from Poybius, *corruzione* stood for deterioration in the quality of government, no matter for what reason it may occur. The term was still used with this inclusive meaning in eighteenth-century England, although it became also identified with bribery at that time. Eventually the monetary meaning drove the non-monetary one out almost completely" (40).[7]

The Greek term *diaphthora* and the Latin term *corruzione*, in spite of their usual translation as "corruption," refer to an understanding of corruption that is quite foreign to our modern one. Political corruption is an exclusively modern phenomenon made possible only after the rise of the public/private split and the concept of interests. While it may be impossible, and not particularly important from the perspective of the present work, to provide some specific date or event that signals the moment that our modern concept of corruption emerges, it is appropriate to locate it within the general processes of modernity and claim that our understanding of corruption becomes possible and thinkable as capitalism and the state emerge and become dominant.[8]

Why Corruption?

To note the novelty of the modern concept of political corruption and the basic preconditions of its existence begs the question of why the term corruption came to represent the idea of the subversion of the public interest by private interests. This becomes more strongly apparent when one notes deeper differences in meaning between the two concepts of

corruption. In the traditional understanding of corruption, there was a strong imagery of decay and regression, of something becoming less and less capable, potent, or virtuous. This understanding contained the idea that through disease, old age, the influence of vice, or any other reason, the ability to seek the good and virtuous is decreased and possibly destroyed. Here, we have the corruption of the mind, morals, and the will. The term still retains this meaning today. We understand the use of the term in the claim, for example, that the youth of Athens were corrupted by Socrates and we use the term in essentially the same way when we claim that the minds of the young are corrupted by the entertainment industry or that the ability to make sound decisions is corrupted by religious cults, various psychological disorders, and so on. What is interesting here is that there is a clear division of good and bad; vice is never good nor is disease or psychosis.

By contrast, in the modern understanding of corruption there is no division based on something that in itself is good and desirable and something that is not. Private interests are not bad. Quite the opposite, the whole line of questioning from Weber's *The Protestant Work Ethic and the Spirit of Capitalism* to Hirschman's *The Passions and the Interests* has been focused on explaining how private interests, particularly in the economistic sense, came to be welcomed as something positive. How, then, can two things, public and private interests that are in themselves seen as proper and good, come to constitute something that is bad and improper? Mary Douglas (1966) does much to answer this question when she notes that notions of purity and cleanliness have nothing to do with something that in itself is dirty. For Douglas, dirt is best understood as something that is out of place:

> Shoes are not dirty in themselves, but it is dirty to place them on the dining-table; food is not dirty in itself, but it is dirty to leave cooking utensils in the bedroom, or food bespattered on clothing; similarly, bathroom equipment in the drawing room; clothes lying on chairs; out-door things in-doors; upstairs things downstairs; under-clothing appearing where over-clothing should be, and so on. In short, our pollution behaviour is the reaction which condemns any object or idea likely to confuse cherished classifications. (36–37)

Private interests and public interests are both perfectly fine, as long as they stay in their proper places. Once we have the contamination of the public by the private, politicians and politics itself become dirty, tainted, infected, and thus corrupt. The opposite is equally true. Once we have an invasion of the private by the public (for example, public authorities being able to regulate "private" behaviors such as sexual and religious conduct, and so forth) we come to equally negative conclusions regarding the transgres-

sion of the categorical separation of private and public. The modern notion of political corruption is thus much closer to the idea of corruption as adulteration than the idea of corruption as deterioration and destruction. This conception of political corruption is consistent with the use of corruption to describe the loss of the purity of one substance by the introduction of another, in the way that wine can be corrupted by water or a flower bed can be corrupted by weeds.

To emphasize these differences in meaning, let us take as an illustration the likelihood that Ronald Reagan had Alzheimer's disease in the later years of his presidency. Assuming that the disease had progressed to the point of hindering his ability to make sound decisions, his condition would constitute corruption in the classical sense in the same way that bribery constitutes corruption; his capacity to think and act in an autonomous and rational way was diminished. It is obviously not corruption in the modern sense since there is no instance of the contamination of the public interest by private interests. The Clinton coffee scandals, in which prospective campaign contributors were invited to coffees at the White House, are an example of the latter. It is hard to imagine that drinking coffee could ever result in corruption in the traditional sense (unless one became so addicted to it that the ability to reason was lost, one had to resort to crime in order to support the consumption of coffee, and so forth) but drinking coffee can easily result in corruption in the modern sense. If the coffee is being consumed by prospective campaign contributors in a public area, say, the nonresidential areas of the White House, it can be said to constitute political corruption because the president is allowing his private interests to contaminate the purity of the public space. This space within the White House is not public simply because it is owned by the public but rather because it is designated for the president's use as a public servant, not as a private citizen. If coffee is being consumed and contributions are being sought in space that is designated for the president's use as a private individual, no corruption is present. The same people, the same coffee, the same money changing hands; the only difference is in the room where it is occurring, which constitutes all the difference between corruption and noncorruption.[9]

In light of these stark differences, how is it possible that the modern and traditional ideas of corruption are so easily conflated and confused? Although the meanings are different, both understandings of political corruption attempt to establish a normative distinction between what is desirable and what is not. In the traditional understanding of political corruption, the characteristics of a citizen, king, or regime as they *should* be are established and contrasted with those characteristics that are seen as bad or undesirable from the point of view of that ideal reality. In the modern

understanding, a strict division of the public and private is asserted and various phenomena that may conflict with that presumed division are termed a corruption. This difference between what should be and keeping things in their proper place is immensely significant. On the one hand we have a normative political project that posits what the good is and on this basis is able to establish what is corrupt or bad. On the other hand we have the desirable/undesirable distinction established in a more technocratic and underhanded way. The proper ordering of all things social is posited in the form of ontological assumptions regarding the public/private and phenomena that pose a challenge to this vision of how things are become branded as corrupt.

Since the modern concept of corruption does not function as an explicitly normative construct but rather as an articulation of categories of bourgeois political ontology, it has the effect of constituting and reaffirming the dominant public/private split through its application and subsequent categorization of phenomena as corrupt or uncorrupt, as pathological or normal. In so doing, the normative dimension of the modern concept of corruption becomes manifest precisely because of its way of categorizing social phenomena. By establishing the division between the normal and pathological in the public/private split, the modern understanding of political corruption is at once making a statement of fact and presenting us with the political goal of fully realizing the normal. As Georges Canguilhem (1991) notes in his discussion of the foundations of the concept of the normal:

> In the discussion of these meanings [of normal] it has been pointed out how ambiguous this term is since it designates at once a fact and "a value attributed to this fact by the person speaking, by virtue of an evaluative judgement for which he takes responsibility." One should also stress how this ambiguity is deepened by the realist philosophical tradition which holds that, as every generality is the sign of an essence, and every perfection the realization of the essence, a generality observable in fact takes the value of realized perfection, and a common characteristic, the value of an ideal type. (125)

In this way, the modern concept of corruption repeats the normative-political emphasis of the traditional understanding of political corruption but does so in an essentialist and apolitical manner. The confusion of the two concepts of political corruption thus appears to be, at least partly, a result of the similar normative function of situating what is politically desirable and what is not. But already built into the modern concept of corruption is an ahistorical and acritical understanding of political phenomena that takes the integrity of the public/private split at face value, as a quality immanent in all societies, as the normal. For this reason, it is rare

that the historical specificity and socially embedded quality of the concept of political corruption becomes visible to observers. Similarly, by conflating the two concepts of corruption, the reception of the modern concept of corruption reifies it back throughout history and gives the public/private split the appearance of the eternal.

Characteristically, most contemporary discussions of political corruption within political science occur within the subfield of comparative politics, not normative political theory. Under the guise of discussions on clientalism, patronage, totalitarianism, civil society, and so forth, comparative politics has spent much of its time demonstrating the normalcy of the United States and other advanced capitalist societies by demonstrating the pathologies of "less developed" nations.[10] In line with the comments by Canguilhem quoted above, an omnipresent assumption in this literature is that the public and private are essential attributes of human societies, that political development and advancement entail the realization of this fact and the formation of institutions, laws, and attitudes that end the systematic corruption prevalent in these underdeveloped societies. The following statement from Jacob von Klaveren (1989) is typical: "We know that the political systems of the so-called underdeveloped regions still remain in the stage of systematic corruption, and there are good reasons for this which we cannot go into here. For simplicity's sake, let us say that the Age of Enlightenment has not yet, in a relative sense, occurred there, which is not too surprising considering the low educational level" (557).[11] In a different context, even a political commentator as astute as Hannah Arendt argues that totalitarianism is characterized by the effacement of the public-private distinction (Arendt 1968). Totalitarianism, then, is a corruption of the separation of the public and private, a pathological negation of the separation of the public from the private, and it is certainly less desirable than the normal articulation of the public-private split in liberal societies. In this respect, Arendt is no more capable of going beyond the essentialist bourgeois conception of the public and private than are mainstream social scientists and their theories of modernization and development.

Rules of Separation: From Leviticus to Washington, D.C.

The categorizations of academics, however, are not the cause of the division between what is considered a normal and a pathological ordering of the public and private. The academic categories are no more than reflections of the categories and normative precepts prevalent in bourgeois societies themselves. What we must understand is how bourgeois societies

come to form and regulate their conception of normalcy regarding the public/private split.

As Canguilhem first argued in *The Normal and the Pathological* (1991), and as Michel Foucault demonstrated in his various histories of the practices of normalization (especially *Madness and Civilization*, 1965), the question is not simply how the normal is constituted but how the normal is constituted by way of the production of the pathological. The normal in the case of corruption, just as in the case of physiological diseases and mental disorders, is largely a negative category; normal is that which is not pathological. How do we know what is pathological? There are rules that inform us. The term normal derives from the Latin term *norma* (rule). The normal is that which conforms to the rule. Conforming to the rule when it comes to political corruption thus refers to *not* transgressing the rules that regulate the purity of the public and private. If breaking these rules is constitutive of the pathological, of corruption, then following the rules can be nothing but the normal, good, and desirable. If we are to understand how the normal is constituted, we must be able to identify those rules that define the pathological and upon whose presence the presumed purity of the public depends.

Conforming to the rule when it comes to political corruption thus refers to *not* transgressing the rules that regulate the purity of the public and private.

Mary Douglas's analysis of rules of separation is a useful point of departure for such an analysis. As noted above, Douglas argues that societies tend to declare "any object or idea likely to confuse cherished classifications" as impure/dirty/corrupt. These classifications, in turn, are dependent upon a conceptual edifice "whose key-stone, boundaries, margins and internal lines are held in relation by rituals of separation." Most interesting in terms of its implications toward the analytical task at hand is how Douglas applies these principles in her explanation of the various rules regarding clean and unclean food in Leviticus. Douglas attempts to solve what has long been considered a puzzle by biblical scholars, how to explain why some animals are considered unclean and others clean: "Why should the camel, the hare, and the rock badger be unclean? Why should some locusts, but not all, be unclean? Why should the frog be clean and the mouse and the hippopotamus unclean? What have chameleons, moles and crocodiles got in common that they should be listed together?" (42).[12]

As Douglas notes, there have tended to be two ways of addressing this problem. One approach has been to view these rules as arbitrary, irrational, and unexplainable, and the other has been to see them as largely serving educational and disciplinary functions, such as teaching self-discipline by selecting the most tasty and tempting of creatures as unclean or selecting those animals that were most likely to harm health and carry disease, or protecting Jewish culture from the encroachment of neighboring cultures (30–33, 44–50). Having identified the contradictions and

inconsistencies in these attempts to explain the rules, Douglas attempts a new explanation by treating these various rules as exactly what they purport to be, rules of separation. Douglas notes that the traditional idea of the holy was quite literal; it referred to wholeness, completeness, purity of form (51–53). Thus, for example, animals appropriate for sacrifice had to be complete and pure, free from physical imperfections and blemishes. Similarly, for wholeness and completeness to be realized, the organization of the world has to be kept pure. In accordance with this meaning of holy, we find injunctions against sowing the same field with more than one kind of seed, against plant and animal hybrids, against making cloth by combining two or more kinds of fibers, against bestiality, and so forth. To be heterodox and confusing is unholy; things should be kept in their proper order and not mixed.[13]

The categorizing of clean and unclean foods, then, has nothing to do with how appetizing, ugly, healthy, or sloppy the animals are, but, rather, how pure they are in terms of conforming to their classification. The animals that are true to life in the sky are birds; they have feathers and two feet and they fly. All birds that do not fly are unclean since they defy these principles, as do all things that fly but are not birds. The animals true to life in the water are fish with scales and fins; all creatures in the water that do not have these characteristics are unclean. Animals that roam the earth are four-footed and move by walking, jumping, or hopping. Animals that seem to have two feet and two hands, like crocodiles, mice, and weasels, are unclean. All creatures that swarm are unclean since that mode of propulsion is proper to neither sky, nor land, nor water. Thus, worms, snakes, and the like are unclean. Some kinds of locusts are clean because they hop; locusts that fly have an attribute that only birds can properly have. Proper mammals have cloven feet and chew the cud. Camels, pigs, badgers, and hares all lack one or both of these qualifications, and therefore are unclean. Members of the antelope family, sheep and goats, cows, and so on, do conform to these rules, and so they are clean (Douglas 1966, 56–58).

In this example Douglas provides us with an important illustration of the idea of cleanliness as keeping things in their proper place. Moreover, she gives us a model for interpreting other sets of rules of separation. The task of interpreting rules of separation in relation to political corruption seems somewhat different than interpreting Leviticus because we have already identified the basic idea behind the rules against political corruption, to keep private interests from contaminating the public good. So, while Douglas's interpretation of Leviticus is compelling in its elegance and ability to explain all the seemingly anomalous classifications of clean and unclean, it would apparently not be useful for examining rules

regarding political corruption. But this would be a false conclusion because we know only the general principle behind keeping the public/private divisions separate and clean. Why, for example, is it OK for a congressperson to go on a seven-day trip paid for by a lobbyist but not an eight-day trip? Why is clientalism corruption, but passing laws that benefit campaign supporters and contributors usually not? Why are staff members allowed to lobby the congressional representatives they have worked for after one year, as opposed to four or five years, or never, or right away? The reality is that, with one partial exception, there has never in the history of the modern state been a law against political corruption as such.[14] There are only laws against particular examples of what could be classified as political corruption: bribery, embezzlement, nepotism, and so forth. So, although there is no need to deduce the general principle regarding political corruption, there is a need to examine the rules designed to maintain the purity and separation of the public and private if we are to be able to deduce the ideas behind what bourgeois societies understand to be corruption and what they do not.

A partial list of ethics rules from the House of Representatives follows, as background for the subsequent discussion in this essay. The rules are divided according to the kind of activity they refer to, and the wording of each rule is exactly as it appears in a summary memo of ethics rules given to all members, officials, and employees of the House of Representatives (Committee on Standards of Official Conduct 2001).

> The House Gift Rule prohibits acceptance of any gift unless permitted by one of the exceptions stated in the rule. Gifts allowed by the exceptions include:
> —Any gift (other than cash or cash equivalent) valued at less than $50; however, the cumulative value of gifts that can be accepted from any one source in a calendar year is less than $100;
> —Gifts from relatives, and gifts from other Members or employees;
> —Gifts based on personal friendship (but a gift over $250 in value may not be accepted unless a written determination is obtained from Standards Committee);
> —Personal hospitality in a private home (except from a registered lobbyist);
> —Anything paid for by federal, state, or local government.
>
> Members and staff may never solicit a gift, or accept a gift, that is linked to any action that have taken or are being asked to take.
> Private payment of necessary food, transportation and lodging expenses may be accepted from a qualified private sponsor for travel to a meeting, speaking engagement, or fact-finding event in connection with official duties.
>
> Limit on number of days at the expense of the trip sponsor:
> —4 days, including travel time, for domestic travel.
> —7 days, excluding travel time, for foreign travel.

No use of congressional office resources (including equipment, supplies or files) for campaign purposes.

No solicitation of political contributions from or in any congressional office.

Don't accept any contribution that is linked to any official action, past or prospective.

No personal use or borrowing of campaign funds, and no use for official House purposes.

Avoid mixing of House and private resources.

Official position and confidential information may not be used for personal gain.

A Member must abstain from voting on a question only if the Member has a direct personal or pecuniary interest in the question.

Outside Earned Income Limit for Calendar Year 2001—$21,765.

For ONE YEAR after leaving office:
—A Member may not communicate with or appear before a Member, officer or employee of either House of Congress, or any Legislative Branch office, with intent to influence official action on behalf of anyone else.
—Very Senior Staff may not communicate with or appear before the individual's former employer or office with intent to influence official action on behalf of anyone else.

All the important components of the concept of corruption that I have identified and discussed are present in these rules. The two bodies principle is evident in the rules that distinguish between the person as a public servant and as a private citizen. Gifts from family, gifts from other members of Congress, gifts from close friends, and anything paid for by public funds are allowed (since in all these exchanges it is either a private-to-private or public-to-public relationship). Hospitality in a private home is allowed as long as that person is not a registered lobbyist (thus negating the distinction of a private home). Members must abstain from voting on and lobbying for issues in which they have private interests. Similarly, omnipresent in these rules is the general prohibition against mixing the public and private. All of the rules are manifestations of this principle; the suggestion that all House personnel "avoid mixing of House and private resources" seems clear enough. In this way, the main contours of these rules clearly conform to the dual conceptual principles of two bodies and corruption as a mixing of categories.

An interesting gray area is the position of the political candidate. Reelection campaigns of incumbent members of the House are clearly not on the public side of the equation; Congressional staff and resources are not to be used for campaign purposes. No campaign activity, including

soliciting contributions, is to take place in any congressional rooms or offices. Even informational mailings to constituents are not allowed within ninety days prior to a primary or general election since it would be impossible to distinguish between the member sending the mailing as a public servant or sending it as a candidate. Conversely, campaign contributions may not be used for public or private purposes. It would seem that candidates for office and campaign contributions are neither public nor private; they represent an interesting in-between situation, and a position that is inherently heterodox and "unclean" (perhaps equivalent to larvae that, as swarming creatures, are unclean but, once they transform into walking or hopping insects, become perfectly clean). It may be normal to be a private citizen, it may be normal to be a public servant, but to be a candidate is to be neither and, thus, the conceptual position of the candidate must be kept as separate as possible from the usual registers of public and private to avoid creating confusion.

It would seem that candidates for office and campaign contributions are neither public nor private; they represent an interesting in-between situation.

This interesting in-between case aside, the greatest challenge to interpreting these rules of separation is explaining, first, all the possible forms of corruption against which there are no rules and, second, all those rules that appear to be arbitrary or, at least, could easily be different and still conform to the general principles. For example, why should the limit for allowable gifts be set at $50 and not higher or lower? If the limit were $60, or $100, or $10, would it not still fulfill the same function and would not the principles behind the rule remain the same? Similarly, how can we interpret some of the more general and looser rules, such as the prohibition against using one's official position for personal gain?

If anything can be gleaned from Douglas's analysis of Leviticus it is that rules of separation are synonymous with the system of ideas; one constitutes the other. The system of ideas that underlie the rules is itself a product of the rules. There can be no classification of clean and unclean without the rules of separation and no rules without classifications. In this sense, the reason the gift limit is $50 is that there must be a limit, a rule of separation. This is not to say that the dollar amount is random or that it could be any amount and still retain its practical function. The first step in understanding this rule is understanding why there is a need to place a dollar amount as a limit in the first place. Because there is the $50 rule, not simply some general principle of public/private separation, we can now identify what conforms to the rule and what does not, we can now identify the normal and pathological in relation to accepting gifts. In the same way, the general decrees that public office cannot be used for private gain or that gifts and contributions can never be linked to actions that have been taken or that will be taken are utterly meaningless and have no significance. Why else would someone who is neither a relative

If former employees and advisors are to lobby for you on behalf of an interest group, they should at least wait a year; it looks better.

nor a friend give a gift to a member of the House or provide a campaign contribution if not as some form of support for an action that was taken or that he or she hopes will be taken? It is precisely because everyone knows this to be true that limits are established and the rules of separation are made specific.[15]

Examples of this principle appear throughout the rules. We know that everyone is potentially a lobbyist, so, in order to establish a clear distinction, the categorization *lobbyist* is made a technical term referring to those who are legally registered as such. We know that any number of actions while in office could result in private gain (indeed, untold numbers of corporations and law firms are willing to pay significant amounts of money to employ individuals once they leave office, purely on the basis of their having been in office), so we have a multitude of specific rules that tell us what constitutes private gain and what does not. We cannot know what political corruption is without recourse to these rules of separation.

That the limit to gifts should be $50, that privately sponsored travel has four- and seven-day limits, that additional earned income is limited to $21,765, all have another foundation as well. As has been noted, the dollar limit to gifts could have been set at $1,000 and the basic principle of there being a specific rule by which to determine what is normal and pathological would be sustained. However, it would be more difficult to demonstrate that a gift of that magnitude does not constitute a corruption of the public interest in the eyes of citizens. Obviously, the greater the value of a gift the less believable the assertion that the person receiving the gift was not influenced by it. It may be that the gift limit could be $100 or that the additional earned-income level could be $40,000 and the gift would be just as believable and efficient as the existing amounts; the point is that the specific limits in each rule correspond to basic parameters regarding how such actions are likely to be perceived. A principle that underpins much of the content of these rules is that public servants must not engage in behaviors that are too overt and obvious in their illustration of how the concrete private body of the public servant conflicts with the presumed purity and objectivity of their abstract public body. If former employees and advisors are to lobby for you on behalf of an interest group, they should at least wait a year; it looks better. If you do take a trip paid for by private money, don't let it go beyond four days; it doesn't look good. Maybe it is true that elected public servants will tend to act on behalf of important supporters and campaign contributors, but at least don't make it too obvious.

The investigation into the violation of many of the rules listed above by Representative "Bud" Shuster (R-Pa.) illustrates this principle. Shuster, chairman of the Transportation and Infrastructure Committee,

became the object of an official investigation by the Committee on Standards of Official Conduct (CSOC) largely as a result of Shuster's apparent collusion with his former chief of staff, Ann Eppard, who had worked for him for twenty-two years (Committee on Standards of Official Conduct 2000a). After resigning her post, Eppard established her own lobbying firm and lobbied Shuster on behalf of her clients during and after the twelve-month period following her resignation. As already noted, senior house staff are not allowed to lobby their former employers for twelve months following the end of their employment. The official report notes that this restriction, enacted in 1989, was intended "*to diminish any appearance that Government decisions might be affected by the improper use by an individual of his former senior position*" (CSOC 2000a, 8; italics in original).

Shuster and Eppard proved to be inept at keeping up appearances. Not only was Eppard the former chief of staff, she was also, while she was lobbying Shuster, the assistant treasurer for Shuster's reelection campaign and a significant fund-raiser (in itself, it is perfectly legal to be a lobbyist and a campaign officer or fund-raiser—it simply must not *appear* to be something that is done in exchange for some favor). Shortly after Eppard began to represent Frito-Lay and Federal Express, Shuster pushed through the Congress the granting of a waiver from many federal safety regulations for midsized delivery trucks (such as those used by both companies): "A quiet lobbying campaign aimed at the House Transportation Committee yielded in a few months what years of regulatory struggles had not" (CSOC 2000a, 79). After Eppard was hired by Amtrak, Shuster championed a bill that provided Amtrak with money and financial restructuring, exactly what Amtrak had hired Eppard to accomplish. After Eppard was hired by the Outdoor Advertising Association of America, Shuster argued on behalf of a bill allowing more billboards to be place along routes designated as scenic byways, and legislation was eventually passed (CSOC 2000a, 79–82). There are a great many additional potential rules infractions investigated by the CSOC, including a trip by Shuster to Puerto Rico paid for by one of Eppard's clients, frequent stays by Shuster at Eppard's home, and Shuster's frequent use of Eppard's car.

It should be noted that the CSOC found Shuster not guilty of any infractions in the three legislative cases noted above. Yet, he was found to have violated the letter of the law with regard to the twelve-month rule and gift rules, and was found guilty of bad campaign-finance accounting and a few other minor infractions. All the infractions boil down to the violation of one rule, literally rule number 1, clause I of the Code of Official Conduct, "a Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably

on the House of Representatives." What Shuster was ultimately found guilty of is not being a good enough actor when it comes to maintaining the illusion of the purity of the public good from private interests. The letter of reproval issued to Shuster by the CSOC reads like a mantra for clause I; it begins by noting that "by your actions you have brought discredit to the House of Representatives" and goes on to establish why each infraction constitutes a violation of clause I: "The first area of misconduct, constituting conduct that did not reflect creditably on the House of Representatives. . . . The third area of misconduct to which you admitted, and which constitutes conduct by you that did not reflect creditably on the House of Representatives. . . . The fifth area of misconduct to which you have admitted, and which constitutes conduct that did not reflect creditably on the House of Representatives" (CSOC 2000b). The letter concludes with the following statement: "In our free and democratic system of republican government, it is vital that citizens feel confidence in the integrity of the legislative institutions that make the laws that govern America. Ultimately, individual Members of Congress can undermine respect for the institutions of our government" (CSOC 2000b).

The purity of the public is specular and illusionary, a performative gesture, a product of a series of rules designed to cloak the fetishistic nature of the public/private split. In Leviticus, the division between the clean and the unclean was such that by following the rules of separation one could completely realize the conceptual goal of wholeness as it was understood at the time. In Washington, D.C., the fetishistic nature of the public makes it impossible to fully realize the separation of the public and private in terms of the actual content of politics. The legal fiction, as Kantorowicz terms it, of the abstract body of the public is materialized and regulated through the rules of separation in that what is kept pure is not politics itself but, rather, its categorizations and self-presentations. Given the impossibility of removing "private interests" from either the real bodies of public servants or from the actual substance of bourgeois politics, a series of rules and practices are instituted in order to purge the realm of appearances from acts that challenge the categorization of society as divided into two mutually exclusive registers, the public and the private. The success of these rules of separation thus relies upon two interrelated imperatives, to regulate and cloak or eliminate all those activities that are likely to be perceived by citizens as a presence of private regarding within the public body, and to structure the parameters and boundaries of what citizens are likely to perceive as corruption simply by serving as the point of reference for establishing what constitutes the normal and pathological in such matters.

There are a great many potential corruptions of the public by the pri-

vate that are not included in the rules discussed above, and this can only be interpreted as a sign that they fall within the "normal" side of the equation. It could easily be argued that members of the Congress are corrupt when they vote according to the private interests of constituents in their districts, or that a president is corrupt when he appoints his friends to public office, and so forth. We find nothing against these types of activities in the existing rules of separation, although in both cases it could be a violation of the rules if appearances are not maintained.[16] The pragmatic requisites of bourgeois politics necessitate that private interests be everywhere within the public but that everyone categorize these short-circuits as being normal and desirable.

In this respect, the rules of separation found in Leviticus and those found in Washington, D.C., are not based on some truth existing in nature or society but are attempts to formalize and ritualize the meanings and categorizations through which society maps its understandings and perceptions. The attempt to explain the rules of separation by reference to the "real" dirtiness imminent in the object or activity itself is thus necessarily bound to failure. Crabs and oysters are no more dirty, from the perspective of nutrition or biology, than are salmon and tuna. Clientalism is no more dirty from the perspective of the interests it articulates than are pluralist interest group arrangements. Again, to go back to Douglas, it is only in reference to the system of ideas that these rules make sense and their object is nothing more than the material constitution and reproduction of the system of ideas.

Cynicalism, Corporations, and Conflict: Tentative Conclusions

That political corruption as such has never been completely outlawed in modern societies thus makes perfect sense. The whole point of the discourse and practices surrounding corruption has been to make most cases of private regarding within the public acceptable and normal by identifying only some forms of private regarding as corrupt. The rules and rituals of separation that function to maintain the purity of the categories of public and private also support the contemporary legal fiction that public servants act not as concrete individuals but as articulations of the abstract body of the polity and, accordingly, are neutral, objective, and free from the passions and interests that may plague their private existence.[17] The pragmatic problem here is that everybody knows this to be a fiction. Everybody knows that Bush as public servant cannot be abstracted from Bush as private citizen, that his religious fundamentalism, corporate alliances, and personal affiliations directly impact his conduct as president.

Everybody knows that Bush as public servant cannot be abstracted from Bush as private citizen, that his religious fundamentalism, corporate alliances, and personal affiliations directly impact his conduct as president.

The logic operant here is one of cynicism; we know that the idea of a public that is free of private interests and passions is fictional, nonetheless, we demand that all involved act as if this were not the case. We demand that the illusion of a real and substantive public be maintained even though we may not fully believe it.

The question of corporate corruption is simply an extension of these principles. Rather than dealing with the eternal polity, we now deal with another abstract body, the corporation. The corporation never dies or suffers from the infirmities of old age and vice; it is a legal and fictional subject that we speak of as acting, even though we all know that it does not exist as a real body and that its actions are no more than the actions of individuals who happen to occupy positions within it. If the idea of corporate corruption has any precision, then, it alludes to the actions taken by individuals that go against the purity of this classification, for example, when individuals fail to maintain the fictional division between themselves as private, concrete, self-interested individuals and as public, corporate servants working on behalf of the shareholders/constituents of said corporation.[18]

The popularity of the anticorruption stance, whether it be applied to politics or corporations, is largely a product of the tension between what we know to be true and what we desire to be true. We all know that modern politics as well as economic life are about clashes of self-interests, about maximizing profits and utility, and that these arenas are rife with antagonisms and animosities. The problem is, the public/private divide has asserted that we, as members of the polity, are bound to each other by common interests, that through our abstract bodies as members of the body politic we lead an unalienated and harmonious existence with our fellow citizens. The tension between the nationalist fantasies that support this fiction of the polity unified through common interests and destinies and the reality of society is the common trauma that has led to projects across the political spectrum that seek to realize this harmonious unity of the polity. The only significant difference between them is what they understand the problem to be: greedy corporations, pathological individuals, government apparatuses run amuck, and so on. In all cases the implication is that there is a pathological presence in society; something is out of place.

The popularity of anticorruption discourse is also a testament to the success of the rituals and rules of separation in regard to the categories of public and private. Rather than reject the categories as bourgeois fantasies designed to support the fiction of the polity, the discontented seek to produce social change by way of and through these categories. As has been demonstrated here, even the academic literature on corruption has taken

the categories of public and private to be natural, essential, universal, indisputable, and inescapable. Thus, the question of corruption has remained largely a technocratic one, involving managing things properly so that everything stays where it should be; the state stays out of our private lives, corporations stay accountable to the public, Americans stay in their corner of the world, and so forth. What is always missing is the "ought" function, the positing of things in terms of what ought to be rather than in terms of keeping things in their proper place. The shift from the traditional to the modern notion of corruption has coincided with our relinquishing the question of ought to bourgeois political ontology. The radical position today is not to obsess over corporate corruption and remain trapped by the fallacy that if only some procedures were reformed and greed kept in check the public interest could be realized. The radical position today is to reject the categories of public and private as they are presently constituted and to expose all the questions that have been subsumed by the discourse on corruption. The task at hand today is to go beyond the moralistic, technocratic, and formalistic positions that the concept of corruption leads us to. The real problem is not that something is out of place; it is that there is no political process through which we can posit what we think the good society is, in order to know if we are moving in the proper direction or are in a state of *diaphthora*. Illusions of purity and the desire for order have replaced real politics; that is the problem.

Notes

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1. For a discussion of the various ways that political corruption has been defined, see Heidenheimer, Johnston, and LeVine (1989). They argue that there are three ways: "public office centered," as a deviation from the requisites of public office; "market centered," as rent-seeking activity by civil servants; and "public interest centered"' as action that does damage to the public interest. All three of these definitions contain the idea that the public is subverted by the private.

2. Aristotle sometimes identifies four types of constitution, including oligarchy in the list and replacing polity with democracy.

3. The standard definition of *diaphthora* can be found in the Liddle-Scott Greek-English lexicon, which is available online at www.perseus.tufts.edu.

4. Peter Euben (1989) has equated the term *stasis*, not *diaphthora*, with political corruption. Stasis refers to the destruction and fracturing of the political community, and thus can also easily be thought of as *diaphthora*. As with *diaphthora*, *stasis* does not imply any question of public-private transgression.

5. This brief discussion of the categories of public and private necessarily skips over many important questions and debates. A much more extended discussion of these points is needed to demonstrate the full import and causes of this rise of the public-private split. Toward this end, and in addition to Kantorowicz, Norbert Elias's *The Civilizing Process* (Malden, Mass.: Blackwell, 2000), particularly the discussions of how the king becomes transformed from a feudal lord into a public functionary, is a seminal text.

6. Marcel Mauss's *The Gift* (1990) is also relevant to this question. According to Mauss, "The very word 'interest' is itself recent, originally an accounting technique: the Latin word *interest* was written on account books against the sums of interest that had to be collected. In ancient systems of morality of the most epicurean kind it is the good and pleasurable that is sought after, and not material utility. The victory of rationalism and mercantilism was needed before the notions of profit and the individual, raised to the level of principles, were introduced. One can almost date—since Mandeville's *The Fable of the Bees*—the triumph of the notion of individual interest. Only with great difficulty and the use of periphrasis can these two words be translated into Latin, Greek, or Arabic" (76). See also Louis Dumont (1977) on the rise of these ideas.

7. The question of corruption is particularly confusing in the case of Machiavelli because already present in his work is the public-private split and the question of interests, as when he states, "So the senators sent two ambassadors to beg him to set aside private enmities, and in the public interest to make the nomination" (523). In this context, it is easy to accept Shumer's argument that the subversion of the public by the private is one dimension of corruption for Machiavelli. But, even if we accept this argument, Hirschman is still correct in his assessment, and the concept of corruption found in Machiavelli is still traditional because private interests in this context function as bribery did in the earlier example, as something that decreases virtue. Thus, private interests are bad in themselves, and corruption is not simply the improper presence of private interests within the public. For example, the idea Shumer puts forth that average citizens are corrupted by their privatization is completely unthinkable from the point of view of the modern understanding of corruption. It does not make sense in the modern context to say, for example, that voters are corrupt because they vote according to their private interests. In fact, it is never possible to say that private citizens are ever corrupt in the modern sense of the term (although they can certainly be corrupting, as when they tempt public officials with bribes and favors). This difference between the traditional and the modern understanding of corruption is further examined in the next section of this essay.

8. Given that the modern concept of corruption becomes thinkable at any point after the rise of the public-private split, it seems possible, in opposition to both Mauss and Hirschman, that the modern use of the term occurs well before either Mandeville (Mauss's argument—*The Fable of the Bees* was published in 1714 with the revealing subtitle *Private Vices, Publick Benefits*) or the late eighteenth/early nineteenth century (Hirschman's argument). For example, Francis Bacon was convicted of political corruption qua bribery in 1621. He famously con-

fessed, "I am guilty of corruption and do renounce all defense." Given the dominance of the two bodies doctrine in Elizabethan England and the relative novelty of convicting a judge for bribery (at that time, it was common for judges to receive gifts from winning parties), it seems likely that already with Bacon we have the use of the term of corruption in the modern sense. The important point here is that the rise of the modern concept of corruption should not be thought of as an event but, rather, as a process that begins with the rise of the two bodies doctrine and becomes fully realized by the time of the bourgeois revolutions of the eighteenth and nineteenth centuries.

9. Note the similarity of this understanding of corruption with the claim of bin Laden et al. that the presence of Westerners in the Middle East is a corruption of the sacred spaces of Islam. There is nothing bad or evil about Americans as such; the problem is that they are out of place. The same logic has been used by German fascists; the basic political problem here is that things are out of place, and the political project of Nazism is to return things to their "proper" order. The problem with regard to the Jews and Gypsies is that there is no "proper" space to return them to; thus they are always a corruption. The only "solution" is to eliminate them altogether.

10. In addition to nearly all the contributions in what is undoubtedly the best-known and most authoritative collection of readings on the subject, Heidenheimer, Johnston, and LeVine's *Political Corruption: A Handbook* (1989), there are hundreds of essays in this tradition to be found in the many mainstream journals that cater to area studies and comparative politics, particularly in reference to Asia, South America, Africa, and Eastern and Southern Europe.

11. Nearly all commentators on political corruption, including van Klavern, would readily admit that corruption occurs even in liberal capitalist societies. The main question is whether it exists as a transgression of accepted rules and institutional norms or whether is exists in a systemic way. Similarly, the question is often presented as one of frequency; corruption exists everywhere but there are pathological elements in underdeveloped societies that result in it being much more common there than in the developed world. Huntington (1989) says, "Corruption obviously exists in all societies, but it is also obviously more common in some societies than in others and more common at some times in the evolution of a society than at other times" (377).

12. Douglas, mistakenly, assumes that frogs are clean because they are not listed by name in the relevant sections of Leviticus. She explains the apparent anomaly of a lizard being clean as a result of frogs having four feet and jumping (as opposed to other lizards, which do not have four feet and swarm and creep). That frogs, despite their having four feet and hopping, are unclean can easily be explained by their amphibious nature.

13. The common dictum "cleanliness is next to godliness," apparently derived from an old Hebrew proverb, makes sense in this context.

14. The partial exception in some states within Australia (New South Wales, Queensland, and Western Australia). All three have recently passed laws against corruption that are very broad and general.

15. Obviously, this general prohibition against linking gifts to past or future actions simply requires that the exchange not be explicitly linked to actions; giving a gift or contribution is fine as long as it is not presented as an exchange for some action.

16. As with the savings and loan scandals of the late 1980s, it is almost always acceptable for members of Congress to lend support to business interests, but when it appears as being too much support, whatever that may be judged to be, it can be said to violate the rules of separation precisely because people judge it as too much, because it does not "reflect creditably" on the state apparatuses. When it comes to having supported savings and loans that failed and cost taxpayers billions of dollars, it appears that the threshold for what constitutes too much is lower than usual. In this respect, it may very well be the case that the only reason Shuster was investigated and reproved by the CSOC is because the *Journal of Commerce* published an article raising suspicions about Shuster's activities and because he was also the object of an investigation by the *60 Minutes* television program.

17. It should be noted that the two bodies doctrine not only establishes the modern split of the public and private but also makes possible the modern fiction of the corporation. This was recognized by Kantorowicz and he documents the rise of the legal fiction of the corporation (1957, 291–313). See also Stoljar 1973.

18. Of course there is much more going on when it comes to corporate corruption. Rules regarding accounting practices, stock trades, and the like are constantly being adjusted and fought over in the ever shifting demarcation of what constitutes a normal presence of private regarding in corporate life. Similarly, the normatively loaded term of corruption comes to stigmatize a whole ensemble of practices and moralizes these transgressions as the product of "evil" and "greedy" individuals.

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Enron and Failed Futures

POLICY AND CORPORATE GOVERNANCE IN THE WAKE OF ENRON'S COLLAPSE

David M. Brennan

Bankruptcies are a regular occurrence in capitalist economies, but the Enron bankruptcy was unique for a number of reasons. At the time it occurred, it was the largest bankruptcy in U.S. history.[1] Enron employees suffered staggering losses, as approximately 63 percent of their 401(k) assets were held in Enron stock.[2] Corporate officers, including Kenneth Lay, Jeffery Skilling, and Andrew Fastow, made substantial sums of money from both salaries and stock options, which suggests that their gain may have come at workers' and investors' expense. Few people had foreseen the demise; many stock analysts rated Enron as a buy up to a week prior to the collapse.[3] Enron had political ties with the White House. As a result of the Enron bankruptcy, the once well-respected accounting profession came under indictment for injudicious, if not iniquitous, practices, which have undermined investor confidence in all firms and threaten to drastically depress the entire equity market in the United States.

While the Enron case is in many ways unique, it reveals two ubiquitous, yet often underemphasized, aspects of modern capitalism in the United States. First, corporate losses (and profits) are socialized. Nearly every U.S. taxpayer, equity owner, or energy consumer will experience either direct or indirect repercussions from the collapse. Second, corporate decisions, which generate the social losses (and gains), are not democratized or subject to even minor stakeholder influence. Few people knew exactly what Enron's business was. Bethany McLean, a reporter for *Fortune*, asked months prior to the collapse, "How exactly does Enron make its money?"[4] The question is difficult to answer; the "details are hard to come by because Enron keeps many of its specifics confidential for what it terms 'competitive reasons.'"[5] Another analyst commented, "Enron is a big black box."[6] Hence, even Wall Street had very little information about Enron's actual business practices. However, Enron is not unique in this regard. The fact is that Enron, like most corporations, acted relatively autonomously by resisting transparency and stakeholder participation.

The asymmetry between socialized losses (and gains) and the unsocialized decision-making processes that contributed to them characterizes the environment in which Enron collapsed. In light of this much-politicized collapse, can we expect significant economic, social, and even class changes? This article examines a few of the frequently cited problems at

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Enron and the policy prescriptions promoted to address these problems. The article also explores the role of the corporate governance movement and its contradictory relationship to future Enron-like collapses. Emphasis is on theoretical insights into the class aspects of these problems that have failed to emerge from other recent analyses of the Enron collapse.

Political Connections and Reforms

The collapse of Enron became a story of national interest only after the political connections between the corporation and the current Bush administration were revealed. The two most important connections involved Enron's political contributions and the appointment of Enron-related persons to important federal and state positions. Enron's contributions to federal candidates and parties from 1989 to 2001 totaled $5,951,570, with 74 percent going to Republicans and the remaining 26 percent going to Democrats.[7] At the state level, in Texas, Enron contributed $227,075 to Governor Rick Perry, $193,000 to Attorney General John Cornyn, and $63,000 to State Comptroller Carole Keeton Rylaner.[8]

A number of individuals with ties to Enron were appointed to important government positions. Former Enron executive Max Yzaquirre became head of the Texas Public Utility Commission. At the federal level, Lawrence Lindsey, the first chief economic advisor to George W. Bush, is a former Enron advisor, and Timothy White, the first secretary of the army under Bush's administration (and a participant in the army's energy purchase decisions), is a former vice president of Enron Energy. Enron may have influenced the removal of Curtis Herbert Jr. as chairman of the Federal Energy Regulatory Commission, in favor of Pat Wood, a former chairman of the Public Utility Commission in Texas, who enthusiastically embraces energy deregulation.[9]

Given these connections, the obvious question is this: do political contributions purchase influence and damage the democratic process? Many members of Congress took this possible threat to democracy seriously enough to advocate stricter guidelines on political contributions. The McCain-Feingold Campaign Finance Reform Bill, which seeks to ban so-called soft-money contributions, has become law. But will this ban be effective in curbing the influence of corporations? Data from the Center for Responsive Politics indicate that 60 percent of all funds contributed by Enron to federal candidates and parties took the form of soft money.[10] Assuming the ban eliminated all corporate soft-money contributions, political contributions by corporations could be cut by 60 percent—

provided that Enron's percentage of soft money to other contributions is typical and that other contributions remained unchanged. If influence is simply proportional to expenditures, then the Campaign Finance Reform Bill could reduce corporate influence by 60 percent. However, a ban on soft-money contributions is likely to increase financial contributions from political action committees (PACs) and individuals. And corporations may support individuals or parties without actually making official contributions. To cite one infamous example, Enron hired Ralph Reed, former executive director of the Christian Coalition, as a consultant for a fee of between $10,000 and $20,000 a month.[11] Therefore, although bans on soft money are a good starting point for restricting the political influence of powerful corporations, it seems unlikely that the recently passed Campaign Finance Reform Bill will significantly alter the balance of power. Money will continue to flow to politicians who promote contributors' agendas.

Of course, the political connections are well documented and critiqued. However, there is a deeper issue not often raised: how was it decided that political contributions would constitute a valuable component of Enron's business strategy, and who was promoting that decision? One would expect that Enron's Kenneth Lay supported the political contributions, with the implicit, if not explicit, approval of the board of directors and perhaps a few other consultants.[12] But did Enron's investors think that money spent for federal political contributions and the hiring of Ralph Reed constituted a good "investment"? What were the returns from the political contributions? Shouldn't equity holders be informed on how these "political investments" performed in terms of how they garnered input into the U.S. National Energy Strategy or loan guarantees from the Overseas Private Investment Corporation? Unfortunately, Enron and other corporations do not file political capital statements that specifically weigh political contributions and the resulting benefits. Consequently, corporate boards of directors and CEOs are relatively free to support political agendas and parties without much stakeholder knowledge, oversight, or scrutiny.

Questionable Accounting and Reform

Another aspect of Enron's collapse involves the corporation's auditor, Arthur Andersen. Andersen's role in the collapse is complex and contradictory. It involves questionable accounting practices, a conflict of interest (as Andersen served as both auditor and consultant) and paper-shredding

On 16 October 2001, Enron reported a $544 million after-tax charge and a $1.2 billion reduction in shareholder equity, as a result of its dealings with an Enron-induced partnership.

allegations. Specifically, on 16 October 2001, Enron reported a $544 million after-tax charge and a $1.2 billion reduction in shareholder equity, as a result of its dealings with an Enron-induced partnership often referred to as LJM2. Spurred by the disclosure, the Securities and Exchange Commission (SEC) opened an inquiry into Enron's accounting and its use of various partnerships. Some of Enron's partnerships helped to reshuffle debt, bolster stated profits, and financially reward executives. In November 2001, under pressure from the SEC, Enron issued revised financial statements for 1997 to 2001. From 1997 to 2000, the restatements led to a combined (over the years) reduction of reported net income by $408 million, a combined reduction in shareholder equity of $2,113 million, and a combined increase in reported debt of $2,585 million.[13]

Andersen is omnipresent in these events. Andersen approved the representation of partnerships on Enron's initial financial statements. Hence, investors, creditors, and employees were unaware of the true financial condition of the firm. In fact, as of October 2001, eleven out of thirteen equity analysts from various firms who followed Enron were in favor of buying the stock.[14] Some Enron executives, however, were aware of the questionable accounting of the partnerships. Months before the bankruptcy, Sherron Watkins warned Kenneth Lay that she feared Enron would "implode in a wave of accounting scandals."[15]

The Enron accounting scandal has prompted an avalanche of reforms. The American Institute of Certified Public Accounts has proposed stricter guidelines to detect fraud that is aided by fictitious accounting entries. The CEOs from the big five accounting firms have made recommendations to the SEC "for improved disclosure guidance on related party transactions, special purpose entities (SPEs), and issues related to risks, including those related to energy contracts."[16] On 30 July 2002, the Sarbanes-Oxley Act was signed into law. The act touches on many different aspects of corporate reform, but its main intention is to produce more accurate and transparent financial disclosures. It also seeks to limit conflicts of interest, stipulating that a single accounting firm may no longer serve as both auditor and consultant for the same client.

What effect will these reforms have? Certainly, to the extent that reforms pertaining to financial reporting help to clarify the financial standing of corporations, investors and creditors will have better information on which to base their decisions. But since business practices advance more quickly than regulations, we must be aware that regulations will always lag, perhaps considerably, behind creative financing and accounting techniques. Furthermore, the ambiguities in accounting regulations always present a problem of "interpretation." For example, the Powers Commission was charged with investigating the suspect partnerships and answer-

ing questions involving the relationships between Enron, Andrew Fastow, and LJM1 and LJM2, in terms of the proper consolidation of these partnerships on Enron's financial statements; the commission replied that "we have reviewed these issues in detail, and have concluded that there are no clear answers under relevant accounting standards."[17]

As for eliminating the conflicts of interest inherent in performing both auditing and consulting services, there are two reasons to doubt that the new legislation will effectively curb future reporting problems. First, there are only four major public accounting firms. Because these firms work together to set the standards for auditors, all major accounting firms, for better or worse, function under the same set of explicit and implicit rules. This means that standards for accepting or rejecting an accounting entry will be, and have been, similar across different accounting firms. In fact, this standardization of accounting procedures is a precondition for investor confidence in financial statements. Thus, it is not clear that another accounting firm would have behaved differently if it had been in Andersen's position. Second, since accounting firms want to attract clients, it may be in their best interest to approve auditing or consulting decisions made by other accounting firms. Clearly, many conflicts remain.

The main problem for Enron did not reside in the accounting of the partnerships, however. The problem was that the partnerships existed in the first place. The statement by Joseph Berardino, the CEO for Andersen during the collapse, is largely correct: "This company [Enron] made bad business decisions. . . . They made investments that didn't pay off. At the end of the day we [Andersen] do not cause companies to fail."[18] It is important to recognize that the problematic partnerships with LJM1 and LJM2 were not kept a secret within Enron. Rather, they were explicitly approved by the board of directors, according to Enron's own investigation. Therefore, the board, which has the power and the mandate to direct the company, determined that these partnerships were in the best interest of Enron. The central issue is one of appalling and inexcusable decisions made by the board of directors in support of the partnerships. The subsequent mishandled accounting of the poor decisions was a secondary and a less egregious problem.

401(k) and Reform

Although there are scandalous political and accounting aspects of the Enron collapse, perhaps the most tragic element is the loss of approximately $1 billion worth of Enron employee savings. The 401(k) portfolios of Enron employees were not adequately diversified; in fact, 63 percent of

Enron workers' 401(k) assets were held in Enron stock.[19] The lack of diversification generally in employee 401(k) plans stems mainly from the strong loyalty of employees who tend to overinvest in their employer's stock to indicate their commitment to the firm.[20]

The personal stories of financial tragedy are well documented and have produced a wave of policy recommendations from across the political spectrum. Testifying before Congress, Teresa Ghilarducci, a leading academic who favors progressive pension policy, advanced the following recommendations for policy reform: (1) that pension fund administration be made more transparent and require that worker representatives be included on company pension boards; (2) that employees diversify their equity holdings and reduce the percentage of company stock held in employee retirement accounts; (3) that Congress investigate ways to reduce risks associated with defined-benefit plans; and (4) that lower-income workers receive increased opportunities to save for retirement.[21] President George W. Bush's proposal addressed the need to "1) provide workers greater freedom to diversify and manage their own retirement funds; 2) ensure that senior corporate executives are held to the same restrictions as average American workers during 'blackout periods' and that employers assume full fiduciary responsibility during these times; 3) give workers quarterly information about their investments and rights to diversify them; and 4) expand workers' access to investment advice."[22] Senators Jon Corzine (D-NJ) and Barbara Boxer (D-CA) have also suggested maximum limits on the amount of company stock that can be held in 401(k) plans.

If these measures had been implemented prior to the Enron collapse, the losses to employees would have been reduced. The 401(k) assets would have been better diversified, either because the employees had heeded good investment advice or because of limits on the number of Enron shares that could be held. And if rank-and-file workers had been part of the decision-making process concerning the administration of the pension fund, they would almost certainly not have chosen not to invoke a blackout period on 401(k) asset transfers when equity values were plummeting.

Nevertheless, while these proposals address the specific problems that the Enron employees faced, they do little to address the much larger issue of protecting investors generally. For example, even if Enron employees had held more diversified portfolios, Enron's share price still would have collapsed. The losses would not have fallen disproportionately on Enron employees but would be shared by outside (non–Enron employee) investors. The total loss to equity values, however, would have been the same. Therefore, these policies will not help equity investors as a group. Furthermore, employee representatives on Enron's pension board would have

been powerless to halt the falling equity values, as they would have had no authority over the corporate activities—such as the creation of the partnerships—that initially caused the equity values to fall.

In the end, the policies mentioned above to reduce corporate political power, improve accounting standards, and protect workers' 401(k) savings will make a positive difference. But the difference will be only minor, because the policies do not address the larger issue of corporate governance. What the challenges to democracy, the accounting errors, and the 401(k) devaluations have in common is that they resulted from poor decisions by Enron's board of directors. The overriding problem is a lack of responsible corporate governance, and the policies outlined above do not address the issue. Consequently, the real possibility of future Enron-like collapses remains.

Corporate Governance

Despite the relative neglect of corporate governance, the issue has not been completely ignored by reformers. Two of the most active proponents for change in corporate governance are the Council of Institutional Investors (CII) and the AFL-CIO. The Council of Institutional Investors began in 1985 as an organization of Taft-Hartley and corporate pension funds that "seeks to address investment issues that affect the size or security of plan assets. The organization's objectives are to encourage member funds, as major shareholders, to take an active role in protecting plan assets and to help members increase return on their investments as part of their fiduciary obligations."[23] One of the most public ways that the CII asserts its influence is by placing underperforming companies on its annual "Target List" in an effort to expose and shame poorly managed companies in an effort to evoke changes in these firms.

The CII believes in the power and usefulness of strong corporate governance, and it proposes a variety of measures to ensure that boards keep shareholder interests their primary concern. While the specific set of policies are wide ranging, the issue of conflicts of interest among the board members is the focus of much of the council's attention, and the advocacy of true director independence is one of the council's few core policies. At Enron, extensive personal, political, and financial relationships between the company and the individual directors may have led to the board's support of procedures and expenditures at shareholders' expense. The CII suggests that the SEC stiffen its definition of independent director to state that a director is one "whose directorship constitutes his or her only connection to the corporation."[24]

The lack of truly independent directors is also a central concern in the AFL-CIO's position on corporate governance. In congressional testimony, AFL-CIO secretary-treasurer Richard L. Trumka stated that the existence of less than truly independent directors was largely responsible for the lack of fiduciary diligence at Enron. According to Trumka's testimony,

> at Enron most of the Board was independent of the company according to the SEC's requirements. But look another layer deeper, as we did after the initial revelations, and you find the majority of the supposedly independent directors were dependent on Enron or its executives—dependent on them for political support, dependent on them for investment opportunities—and were ultimately unsuited to sit on the Audit Committee or the Compensation Committee. Some of these "independent" directors were actually investing in Enron-sponsored limited partnerships. Is it any wonder that when the crisis began and shareholders needed desperately to hear from outside directors, all they got was silence?[25]

After considering the conflicts of interest facing boards of directors, the AFL-CIO has made a series of recommendations for policy reform. The most important one, for the purposes of this discussion, is the following:

> Corporate directors must be truly independent of the CEO and corporate management they are overseeing, and boards of directors should be broadly representative and fully accountable. The practice of having Enron-style independent directors who are financially and personally dependent on company executives should end. Boards should be selected from a diverse pool of qualified candidates, not a narrow group of corporate insiders; workers' representation is appropriate for some corporate boards. Directors must provide the training, resources and independent staffing to understand their companies and business environments and carry out their responsibilities as directors. The SEC should undertake rulemaking to enact these principles for corporate governance, and Congress should mandate rulemaking if the SEC fails to take action to take the initiative to act.[26]

The CII and the AFL-CIO have clearly identified a major problem with modern corporations: they simply respond too rarely to the needs of stakeholders, since boards of directors tend to act autonomously for their own benefit or for the benefit of those of their choosing (i.e., CEOs, other executives, political candidates, etc.).[27] The policies from the CII and the AFL-CIO advocate placement of nonbiased directors on boards because such directors would presumably act consistently in the best interest of the corporation. These policies contain revolutionary potential because they challenge an existing set of capitalist class relations.

A useful approach to understanding the revolutionary potential within

the corporate governance movement comes from a Marxian class perspective. According to Steven Resnick and Richard Wolff, Marxian class processes can be defined in reference to the production, appropriation, distribution, and receipt of surplus value.[28] Given current capitalist class processes, capitalists are the appropriators of surplus value that is produced by productive labor. In U.S. corporations, the boards of directors are legally responsible for the appropriation and distribution of the corporate revenues that contain the surplus value, and thus they are the capitalists.[29] To the extent that the corporate governance movement attempts to influence who sits on the boards of directors, this movement literally challenges the authority of existing capitalists to have complete autonomy over the surplus. It was, after all, the control over the surplus that allowed Enron's board to make political contributions a vital business strategy, to hire Andersen as both auditor and consultant, to create debt-hiding partnerships at investors' expense, and to fund and manage 401(k) plans with questionable diligence to plan beneficiaries.

It was, after all, the control over the surplus that allowed Enron's board to make political contributions a vital business strategy, to hire Andersen as both auditor and consultant.

The issue of control over the surplus is immensely important here, as it specifies and concretizes the issue of exploitation, and clearly demonstrates how class processes contributed to the problems at Enron. The exploitative aspect of capitalism lies in its ability to exclude from the decisions concerning the surplus those who are most affected by the decisions.[30] In Enron's case, the decisions to financially support political candidates, to employ Andersen as both its auditor and its consultant, to arrange questionable partnerships, and to structure the 401(k) plan were all decisions concerning the distribution of appropriated surpluses that were approved by the board. From a class perspective, the injustice of the Enron case resides in the fact that employees, investors, creditors, the public, and the state were excluded from participation in decisions that eventually led to devastating losses of savings, destabilized equity markets, jarring job losses, and reduced federal and state tax revenues.

In light of this connection between issues of corporate governance, class, and exploitation, how should one interpret the policies from the CII, the AFL-CIO, and the larger corporate governance movement? Following the Enron collapse, there have been calls—sometimes tentative, sometimes more pronounced—for a more public, transparent, and inclusive governance structure of private capital. These calls penetrate beyond more urgent and obvious issues such as accounting and 401(k) reforms. The corporate governance movement questions the fundamental issues of how and for whom corporations are run. It challenges the boundaries of the public and private spheres. It potentially subverts the mantras of marketization, privatization, and trade liberalization. It discourages the kind of investor passivity that conditions corporate abuses.

That issue exposes CEOs such as Lucent's Pat Russo, whose total annual compensation is reportedly $38.2 million for 2002 while Lucent shareholders' return is –75.4 percent for that year.

Yet, despite the Enron collapse and a more active shareholder presence, few significant changes have been made. For example, in the period following the collapse of Enron, the public has become aware of questionable business practices at Adelphi, HealthSouth, ImClone, Tyco, and WorldCom, to name only a few. The 28 April 2003 issue of *Fortune* has on its cover a likeness of a CEO with a pig's head and a headline reading, "Oink! CEO Pay Is Still out of Control." One article in that issue exposes CEOs such as Lucent's Pat Russo, whose total annual compensation is reportedly $38.2 million for 2002 while Lucent shareholders' return is –75.4 percent for that year.[31] In another article in the same issue, the author states, "As I look around at the shenanigans still going on it almost feels as if Enron never happened. I'm not just talking about cases of outright fraud, as has been alleged at companies like Royal Ahold and HealthSouth. There continues to be a healthy dose of aggressive, often arrogant behavior, *à la* Enron, that is aimed at either silencing critics or making financial results look better than they are."[32] *Fortune*, to its credit, pulls no punches. The disturbing occurrences in the post-Enron-collapse environment suggest that reforms and the often heralded corporate governance movement have accomplished very little.

While the corporate governance movement potentially represents one of the most powerful challenges to corporate capitalist autonomy, it is plagued by an all-pervasive contradiction: the movement challenges capitalists' exclusive authority, but it remains firmly committed to capitalism. It suffers from the inability to envision any "other."[33] To appreciate this aspect of the corporate governance movement, reconsider the positions of the AFL-CIO and the CII:

- The calls for "independent" board members have more to do with substituting one capitalist for another than with substituting a more democratic economic system for capitalism.
- The AFL-CIO message on corporate governance lacks specific details that would indicate a genuine desire to change the status quo. For example, the statement does not clearly indicate how a board should be broadly representative or to whom a board should be fully accountable. Nor does the AFL-CIO's statement present criteria for determining when a worker's representative should be positioned on the board.
- The corporate governance movement does not focus on increasing economic participation as a means of promoting economic democracy for its own sake. Rather, the movement's challenges to excessive CEO compensation, classified (staggered) boards, nonindependent directors, the use of poison pills, and supermajority voting rules are motivated by a desire to increase equity values.

- Because of the focus on capital gains, the major participants in the corporate governance movement have a limited social agenda. For example, the CII explicitly states that "the Council does not address social issues. . . ."[34]
- Because of the lack of a social agenda and the myopic focus on shareholder equity, corporate governance movements generally fail to provide rigorous oversight when returns are high. In fact, CalPERS, a pension fund that is often considered a stalwart supporter of aggressive governance measures, was aware of potential problems at Enron, yet its response disappointed many social activists. One reason for CalPERS's reluctance to address Enron's problems was that the pension fund "had enjoyed great success with its Enron investments."[35]

Hence, the current corporate governance movement challenges the insulation of boards from shareholders; however, the underlying motivation is not a more participatory and less exploitative economy. The overwhelming purpose is to pressure boards to be better capitalists.[36] Measures such as stricter guidelines for independent directors, the elimination of classified boards, and the embarrassing lists of poorly performing companies are strategies directed at improving efficiency, profits, and shareholder returns.

Ironically, by stressing shareholder value, the corporate governance movement may be inadvertently encouraging firms to seek political influence, to use questionable accounting techniques, and to pressure employees to overinvest in company stock, in efforts to produce the high returns that shareholders—represented by organizations like the CII—demand. Enron met shareholder and institutional investor demands for high returns: "The company's total return to shareholders was 89 percent in 2000, compared with a negative 9 percent returned by the S&P 500. The 10-year return to Enron shareholders was 1,415 percent compared with 383 percent for the S&P 500."[37] Given the pressure for Enron to succeed, since many institutional investors were invested in Enron, it is not clear whether corporate governance movements were net contributors or inhibitors to Enron's collapse. More important, it is by no means clear what role the movement will serve in the future as it continues to demand high returns.

The Legislative Entrenchment of Boards of Directors

As the preceding analysis suggests, many of Enron's problems originate from the decisions sanctioned by the board of directors. Furthermore, while boards today generally face limited public pressure to serve stake-

holders better, little legislative force is directed at ensuring that boards act in accordance with investor, employee, or consumer desires. This is because boards are privileged with extensive powers and protections. It is important to realize the extent to which legislation firmly entrenches and empowers a corporate board of directors. For example, while boards of directors are often considered the agents of shareholders, under the law they are deemed otherwise. In fact, in many U.S. jurisdictions, "directors are not agents of the shareholders who elect them, but are *sui generis*. As persons in control of the property of others, directors are fiduciaries, with their duties running primarily to the corporation. Under the concession theory, directors' powers are derived from the state, not delegated by the shareholders. Most statutes vest in the board of directors the management of the corporation."[38] This understanding of corporate boards provides not only part of the extensive legal framework conditioning the existence of modern boards and corporations but also legal reinforcement of capitalism and the right of capitalists to exclude or exploit others. Boards of directors legally have autonomous control of the corporation and the capital of others. Their autonomy lies in their sui generis status, which designates them as something other than agents accountable to shareholders, as they are often mistakenly viewed as being.

Moreover, even though boards of directors are recognized as fiduciaries, their responsibility lies with the company, not with the shareholders or other stakeholders. Yet, the board is the personification of the legal entity known as the corporation. This implies that directors are predominantly accountable to themselves. Of course, directors have prudent criteria for assessing possible misconduct; this restricts autonomy, but it holds directors accountable only to standards set de facto by other directors. In their deliberations concerning the notorious LJM1 and LJM2 partnerships, Enron's board was well aware of their fiduciary responsibility to the corporation. According to the Powers Report, the board determined that the partnerships and Andrew Fastow's participation in them would not "adversely affect the interests of Enron."[39] In hindsight, the board was woefully incorrect. However, to the extent that the board considered only Enron's position and not the interests of workers, consumers, or even Enron shareholders, they did not fail in their duty as directors.

Another underappreciated aspect of the legal status of boards is that they, and not stockholders, are given the exclusive power and responsibility for managing the firm:

> In the exercise of their management functions, the directors, usually as a board, are required to use their best judgment and independent discretion, and are responsible for the determination and execution of corporate policy,

usually including (a) policy decisions with respect to products, services, prices, wages, labor relations; (b) selection, supervision, and removal of officers and possibly other executive personnel; (c) fixing of executive compensation, pension, retirement, etc. plans; (d) determination of dividends, financing, and capital changes; (e) delegation of authority for administrative and possibly other action; (f) possible adoption, amendment, and repeal of bylaws; (g) possible participation, along with shareholders, in approving various extraordinary corporate matters; and (h) supervision and vigilance for the welfare of the whole enterprise.[40]

The mention of shareholder participation in extraordinary corporate matters is noteworthy because the Securities and Exchange Commission expressly prohibits the inclusion of "ordinary business" issues in shareholder resolutions. This means that shareholder input is relegated to extraordinary business issues only. Hence, boards are legislatively well established in their right to control companies as they wish. Consequently, they are well protected in their right to appropriate, distribute, and receive the surplus without being burdened by participation of shareholders or other stakeholders.

Hence, the legislation that should be the subject of debate concerns the fundamental powers of boards of directors and their sui generis status. Legislative corrections to campaign finance, accounting, and 401(k) laws only address in an à la carte and incomplete fashion a few specific decisions of boards without challenging the fundamental aspects of corporate law that empower boards to exclusively make decisions that affect many stakeholders. Reasons for the neglect of this larger issue of board-level autonomy are many. However, the overriding impediment is that policies that truly change corporate governance by challenging the existing rules of inclusion and exclusion in decision making about corporate surpluses literally challenge the capitalist system and begin the process of creating noncapitalist alternatives. As the well-intentioned corporate governance movement does not see itself as embarking on such a revolutionary effort, it seeks changes in a system that it does not essentially seek to change. Therefore, we have additional regulations and huffing and puffing by shareholders, unions, and institutional investors, but little change. For the corporate governance movement to be effective, it must acknowledge that true stakeholder participation means undermining capitalist class exclusivity; the movement must envision noncapitalist class futures. Unfortunately, if the movement does not look at itself in this light, reforms of corporate governance will not be sufficient to limit future occurrences of Enron-like collapses.

Conclusion

An intriguing aspect of the Enron saga lies not in the corporation's illegal activities, but in its legal ones. The collapse was a byproduct of an extensive legal framework that enables and protects autonomous corporate activities while risking widespread economic destabilization with disastrous consequences for many. Although the dangers inherent in this legal framework are being increasingly recognized by reformers, the corrective measures proposed seem more concerned with treating consequences than with eliminating causes. The corporate governance movement and other progressive movements must appreciate that the complexities of corporate political influence, accounting regulations, and 401(k) administration obfuscate the deeper issue of capitalist class exploitation.

Class exploitation as theorized here is not just some all-encompassing concept used to capture Enron's or capitalism's malaise. Rather, capitalist exploitation concerns the specific process of exclusion whereby workers, investors, customers, and involved citizens are explicitly excluded from knowledge of or participation in decisions that have dramatic implications for their lives and communities, and the economy. Class serves as an appropriate theoretical lens through which to view the issues of corporate governance and stakeholder concerns, and class concerns should inform a host of policy proposals under such headings as pension reform, social security reform, union-investment strategies, economically targeted investments, socially responsible investment, and the socialization of investment. These discourses have been relatively silent on the issue of class, yet the success of the policies that these discourses propose are contingent, in part, on changes in the class conditions of exclusion. Fortunately, recent progressive investigations, such as Robin Blackburn's *Banking on Death*, are increasingly skeptical of superficial reforms. Blackburn writes in reference to pension reforms generally that "to the extent that socialized pension funds, or a regime of accumulation based on employees' funds, failed to go beyond 'ethical capitalism' to the suppression of the fundamental mechanism of capitalist competition, it [reform] would expose itself to subsequent social recidivism."[41] Similarly, Enron-inspired reforms that maintain the existing set of exclusionary class processes risk becoming ineffectual and irrelevant, as the post-Enron environment will be no different from that which preceded it.

Notes

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1. WorldCom, Inc., which filed for bankruptcy on 21 July 2002, eclipsed Enron as having the largest bankruptcy in the United States. Enron filed for bankruptcy on 2 December 2001.

2. Leigh Strope, "Debate over How to Protect 401(k)s," *Philadelphia Inquirer*, 29 November 2001.

3. See www.forbes.com/2001/11/29/1129topnews.html.

4. Bethany McLean, "Is Enron Overpriced?" *Fortune*, 5 March 2001, 123.

5. Ibid., 123.

6. Ibid., 124.

7. These data are presented by the Center for Responsive Politics and are based on information from the Federal Election Commission. See www.opensecrets.org/alerts/v6/enron_totals.asp.

8. Nate Blakeslee, "A Naked Emperor Disrobed; or, How Enron Did Texas," *Nation*, 4 March 2002, 15.

9. See the PBS interview with Pat Wood for more information on his views of energy markets at www.pbs.org/wgbh/pages/frontline/shows/blackout/interviews/wood.html.

10. See www.opensecrets.org/alerts/v6/enron_totals.asp.

11. See www.thenation.com/doc.mhtml?i=scheer&s=20020129.

12. It is important to keep in mind that not all the contributions linked to Enron were actually contributions from Enron's coffers. Some of the money was donated by individuals such as Kenneth Lay and Jeffery Skilling. However, it is reasonable to assume that they contributed to support Enron's activities.

13. W. C. Powers, R. S. Troubh, and H. S. Winokur, *Report of Investigation by the Special Investigative Committee of the Board of Directors of Enron Corp.*, 2002, 3.

14. See www.forbes.com/2001/11/29/1129topnews.html.

15. See www.forbes.com/2002/01/15/0115topnews.html.

16. See www.aicpa.org/news/2001/bigfive.htm.

17. W. C. Powers et al., *Report of Investigation*, 76.

18. See money.cnn.com/2002/02/05/ceos/berardino.

19. Strope, "Debate Over How to Protect 401(k)s."

20. U.S. House of Representatives, Committee on Education and the Workforce, *The Enron Collapse and its Implications for Worker Retirement Security Part II*, 107th Cong., 2d sess., 7 February 2002.

21. Ibid.

22. Taken from a presidential news release of 1 February 2002. See www.whitehouse.gov/news/releases/2002/02/20020201–7.html.

23. See www.cii.org/about.htm.

24. See www.cii.org/corp_governance.htm.

25. U.S. House of Representatives, Subcommittee on Capital Markets,

Insurance, and Government Sponsored Enterprises and Subcommittee on Oversight and Investigations, *The Enron Collapse: Impact on Investors and Financial Markets, Part I*, 107th Cong., 1st sess., 11 December 2001.

26. See www.aflcio.org/publ/estatements/feb2002/governance.htm.

27. A glaring example of this is soaring CEO compensation. The rate of compensation has become so excessive that William McDonough, president of the Federal Reserve Bank of New York, has commented, "I can find nothing in economic theory that justifies this development. . . . I am old enough to know both CEOs of 20 years ago and those of today. I can assure you that we CEOs of today are not 10 times better than those 20 years ago." Andrew Cassel, "This is the Fed speaking: CEOs are paid too much," *Philadelphia Inquirer*, 13 September 2002.

28. Stephen A. Resnick and Richard D. Wolff, *Knowledge and Class* (Chicago: University of Chicago Press, 1987), 117–24.

29. Ibid., 172.

30. For a detailed theoretical discussion of the connections among class, surplus, exploitation, and exclusion, see Steven Cullenberg, "Exploitation, Appropriation, and Exclusion," *Rethinking Marxism* 10 (1998): 66–75, and "Socialism's Burden: Toward a 'Thin' Definition of Socialism," *Rethinking Marxism* 5 (1992): 64–83.

31. Jerry Useem, "Have They No Shame?" *Fortune*, 28 April 2003, 58.

32. Herb Greenberg, "Enron Never Happened," *Fortune*, 28 April 2003, 128.

33. Of course this problem is not unique to the corporate governance movement. For a widespread appreciation of the problem, see J. K. Gibson-Graham, *The End of Capitalism (As We Knew It)* (Cambridge, England: Blackwell, 1996), 251–65.

34. See www.cii.org/about.htm.

35. Diana Henriques, "Enron's Many Strands: A Big Investor; Even a Watchdog Is Not Always Fully Awake," *New York Times*, 5 February 2002.

36. For a more detailed analysis of corporate governance and its relationship to class exploitation and possible class transformation, see David Brennan, "'Fiduciary Capitalism,' the 'Political Model of Corporate Governance,' and the Prospect of Pension Fund Socialism" (unpublished manuscript, 2002).

37. Enron, *Annual Report 2002*, 4.

38. Harry G. Henn, *Handbook of the Law of Corporations and Other Enterprises* (St. Paul, Minn.: West, 1970), 415.

39. W. C. Powers et al., *Report of Investigation*, 69.

40. Henn, *Handbook of the Law of Corporations*, 415.

41. Robin Blackburn, *Banking on Death; or, Investing in Life: The History and Future of Pensions* (London: Verso, 2002), 526.

Cloning Scapegoats

MARTHA STEWART DOES INSIDER TRADING

Nancy Shaw

Since the fall of the World Trade Center (WTC), the Bush administration has been preoccupied with restoring America's penetrated and violated homeland to its imagined position as a providentially inspired nation of unsurpassed might. A state of emergency has been declared in the name of the war on terror and fiscal crisis. These operations have been guided and justified by an apparently decisive, yet slippery moral code sharply delineating good and evil, the foreign and domestic, as well as danger and safety. Moreover, at any given moment, the perceived level of threat the providential homeland faces from evildoers, foreigners, aliens, and dissenters can be gleaned through a color-coded warning system. Within the current moral framework there is little room for nuance, analysis, or ambiguity. At the same time these Manichaean typologies are broad and vague enough to allow for a fluid and ever-shifting series of targets to be demonized or exonerated.

As demonstrated by the overabundance of evidence presented in the media, promises made in the name of domestic peace and security are managed through measures that more accurately perpetuate insecurity for all but a very few patriots. Through state-sanctioned measures like racial profiling, the withholding of civil liberties, the suspension of the rule of law, and the declaration of preemptive war, the alien and foreigner are hunted down. Coveted dimensions of democracy have been suspended under the auspices of protecting the sanctity and purity of the domestic, familiar, and like-minded. After a year and a half of such authoritarian measures being implemented with impunity, fear and insecurity have escalated with no end in sight—even on the sanctified home front.

Two recent events point to the state of insecurity and danger that is being propagated domestically. Since the summer of 2002, fear has been generated by the newly formed Department of Homeland Security, which, in the name of preempting terror, encouraged citizens to spy on their neighbors and colleagues and on strangers in order to report suspicious behavior, no matter how trivial. More recently, in its racialized assumption that evil and terror are rooted in Islam, the Bush administration deemed the Muslim holiday of hajj a period of heightened threat to homeland security. Code orange was declared, ranking the level of alert at its second-highest degree. American citizens were advised to buy emergency sta-

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While the biochemical attack has yet to occur, the stock price of duct-tape and plastic suppliers has skyrocketed.

ples, plastic sheeting, and duct tape for the purposes of sealing themselves in their homes and protecting against a biochemical weapons attack. While the biochemical attack has yet to occur, the stock price of duct-tape and plastic suppliers has skyrocketed.

These incidents suggest that an ever intrusive regime of discipline and punishment overshadows peace and democracy. One of the methods used to suspend many people in a state of insecurity has been scapegoating, which has failed to discriminate between high-profile enemies and ordinary citizens. For example, to link the war against Iraq to the events of September 11, White House officials claim that Saddam Hussein and Osama bin Laden are plotting together against the United States. This rationale, used to justify war in Iraq, is highly spurious, as it is well known that the secular Hussein and the religious bin Laden have little love for one another. Associating Hussein with the events of September 11 is just the latest in the Bush administration's ongoing attempt to fulfill its long-term obsession with deposing Saddam Hussein. On the other end of the spectrum, according to new immigration special-registration rules, any male age sixteen or older who was born in, or has a passport for, countries listed as perceived enemies of the United States must submit to being interviewed, photographed, and fingerprinted by immigration officials every year. These regulations have, and will, lead to questionable deportations and incarcerations of many innocent men. Making a public example of a broad array of people, ranging from ordinary American citizens to dissenters, undocumented workers, and refugees, as well as powerful and corrupt leaders, creates an atmosphere of fear-mongering and paranoia and leaves little room for trust and well-being to proliferate.

No doubt the Bush administration is overzealous in its instigation of antidemocratic measures both at home and abroad. Nevertheless, such activity is carried out in partial and inconsistent ways. Anyone who appears to be foreign or dissenting in religious commitment, skin color, language, dress, or opinion is perceived as a threat to national security and thereby treated as an enemy of the state. Such people are marked as enemies and victimizers because they are deemed as unfamiliar, different, and potentially treasonous.

Scapegoating in the Corporate Arena

Whereas the Bush administration's wide-sweeping, careless, and brutal treatment of those marked as strangers is a defining characteristic of the war on terror, scapegoating takes on a highly visible, yet less decisive trajectory in strategies aimed at rectifying fiscal emergency and corruption.

Like terrorism, fiscal emergency occurred prior to September 11, with the crash of dot-com stocks, and it was exacerbated by the events of September 11, through bankruptcies and layoffs in, for example, service industries like tourism and aviation. A state of full-fledged emergency was subsequently declared with the breaking of the accounting scandals that have led to the fall of Enron, Arthur Anderson, and telecommunication companies such as WorldCom. In the case of fiscal emergency, scapegoating has not involved making an example out of the alien through brutal punishments. Rather, discipline and punishment have predominantly taken the form of trial by media in which the once powerful are shamed and chastised for their deeds. Despite such measures, those held responsible for economic downturn have suffered relatively minor losses compared with those who are deemed enemies of the state and those whose savings, pensions, homes, jobs, and health have been sacrificed in risky financial transactions. Unlike those profiled as terrorist, scions of economic corruption are not considered to be enemies of the state.

Ironically, most of the measures now being deemed criminal were allowed to operate with little notice before September 11. For example, prior to the fall of the WTC, the now guilty parties, such as the energy giant Enron, the accounting legend Arthur Anderson, and telecommunication conglomerates like WorldCom and Adelphi, claimed to be exemplary players in the neoliberal marketplace.[1] Their wealth derived from windfall profits made from the privatization of public utilities like energy and communication. Moreover, these new-economy companies were unprecedented in their scale and organization. All of the corporations in question were transnational and publicly traded. Many of their profits were generated through complex contractual maneuvers, including mergers and acquisitions, as well as the buying and selling of abstract financial instruments and nonmaterial goods. Subjected to a complex array of regulations, these conglomerates traversed many economic sectors and political jurisdictions.

Unlike subjects designated as alien because they supposedly threaten national security, those implicated in economic corruption are not strangers. They descend from the ranks of the recently heroicized figures of the boom economy. The newly demonized CEO was a much celebrated and emulated dealmaker whose entrepreneurial strategies were considered to be both familiar and exemplary. No stranger to politics, Enron's CEO, Kenneth Lay, was not only a longtime friend of George W. Bush but was also a major financial backer of his presidential bid. As well, most politicians have close ties to powerful business interests. Many legislators are, or have been, corporate executives, board members, and stockowners. Their support of neoliberalism and deregulation is tantamount. Moreover, dur-

ing the economic boom of the 1990s even the regulators—accountants, lawyers, legislators, and stock market research analysts—subscribed to laissez-faire profiteering and public relations practices of neoliberalism, thus transforming themselves into the sales force rather than the watchdogs of capital.

Although reluctant to blame close cohorts in the corporate world, the government was forced by corruption, scandal, and rapidly failing economic prospects to undertake reforms to resurrect the bull market. Now, in this period of post–September 11 trauma and recovery, once celebrated CEOs are shamed for their greed. Dismissed as serial acquirers,[2] these risk-taking executives are regarded as compulsive, irresponsible, and without foresight. In comparison to the harsh measures taken toward those perceived to be perpetrators of terror, the measures directed toward those blamed for the failing economy appear to be decisive and damning, but hardly begin to address corporate corruption. In carefully orchestrated public relations sessions, Bush has condemned corrupt business practices while pledging to restore the American economy to its former glory through regulatory reforms to be carried out by the Securities and Exchange Commission (SEC). Regulatory reforms include, for instance, measures making CEOs responsible for the validity of their financial reporting and ensuring that brokerage firms maintain a strong separation between research and retail departments. But throughout the 1990s, the SEC, under the leadership of Harvey Pitt, operated as a loose and disorganized agency willing to overlook many questionable tactics in the name of promoting the bull market. Thus, Bush's charge to the SEC to institute regulatory reform carries the taint of scandal. Moreover, since Bush's post-Enron ultimatums, any reforms that have been initiated are limited in that they blame market failure on the actions of a corrupt and powerful few instead of investigating the system as a whole to discern how disparity, inequity, corruption, and exploitation have been encouraged and sanctioned.

Scapegoating since the fall of Enron has resulted mainly in show trials in which the media rather than the financial and legal sectors have acted as judge and jury. Over the past year, many a corporate executive has been portrayed as guilty in widely broadcast perp walks and governmental inquiries. More often than not, media reports are designed to imply guilt and corruption through the measurement of the values, lavishness, and extremes of greed in the accused's domestic lifestyles. Amid claims that everything has changed since the fall of the WTC, it seems that little is new; these moralizing reforms are geared toward restoring investor confidence in order to return to business as usual. In a so-called free-market economy this means making way for the accumulation of profit at any cost.

Martha Stewart and the Media

The case of Martha Stewart is instructive in examining the media coverage of corporate corruption and fiscal emergency. It lends insight into discursive regimes through which September 11 market failure is being assessed, as well as the moral codes and scapegoating techniques used to both condemn and exonerate powerful CEOs like Martha Stewart. For months investigators have been following an elusive paper trail trying to prove whether Stewart traded her shares of ImClone stock with insider knowledge that the U.S. Food and Drug Administration did not favorably review ImClone's new cancer drug. With zeal the media has divulged that Martha Stewart, the paragon of American domestic etiquette, has not been above partaking in questionable financial transactions. As a result of Stewart's high media profile, her case has quickly become one of the most scrutinized instances of bad corporate behavior, and the media has played a central role in questioning her credibility.

The search for evidence worthy of indicting Stewart has taken on melodramatic proportions. It has brought to light a world of celebrity traders and their clients who, while not above lying and pernicious behavior, appear to operate in a gray zone, executing transactions that are not fully acceptable, yet, until recently, were rarely considered to be criminal. Through embedding the investigation of Stewart's actions in tales of intrigue and scandal, the media has dramatized the abstract and complex world of financial transactions in the process of slipping from the heights of the celebrated and acceptable to the depths of egregiousness and demonized wrongdoing. The process of criminalizing questionable corporate behavior has resulted in tensions arising between Stewart and her investigators at the Justice Department, the SEC, and in Congress. These investigators have found it almost impossible to locate in the thousands of pages of sworn testimony, financial accounts, and personal records evidence that Stewart acted wittingly on insider information.

Even though Stewart has yet to be proven guilty of insider trading, her reputation has been damaged. As a result, she had to resign from the New York Stock Exchange Board of Governors. At the beginning of 2003, Chrysler canceled a lucrative advertising contract with her company and replaced Stewart with Celine Dion, citing that the songstress's celebrity image was more in line with the family-oriented market Chrysler was targeting.[3] Recently, Stewart told the *New Yorker* that she has lost an estimated $400 million dollars in stock value, business opportunities, and legal fees since she has been accused of insider trading.[4] Moreover, it has been reported that in the fourth quarter of 2003 Martha Stewart suffered a net loss of $1.4 million, which sharply contrasts with the $6.4 million

This effort has in part been motivated by the threat of class-action suits from shareholders who claim that the good standing of her character is connected to the value of her company.

profit she accrued in the final quarter of 2001.[5] Stewart has also suffered big losses in advertising revenue and has had to revamp Internet and catalog sales strategies because of slumping returns. Moreover, her merchandising agreements have been under threat because of Kmart's recent declaration of bankruptcy. Kmart is one of the most lucrative profit sources for Stewart. For example, her wares generated $1.5 billion of Kmart's $36 billion in sales last year. Of this $1.5 billion, Martha Stewart Living Omnimedia received $47.5 million.[6]

In dollar terms, Martha Stewart's alleged crime could be considered minor compared to the misdeeds of high flyers like CEOs Kenneth Lay and Bernard Ebbers. Stewart's alleged insider trading of ImClone stock amounted to $228,000, a mere pittance when compared to the value of her media empire, which is estimated to be in the hundreds of millions. Nevertheless, the consequences have been serious. Martha Stewart's share price has fallen from a high of $37 to a low of $5. On 25 July 2003 her stock was selling for $8.10 per share.[7]

Until recently, Stewart has refused to comment on her insider trading charges. Her decision to remain mum on the issue was made abundantly clear on that now notorious episode of the CBS News *Early Show* broadcast in June 2002. When asked about the charges, Stewart haughtily changed the subject by insisting that she was there to show viewers how to make salad and not to discuss her business dealings. She declared that her public presentations of domestic advice and ingenuity were strictly separate from her financial dealings, which were, as far as she was concerned, her private business. The salad-making episode was one of many attempts by Stewart to distance her celebrity image from her profit margins. This effort has in part been motivated by the threat of class-action suits from shareholders who claim that the good standing of her character is connected to the value of her company. To increase the distance between image and profit margins, Stewart has removed her name from her newest publication, *Everyday Living*, and has changed the name of her Web site from Martha Stewart Omnimedia to the acronym MSO. She has invited many a guest chef and local food expert to share cooking tips on her program, thus shifting the focus of her shows, which until early 2003 tended to feature all Martha, all the time.

Because her refusal to speak to the media has yet to shift the focus from her insider trading investigation, Stewart has been forced to modify her public relations strategy. In order to relate her side of the story, she solicited the *New Yorker* to publish a feature conveying her plight.[8] Taking the position of the underdog who is about to turn the tide of her fate, she claims that so much unwanted media attention has been unfair and dam-

aging. The loss she has suffered, she says, is incommensurate with the alleged crime. It appears that her strategy here is to gain exoneration without having to take the fatal step of admitting guilt, a change that will occur with no questions asked if she can turn her company around and make it once again profitable.

Many observers agree that the money Stewart made off her ImClone trade was minuscule. Yet, intrigue and scandal are bound to proliferate around even the mere hint that the matron of American domestic know-how has been associated with unbecoming behavior, such as jeopardizing her fortune by making risky trades yielding relatively minor returns. Moreover, the ridicule that Martha Stewart faces is not new. It has been evident in the humor and nay-saying that have always followed Stewart, even when her empire was at its most profitable. Some observers speculate that she has received so much media attention in this insider trading case because, as is clear in the humor that circulates on shows such as *Saturday Night Live* and *This Hour Has 22 Minutes,* her investment in perfection, while it is designed to situate her beyond repute, more often than not makes her a glaring target of criticism. In her performance of impeccable domestic comportment Stewart goes to great effort to eliminate all traces of physical imperfection, doubt, chaos, and labor. As Martha Stewart, then, she is able to sit in judgment, profiting from the fact that the how-to advice she prides herself on will be much sought after by people willing to pay to attain the state of being that she peddles. The humor that circulates around Stewart is anathema in light of her reserved and officious approach to her domestic chores and multimillion-dollar media empire. In short, because she peddles perfection, when she screws up she is all the more attractive as a target of ridicule.

Stewart's approach to citizenly perfection is most evident in the rhythms and composition of her television programs. On each episode of *From Martha's Kitchen*, for example, she makes meals and crafts with the utmost efficiency. Not a word more than is needed is spoken. Each step in the making of a recipe is thoroughly choreographed so that not a minute of valuable show time is wasted on labor-intensive chores like chopping vegetables, washing dishes, or waiting for ingredients to chill or cook. Like the economy of dialogue and labor, the camera work is edited into a series of shots that maintain Stewart's efficient tempo. Stewart's predominantly visual depiction of gourmet food preparation not only on television but also in her magazines and cookbooks disregards the politics and economies of food. In fact, the only reference to cost occurs when a luxury item that is difficult to obtain is discussed. Costs in terms of health, ecology, genetic alterations, diet fads, starvation, multinational monopo-

lies, and overconsumption are never discussed on her shows because food is regarded as a luxury rather than a basic necessity of survival that can determine the health and productivity of millions of people.

The measured tempo of Stewart's how-to advice is also evident in the organization of her multimedia platform designed to address as many different types of potential customers as possible.[9] Stewart's use of media is designed to inform patrons as well as market her brand-name merchandise. Through her Web page, magazines, television shows, radio programs, newspaper articles, and books, Stewart's program of self-help is bolstered with goods and services that can be obtained through on-line shopping, catalogs, department stores, and specialty shops. Her multimedia platform is addressed to women with differing incomes and at different life-stages, such as the bride, the unwed single, the newlywed, and the mother who can partake in a variety of activities such as home decoration and repair, cooking, entertaining, and gardening. To peddle her intellectual property and domestic wares, Stewart has shaped her Omnimedia platform to appeal to a broad cross-section of niche consumers.

Allegations of Stewart's recent bad behavior have fueled the ire of the Turkey Hill matron's most persistent critics. Some long-term critics speculate that because Stewart is a successful female media mogul she has been derided and dismissed by competitors who think that women have no place in business. They dismiss her, moreover, for allegedly displaying nonfeminine traits. She is characterized as ruthless and duplicitous because reportedly she is shrewd in her business dealings and lacks compassion in her interpersonal relationships.[10] From other perspectives she is dismissed because she promotes and profits from the much-devalued world of the domestic sphere. Many critics eschew her as antifeminist because in her promotion of all things domestic she creates an image of femininity that champions woman in the role of good wife and mother, measured according to the quality of her cooking and decor. One source has gone so far as to suggest that despite her questionable character Stewart continues to profit from her buying public. Because this public is supposedly comprised of women who are concerned only with homemaking tasks, they are stereotyped as being blindly loyal and oblivious to the world of politics and scandal. Nevertheless, many people who partake in Stewart's empire refuse to be labeled as antifeminist for watching her shows, reading her magazines, and purchasing her housewares.[11] Yet, even though Stewart is frequently ridiculed for the white upper-middle-class taste she promotes, her approach to media, marketing, and merchandising is ecumenical—it is designed to attract and sustain a loyal buying public from many walks of life.

Martha Fights Back

While Martha Stewart has received more than her fair share of damning publicity, she has not remained passive. Although she has apparently suffered a traumatic financial blow because her reputation has been under fire, her role in this is not that of the classically passive and feminized scapegoat. Central to her survival is how-to advice, which is designed to address many different audiences. How-to and self-help literature, Nikolas Rose argues, is crucial in the formation of the enterprising self—a form of citizenly conduct championed by neoliberalism.[12] Martha's how-to advice is of relevance in that it has contributed to the promotion of lavish lifestyles associated with the now discredited power elite of finance capital. More recently, her promotion of stay-at-home, do-it-yourself activities has gained relevance in relation to revised notions of neoliberal selfhood concerned with security, fiscal responsibility, and trustworthiness associated with modes of acquisition and behavior in post–September 11 marketplace recovery.

According to Nikolas Rose, neoliberal regimes champion self-sufficient and self-directed individuals. The enterprising self is supposedly adept at manipulating market forces toward profitable ends. Because this individual is assumed to be fully formed and self-sufficient, those who have yet to reach this stage of development are regarded as less than human and in need of reform. This free-market ideal of the autonomous citizen has been around since the beginning of modern capitalism. Its most current incarnation has emerged over the past thirty years in tandem with the project of dismantling the welfare state through the privatization of social, cultural, and educational institutions.

Neoliberal citizenship is usually fully realized only by those with the most agency and access to resources. Nevertheless, according to Rose, there are many who aspire to such agency. Because of the dismantling of state-sponsored institutions once responsible for providing the tools necessary for the formation of democratic citizenship, one of the most lucrative and rapidly developing sources for such knowledge are the fields of self-help and how-to literature. No doubt this contributed to the success of Martha Stewart's media empire prior to her insider trading scandal and was instrumental in the attempt to restore her profit margins to their pre–September 11 highs.

I would like to suggest, therefore, that although Stewart is being thoroughly scrutinized, her work remains potentially lucrative, taking on an added value in its appeal to post–September 11 ideals of good citizenship. Stewart's how-to approach to homelife has much to teach consumers

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about toning down their ambitions and adapting to new regimes attractive to the recovering citizen-survivor of fiscal emergency. These regimes promote frugality in the realm of consumption and turn the domestic sphere into the quintessential zone of security and comfort. Activities associated with home repair, renovation, thrift in spending, home cooking, handmade arts and crafts, traditional family values, and hearty comfort foods can be associated with the citizen-survivor. Post–September 11 citizen-survivors are characterized as appearing to be almost compulsive in their accountancy. They are the whistle-blowers who attend to every detail of the law and are committed to reporting anyone who does not.

The potential for self-improvement and the ability to move through the complex regimes of self-development associated with the enterprising self are offered in the media of self-improvement—a genre that promises stature to those who follow its advised routes to successful behavior. Martha Stewart's approach to developing character is through the acquisition and maintenance of consumer goods and property. In Stewart's strategy of offering accessible affluence, the world of food connotes having the spare time to do this labor-intensive work from scratch and in the complex ways that Stewart's guests—famous chefs—advise. Stewart's recipes are not about promoting the ritual aspects of eating through which relationships are formed and maintained at mealtime. Stewart presents her how-to advice with a confident air of efficiency and taste that accompanies upper-class expressions of affluence. Nevertheless, viewers are not excluded from this fantasy if they don't have the time or the money to do it the way Martha does. Stewart's audiences have abundant opportunities to participate in Martha's world at their own level and speed. They can do as little as consume images from an array of magazines and television programs or go to her on-line and print-based catalogs and purchase her dishes, towels, paint, textiles, furniture, bedding, hardware, ornaments, and recipes.

Martha Stewart has been able to manage the shifting demand on her company in this era of fiscal emergency because her personal history allows her to present herself as the quintessential enterprising citizen. According to her biographer, Stewart's story is the classic one of the self-made American.[13] Stewart is from a poor, dysfunctional New Jersey family and built her empire from scratch after being a model and a stockbroker. One could speculate that her experience of coming from the other side of the tracks has contributed to her savvy in marketing affluent tastes to her poorer brethren. Nevertheless, her approach to self-help is unlike that of more socially committed celebrities such as Oprah Winfrey.

Stewart's approach to her past is fantastical. She fondly recounts childhood experiences of food and family activities. She occasionally invites a family member, usually her mother, Martha Sr., to join her on screen,

where all painful references to the past are silenced. Stewart's warm domestic fantasies center on acquiring consumer goods that offer pleasure in the form of merchandise, recipes, and media representations. At Christmas 2002 she demonstrated how to make little trinkets and decorations. While the finished products were intended to be beautiful, most of these items would be difficult to make unless viewers were to purchase the proper material from one of Stewart's merchandising lines or were to hire the services of master craftspeople, such as the metal forger who made bell decorations in the hot furnaces of his metalwork shop. On another program, Stewart imparted her seasonal bliss through episodes that saw her recounting to her niece the best way to make Yuletide treats and reveling in the caroling performance of her nephew's choir from Yale.

This picture of upper-class revelry starkly contrasts with Oprah Winfrey's Christmas special. Winfrey, while equally invested in the world of merchandising and media consumption, plays the role of Good Samaritan to Stewart's rich Republican. Winfrey's Christmas special was a one-hour extravaganza of gift giving. To her most committed fans she gave away millions of dollars worth of her favorite things, which included a sampling of the latest luxury goods and services promoted in *O* magazine. In another demonstration of her generosity, earlier in the month Winfrey had given a party in South Africa cohosted by Nelson Mandela. After opening a new school for underprivileged girls funded through her philanthropy, she gave away millions of dollars in gifts to rural South Africans.

Besides shifting her focus from the ostentatious acquisition of wealth available to the high flyers of the pre–September 11 bull market to the frugal and cautious activities of the fiscal survivor, Martha has adjusted her televisual presence to reflect these supposedly more humbling times. Since the start of 2003, on some of her television programs she has given up center stage to her special guests. One of the most obvious examples of her public humbling occurred on an episode of *Martha Stewart's Kitchen* in which culinary legend Julia Child and her partner Jacques Pépin made chateaubriand. After giddily declaring that Julia had been her lifelong mentor, Martha threw her trademarked caution to the wind. She allowed Julia and Jacques to take over the show. It took them the full duration of the program to cook one dish. Clearly pleased with the stature of her guests, Stewart allowed them to cook in a chaotic, almost frenzied state. By the show's end, after the sauce had to be made twice, the dish was barely finished and Martha's kitchen was in uncharacteristic turmoil. One could construe that Stewart's deference in the face of disorganized and untimely kitchen behavior was designed to locate her as a respectful, yet more efficient and contemporary adviser in the world of American celebrity cookery that originated with Julia Child. Child's legacy derives from the fact

that she popularized sophisticated French cookery for America's middle classes. Her cookbook *The French Chef* (1961) and her PBS cooking show of the same name (launched in 1963) inaugurated Child as America's first celebrity chef.

As testimony to the impact of a cookery that introduced Americans to a rich and meaty cuisine à la Cold War, the Smithsonian's National Museum of American History recently acquired the contents of Child's Cambridge, Massachusetts, kitchen, and since August 2002 has had it on display in the museum's exhibit "Bon Appétit."[14] One of the most popular spots on the Washington Mall, the exhibit is a tribute to Child's legacy. In aligning herself with the Child lineage, Stewart could be seen as attempting to situate herself as an important purveyor of fine living and advice in order to put distance between her reputation and her financial dealings.

Julia Child's status as an American cultural icon in part has derived from her ability to make foreign and strange tastes palatable to the average American citizen. However, since this episode of *From Martha's Kitchen* was broadcast in January 2003, French cookery has suffered a damning blow. Because the French government has refused to support the United States war on Iraq, Americans have been shown on television pouring French wine in the gutter and renaming French fries "freedom fries" and French toast "freedom toast." Martha Stewart will have her work cut out for her if she is to exonerate French cuisine in the future.

While situating Martha Stewart as one of America's most famous advice mavens, I would like to suggest that Stewart's alleged misdeeds allow for an examination of how an icon of domesticity and accessible affluence can return her media and merchandizing empire to its former value while being demonized for insider trading. Unlike any victim or scapegoat, Martha Stewart appears to be doing what media moguls do best—turning the tide of public opinion in her favor for profitable returns. She has deployed a number of strategies that distance her brand-name goods and services from her celebrity status, including attempting to exonerate herself by countering moral condemnations and character assassinations in the tabloid news, where up-to-the-minute speculations are readily available on every detail of her business and personal dealings. Evidence gleaned from phone records, hearsay, sworn testimony, spreadsheets, and handwritten notes is filled with deflections and shows that the guilt or innocence of Martha Stewart is circumstantial. For example, while the scandal sheets and criminal investigators document in excessive detail the interconnectedness of Stewart's social and business worlds, they are unable to pinpoint any legally sanctioned proof that she is guilty of insider trading. They are faced with the almost impossible task of proving that if

indeed Martha had obtained insider knowledge about ImClone, she then traded her shares knowing that the information she was using was illegal. She might have done it. Should she have known otherwise? Was her deed any worse than the market could bear?

Scapegoating to Avoid Making Reforms

Despite the unlikelihood of being able to find evidence that proves beyond a doubt that Martha is guilty, there is a reported body of coincidence, nuance, and innuendo suggesting that she did trade on insider information. Nevertheless, the final decision as to Stewart's guilt or innocence will most certainly carry less consequence than the punishments of death and brutality being inflicted on those labeled as dangerous, foreign, and suspect. Trial by media for those deemed responsible for fiscal crisis amounts to an indictment of celebrity character in the name of rectifying corruption and domestic disruption so that the nation can make a miraculous return to the pre–September 11 boom economy.

This process conveniently permits attention to be distracted and deflected from taking more serious legal and fiscal measures to rectify corruption and mismanagement. In the case of the war in Iraq and the war on terror, moral condemnation operates with much greater consequence. Anyone considered as an alien or foreign threat to domestic security is severely punished—incarcerated, maimed, tortured, dehumanized, and even killed. Here, moral condemnation operates less as distraction and deflection than as a deadly form of justification for bolstering domestic security.

As part of its attempt to manage homeland security through the production of fear and blame, the Bush administration has all but obliterated critique and dissent. Mainstream media makers fear they will be banned from access to war-related news and big rating booms. As such, they engage in the management of fear through the attention-grabbing and highly dramatized production of scapegoats, victims, and victimizers. For instance, it is no coincidence that 17 March—the day that George Bush leveled his war ultimatum—was of great symbolic import for both Jewish and Irish peoples. This was a rare occasion when the Jewish holiday of Purim and the Irish holiday of St. Patrick's Day fell on the same date. All over Manhattan large contingents of Irish who comprise the bulk of the New York police and fire departments were spotted in dress uniforms celebrating at Irish bars. Alongside the celebrations of these recently heroicized September 11 safety and rescue teams were children's celebrations of Purim. All sorts of children were dressed up in costume going from one Purim party to the

next collecting their candied bounties in a carnivalesque celebration of the day the Jewish people escaped from their captor, the Persian Prince Haman. Declaring war on such a symbolic day was no doubt designed to stir up religious and nationalistic sentiments. Both holidays involve the liberation of religious martyrs and are held sacred by two powerful American constituencies often held up as examples of how America has welcomed refugees and immigrants fleeing oppressive conditions for a future of freedom and liberty. Bush's 17 March ultimatum intimated that the war on Iraq would likewise exonerate and liberate the victims of Saddam Hussein. In playing up the heroic and providential position of American forces, Bush left little room to question how obfuscation, moral condemnation, racial profiling, and religious zealotry work to proliferate scapegoats and victimizers in the geopolitical sphere. In the case of fiscal crisis, corruption and scandal serve to distract attention from making marketplace reforms aimed at creating more democratic and equitable distribution of resources. The goal of making a profit at all costs is paramount not only to Stewart, but also to the U.S. economy, where fiscal crisis has been offset by a boom in all things domestic including home ownership, repair, and renovation as well as inexpensive entertainments such as cooking, crafts, and media consumption. This wartime economy is entering into a fragile predicament, given that the Federal Housing Administration has forecast a record number of mortgage foreclosures for 2003.

The production of blame and scapegoating is central to the plight of Martha Stewart. As with the war on terror, there is no end in sight for Stewart. In this process of scapegoating there is the proliferation of one variation on another. Yet, a slippage occurs in this process designed to assure citizens that the corrupt will be punished and there will be a return to financial security. In this contradictory maneuver, fiscal crisis is never rectified. While scapegoating and blame are brutally applied to secure closure and containment in the arena of terror, in the theatre of fiscal transactions, discipline and punishment are inconclusive. In this process an overriding contradiction takes shape. Fiscal emergency, although evident before September 11, is treated as if it was instigated by the fall of the WTC. This assertion allows for economic downturn and threat of terror to be considered together. In attributing blame to terror the Bush administration can then decisively punish to promote the appearance of resolving and containing state emergency. This conveniently allows the Bush government, which is easily implicated in the production of long-term fiscal crisis, to avoid taking any action in the economic sphere that would jeopardize its credibility.

Every day more evidence is marshaled to claim that Bush's America is democratic, freedom loving, and liberated from undue strife and violence.

As the evidence mounts, so too does a looming sense of doubt about the viability of the government's strategy to picture itself as the beacon in a world of darkness and evil. Inherent in the effort to contain threat and justify the force required to do so is the necessity of painting a picture of an enemy so threatening and fearsome that the utmost force must be deployed to obliterate it. This leads to the disjunctive and asymmetrical production of characters partaking in scandal and wrongdoing who are blamed, targeted, and scapegoated as the all-threatening enemy. A contradiction emerges in which blame is produced and perpetuates the very evil and corrupt actions it purports to preempt. In this way security breeds instability, sanctity is wrought through fear, and law is bolstered through corruption.

Epilogue: Who Is Lying?

Since federal prosecutors have been unable to prove that Martha Stewart is guilty of insider trading, in early June 2003 they charged her with conspiracy, obstruction of justice, making false statements, and securities fraud. The pundits claim that prosecutors have accused Martha of lying about a crime they cannot prove she committed. Such charges are in part designed to make an example out of a celebrity's small infractions, comprising widely accepted business practices trumped up into allegations of wrongdoing and manipulation.

Martha Stewart will not stand trial until January 2004. Nevertheless, she is not waiting until then to tell her side of the story. Her strategies range from donning the garb of innocence (to her court date, she wore a beige suit accessorized with a matching umbrella in order to lighten her demeanor) to stepping down as CEO of Martha Stewart Omnimedia. She has countered allegations against her by publishing letters to her customers and stockholders in *USA Today* and on her new Web site, www.marthatalks.com.[15] In many respects this is a case of celebrity justice designed to bolster the reputation of the prosecution, who at the same time claim they are trying to extend the limits of securities law. The charges are based on a relatively commonplace act: lying. Although the deed is minor, the allegations are damaging, fostering mistrust and moral condemnation, which devastate profit margins.

Another case of lying shadows the Martha Stewart debacle. In George W. Bush's preemptive war on Iraq, there is much evidence suggesting that the case for war has been based on questionable information. Claiming that Iraq had hidden nuclear and biological weapons, Bush legitimized his war without the sanction of the United Nations and without the sup-

port of several former allies. Officials have yet to find any weapons of mass destruction—biological or nuclear—harbored in Iraq. Here, the act of lying constitutes a deed of enormous consequence. While political efforts are made to trivialize this oversight, in contrast, Martha Stewart's case is being aggrandized.

Nevertheless, attempts at deflection and blame are hard to conceal, given the extent of destruction and death being leveled at Iraqi citizens. Publishing graphic death photos of Saddam Hussein's assassinated sons to prove that the Bush administration has done the world a great favor by killing them is but one example. As President Bush's word is now being questioned by the U.S. mainstream press, serious consequences have been deferred from the president and his partner in the war, British prime minister Tony Blair. Many sources have been blamed with supplying Bush with misinformation supporting the case for preemptive war. This includes CIA director George Tenet, a Niger diplomat, and British arms expert David Kelly, who recently committed suicide after being implicated in criticizing the criteria used to justify war.

This arbitrary rendering of justice and fair play is mirrored in the fate of Guantanamo Bay prisoners, many of whom have been held in solitary confinement since the war in Afghanistan began two years ago. These prisoners have been detained indefinitely without recourse to rule of law and without enforceable rights, because they have been deemed enemy combatants located on land leased by the American military in Cuba and therefore outside any legal jurisdictions.

Notes

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1. Nomi Prins, "The Telecoms Disaster," *Left Business Observer* 101 (July 2002); "Collapsing Models [1]: Enron," *Left Business Observer* 99 (February 2002).

2. Jeffrey Sonnenfeld, "Expanding without Managing," *New York Times*, 12 June 2002.

3. Constance L. Hays, "Chrysler Is Canceling Stewart Ads," *New York Times*, 7 January 2003.

4. Jeffrey Toobin, "Lunch at Martha's," *New Yorker*, 2 February 2003, 38.

5. Constance L. Hays, "Martha Stewart Company Posts First Loss and Blames Inquiry," *New York Times*, 5 March 2003.

6. Constance L. Hays, "Troubles Aside, Martha Stewart Adds to Empire," *New York Times*, 4 January 2003.

7. Toobin, "Lunch at Martha's" 38.

8. Toobin, "Lunch at Martha's" 38.

9. See www.marthastewart.com.

10. Christopher Byron, *Martha, Inc.: The Incredible Story of Martha Stewart Living Omnimedia* (New York: Wiley, 2002).

11. Ann Mason and Marian Meyers, "Living with Martha Stewart Media: Chosen Domesticity in the Experience of Fans," *Journal of Communication* (December 2001), 801–24.

12. Nikolas Rose, *Governing the Soul: The Shaping of the Private Self* (New York: Routledge, 1990). See also Toby Miller, *The Well-Tempered Self: Citizenship, Culture, and the Postmodern Self* (Baltimore, Md.: Johns Hopkins University Press, 1993).

13. Byron, *Martha, Inc.*

14. See the Web site for this exhibit at www.americanhistory.si.edu/kitchen/index.htm.

15. In Canada Stewart has decided not to distance her image from her business dealings. Beginning September 2003, Sears Canada signed a multiyear contract to sell and promote a line of merchandise specially designed for Canadians. Accompanying this new deal is an abundance of publicity with Stewart's name and picture prominently featured. According to Sears's marketing research, Canadian consumers are less concerned with Stewarts's legal wranglings than their American counterparts. Nevertheless, in several news reports, Stewart has had to repeatedly tell journalists that she will not answer questions concerning insider trading. Although she visited Canada in 2002, when asked about her experiences there, she said she once had a nice time at Crystal Lake, only to recall that it wasn't in Canada. A few days after her press junket was underway, she commented that she liked Canadians because they are friendly and accommodating. Her new line of specially designed Martha Stewart Living merchandise is decidedly floral and fits for a country cottage perhaps recalling Victorian times.

"I Don't Like to Dream about Getting Paid"

REPRESENTATIONS OF SOCIAL MOBILITY AND THE EMERGENCE OF THE HIP-HOP MOGUL

Christopher Holmes Smith

During the Clinton 1990s—a time not so long ago when the social consensus rendered "the ballot box and the box office [as] one"[1]—the ensemble of aspirations and practices that constitute hip-hop culture became accepted as common-sense elements of the American experience. In this article, I describe this process of incorporation by paying attention to a figure who proved catalytic to this cultural movement, the "hip-hop mogul." On the one hand, the hip-hop mogul bears the stamp of American tradition, since the figure is typically male, entrepreneurial, and prestigious both in cultural influence and personal wealth. The hip-hop mogul is an icon, therefore, of mainstream power and consequently occupies a position of inclusion within many of the nation's elite social networks and cosmopolitan cultural formations. On the other hand, the hip-hop mogul symbolizes something new about traditional American corporate culture since he is also typically young (under the age of 50), typically African American, and typically tethered either literally or symbolically to America's disenfranchised inner cities. He is, therefore, worthy of further critical scrutiny because he crystallizes and makes visible a variety of social tensions that are otherwise so widely scattered across disparate social knowledge formations as to go either unnoticed or unmentioned. Young black and Latino entertainers and entrepreneurs like Sean "P-Diddy" Combs, Russell Simmons, Percy "Master P" Miller, Jennifer Lopez, and Damon Dash thus bring together, at a point of prominent visibility and maximum volatility, an expansive constellation of discursive formations and the requisite ideological tensions that inhere within them, whether they concern social identity politics or issues of equal opportunity and social mobility.

Politically, the hip-hop mogul becomes a charged figure precisely because of his ability to appeal to the varied sensibilities of apparently dis-associated public spheres. In this respect, the emergence of the hip-hop mogul in contemporary American culture over roughly the past decade, and his ascension to the uppermost layers of the nation's celebrity classes during that span, also raises the issue of "representation" both in a semiotic sense—as may regard the codes and symbols through which these figures generate social recognition—and in terms of an ethical responsibility to serve as stewards for the thoughtful composition of these codes as

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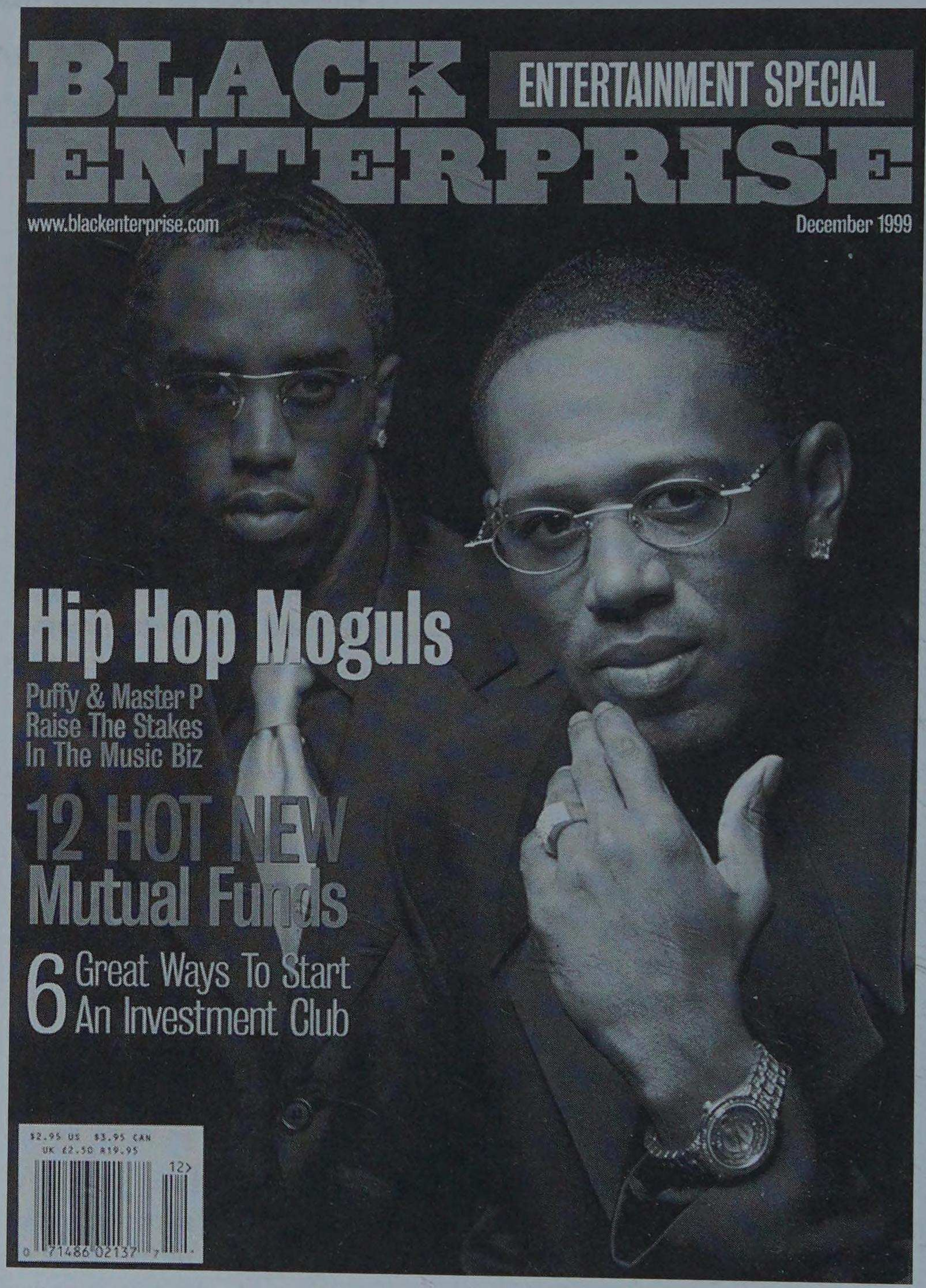


Sean Combs and Percy Miller herald the millennial emergence of the "Hip Hop Moguls." Cover photograph copyright *Black Enterprise* magazine, December 1999, reprinted with permission

they may "stand in for" the desires and values of those individuals who are not eligible to occupy similar positions of mass mediation and discursive credibility.

The axis around which this representational dilemma revolves is the mogul's glamorous lifestyle, which serves as a symbolic proxy for the more mundane strivings of those with whom the mogul shares an apparent racial or ethnic affiliation. The hip-hop mogul is not intelligible without credible accounts of the lavish manner in which he leads his life, nor is he intelligible unless his largesse connotes not only his personal agency but also a structural condition that squelches the potential agency of so many others. What makes the hip-hop mogul significant is the degree to which his celebrity alleviates the tension within this symbolic relationship by appealing to the power of socially competitive consumption as a viable mode of civic participation and personal fulfillment. Indeed, I will argue that the hip-hop mogul's rise to social and cultural prominence is symptomatic of a new paradigm in the nation's long-standing consumptive ethos,[2] one in which average people engage in a push for what commentators have dubbed the distinction of "mass prestige," a phenomenon whereby "America's middle-market consumers . . . [trade] up to higher levels of quality and taste . . . while feeding their aspirations for a better life."[3] In short, the mogul inspires his more downtrodden constituents to "buy in" to the emerging paradigm of accessible luxury and social status and in the process assumes an influential role as social mediator. Thus, the hip-hop mogul exemplifies the changing dimensions of African American political platforms for those generations born after the civil rights movement, particularly the changing regard for the residual modern social ideal of an aspiring "mass" social formation as a meaningful referent and basis for an activist-oriented black public sphere. Similarly, the emergence of the hip-hop mogul as a visual signifier for the "good life" identifies growth-mediated forms of social uplift as rapidly normalizing black political discourses, as opposed to the support-led communal development blueprints from the civil rights era. What remains unclear is the relationship between the hip-hop mogul's ability to represent opulence and aspiration and the mogul's ability to signify and enable enhanced modes of development and freedom for communities wherein such enhancements would mean quite a lot.[4]

Taking an ethical approach, I will identify and examine the primary discursive frameworks through which the hip-hop mogul achieves relative social intelligibility and will subsequently interrogate the extent to which, and with what effects, his upward mobility becomes emblematic of the aspirations of a largely disenfranchised constituency. To what extent do hip-hop's captains of industry capitalize upon those pent-up ambitions

and how did this paradoxical form of social, cultural, and economic currency achieve such a profound level of liquidity during the 1990s bull market? Finally, and perhaps most importantly, what explains the longevity of the mogul's mainstream circulation as an index of prosperity long after other symbolic elements of the 1990s growth cycle have either dissolved or been discredited?

Theoretical and Historical Contexts for the Hip-hop Mogul's Emergence and Incorporation

To the best of my knowledge, the hip-hop mogul reached a critical mass of public recognition and acclaim in 1999, at the peak of the record-breaking "long boom" in U.S. economic expansion. Curiously, while other prominent figures of the period—from the celebrity CEO, celebrity publicist, celebrity magazine publisher, celebrity financial news anchor, celebrity equity analyst, and even the celebrity president—have been brought low by impeachment, corporate scandal, bear market, technological change, and post–September 11 geopolitical uncertainty, the hip-hop mogul's efficacy as a symbol for a bygone golden age persists. Rather than utilize the hip-hop mogul as a point of departure for an empirical investigation of the likelihood of future capital investment and productivity gains, I would like to suggest that he is exemplary of a dominant cultural logic that seems more durable than any particular business or investment cycle, and symptomatic of a cultural propensity that strives for a synergistic balance between systemic efficiency and productively disruptive narratives of cultural irreverence. Indeed, in this era of late capitalism and American empire, novel conditions for social identity formation and knowledge production have evolved whereby the mutually exclusive polarities of individual and systemic truth claims merge at the level of commercial necessity, if not at the level of ideological intention.

Jean-François Lyotard has been one of the more prescient and lucid of the scholars who have focused on the links within postmodern times between narratives of liberation and narratives of productivity, and his thoughts on the "performative" aspect of the relationship deserve special mention at this stage of my discussion. In *The Postmodern Condition*, Lyotard notes that the dominant power apparatus's need for synergy between the networks of regulation and social agency complicates the exertion of its influence over the social body's widely scattered knowledge formations. Lyotard describes this crisis of knowledge as a residual analytical binary between scientific knowledge, which he calls "speculative," and narrative knowledge, which he refers to as "emancipatory." In

the face of a profusion of different "language games," or local accounts of "the real," scientific knowledge offers a totalizing narrative that operates on the basis of selective assessment and exclusion, in a manner analogous to what Foucault has called a "regime of truth." Therefore, the narrative of speculation is generated by entities that Lyotard calls "decision makers," who have a pedagogical and somewhat magisterial relationship to the people. Since the various communities within the social field do not play the knowledge games of the broader culture according to any shared set of rules, interactions between these localities are not stable, or even necessarily tenable. Undaunted, the decision makers scan the dissensual field in order to grant the clamor a measure of utility.

Lyotard insists that this selection process is a hallmark of post-Enlightenment society's most pernicious form of hyperrationality and a subtle form of authoritarianism. Within this matrix of officialdom, the people go against the grain to generate narratives of liberation in a quest for self-legitimation. These narratives call for "inclusion," whereby local knowledge is employed by the people in the name of their full participation in the social order. Unfortunately, Lyotard says, these narratives reify rather than dismantle the elitist structure of which the people are so justifiably skeptical.

It is at this juncture, I contend, that Lyotard suggests how the body politic's irreverent narratives of freedom might be said to contribute to the dominant discourses that cohere into something called a "New Economy." Lyotard argues, for instance, that the people's narrative of neomastery and their rhetoric of emancipation eventually lead to the predominance of what he calls "performativity," or an "optimization of the global relationship between input and output." Eventually, in other words, the dominant hegemonic order learns how to absorb certain aspects of cultural resistance into its own mandate for self-preservation. With regard to social agency, Lyotard insists:

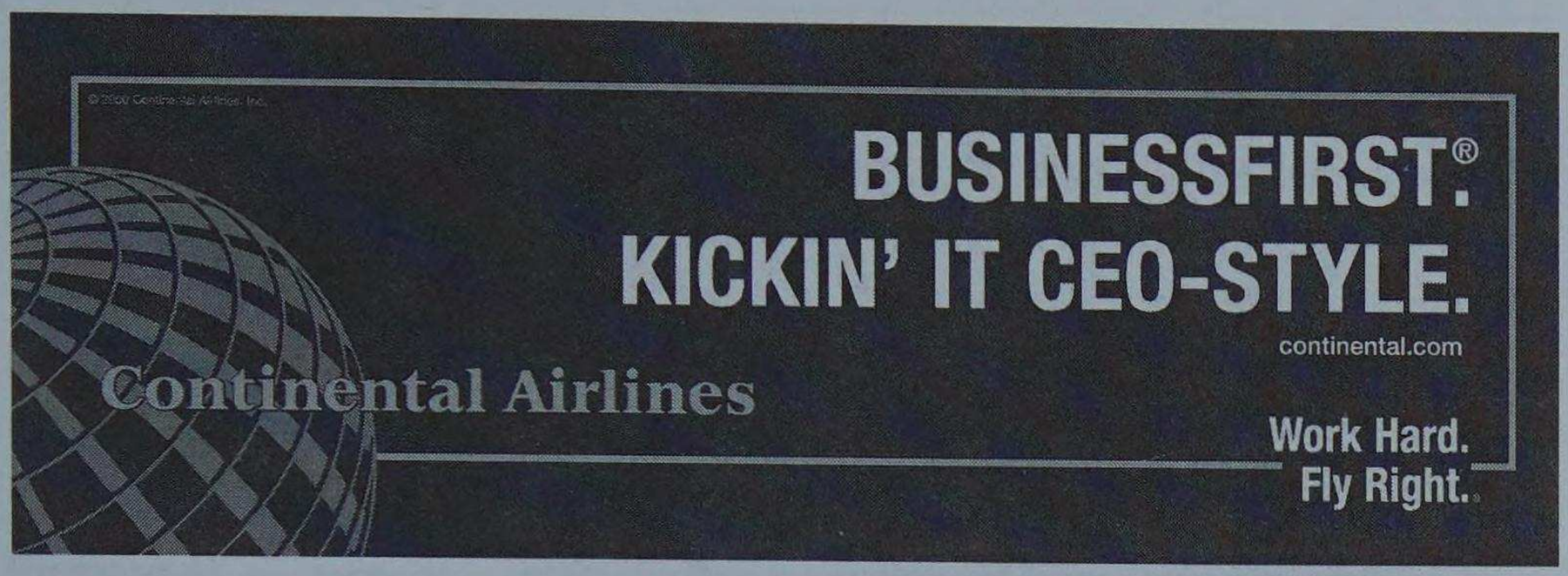
> One's mobility in relation to these language game effects . . . is tolerable . . . at least within certain limits (and the limits are vague); it is even solicited by regulatory mechanisms, and in particular by the self-adjustments that the system undertakes in order to improve its performance. It may even be said that the system can and must encourage such movement to the extent that it combats its own entropy; the novelty of an unprecedented "move," with its correlative displacement of a partner or group of partners, can supply the system with that increased performativity it forever consumes.[5]

Essentially, I want to argue that the American postmodern cultural logic of empire is one whereby (1) conditions arise that are ripe for the incorporation of the people's rhetoric of emancipation within the normalizing

tenets of the capitalist world system[6] and (2) narratives of utopian impulse found within many forms of black expressive culture, and particularly hip-hop culture, have helped supply the specifically American discourse of empire with the necessary manna of "performativity" it needs to sustain itself as global Leviathan. Indeed, during the 1990s, hip-hop evolved from being the symbolic anathema of the dominant commercial apparatus to serving as one of its most strategically effective symbolic instruments. This evolution is a function of both black cultural producers' increased ability to reference the mainstream marketplace as a locus for identity formation,[7] and the ability of white youth to rearticulate black style back to official market logic via an increasingly seamless form of stylistic adoption. These newfangled cool poses, like those of an Eminem, can convey the sexual frisson of older social dispensations like Jim Crow while somehow managing to avoid the baldest forms of moral panic typical to boundary transgression.[8]

Such viral outbreaks of mass trend adoption, like that which occurred around the film *8 Mile*, form the unpredictable "tipping points"[9] that are every marketer's dream. At such moments of excitation, empirical figures on ratios of risk to reward are not nearly so persuasive as the blind willingness to believe in any particular form's ability to generate a profitable outcome. In speculative historical eras, as in individual acts of gambling, there is a moment, of variable duration, when anything goes, as the saying goes—moments when not even the magistrates of officialdom know how to bring historical precedent to bear on present and future outcomes and exert a moral claim on the recognition of value. At topsy-turvy moments like these, when the dowdy appear willing to cast aside their hallowed pretensions of dignity and the appropriate calculus for valuation is anyone's guess, power is somewhat up for grabs, and a semblance of freedom is more evident because the actual utility and value of precepts and goods are called into question. Thus, a reordering of hierarchies takes place, and depending on where one previously stood in the pecking order, that may not be such a bad situation within which to find oneself.[10] In fact, when entire societies or nations find themselves mired in an identity crisis or when their confidence in the ability to carry on or preserve past glories is flagging, they can often wish for such indeterminate periods of social and economic speculation since they offer the opportunities for repositioning and resurrection. The 1990s New Economy offered just such an opportunity for protean national redefinition.

Black cultural producers and their arbiters—chiefly the hip-hop moguls and their kin—benefited, to a certain degree, from this reversal of authority. Indeed, as they rose to more elevated positions along the social hierarchy, Generation X and Y's cultural tastes and consumption habits



By the eve of the twenty-first century, hip-hop vernacular had clearly become part of the New Economy sales pitch. Courtesy Continental Airlines advertising department

helped make quite a few black cultural producers wealthier and more influential. Thus, by the decade's close, hip-hop culture, for example, though still vilified on occasion, had nevertheless become more respected as a model for the new "horizontally structured" business world and therefore a more tolerable presence in the U.S. millennial celebration of prolonged economic growth. Indeed, black popular culture's symbolic strength, fueled as it was by new money—something that all adults either envy or admire—inevitably enabled the black cultural producers who best embodied the new era of "Nobrow Culture"[11] to move toward the center of the nation's widely circulated, and enthusiastically emulated, celebrity class.[12]

Within such a virtual matrix of interaction, black cultural expressions emanating from the bottom of the social hierarchy and the standards of social and moral value that they enact and uphold have fashioned performative innovations that are best viewed in terms of what Clay Christensen once called "disruptive technologies."[13] On this count, the inner city's constructions of cultural value continually arise within media representation as managerial problems for the magistrates of official knowledge, including traditional black leadership. As the 1990s have lapsed into the twenty-first century, however, black cultural tastes have increasingly become—most notably through the commodification of hip-hop culture—extremely efficient devices for extracting profit from the consumption habits of America's youth. Ideas on how to identify and market black cultural knowledge and tastes have come to embody dynamic management solutions. Herein we find the hip-hop mogul's primary mandate, namely the effective identification, packaging, and symbolic management of the politically and socially volatile minority underclass's expressive culture.

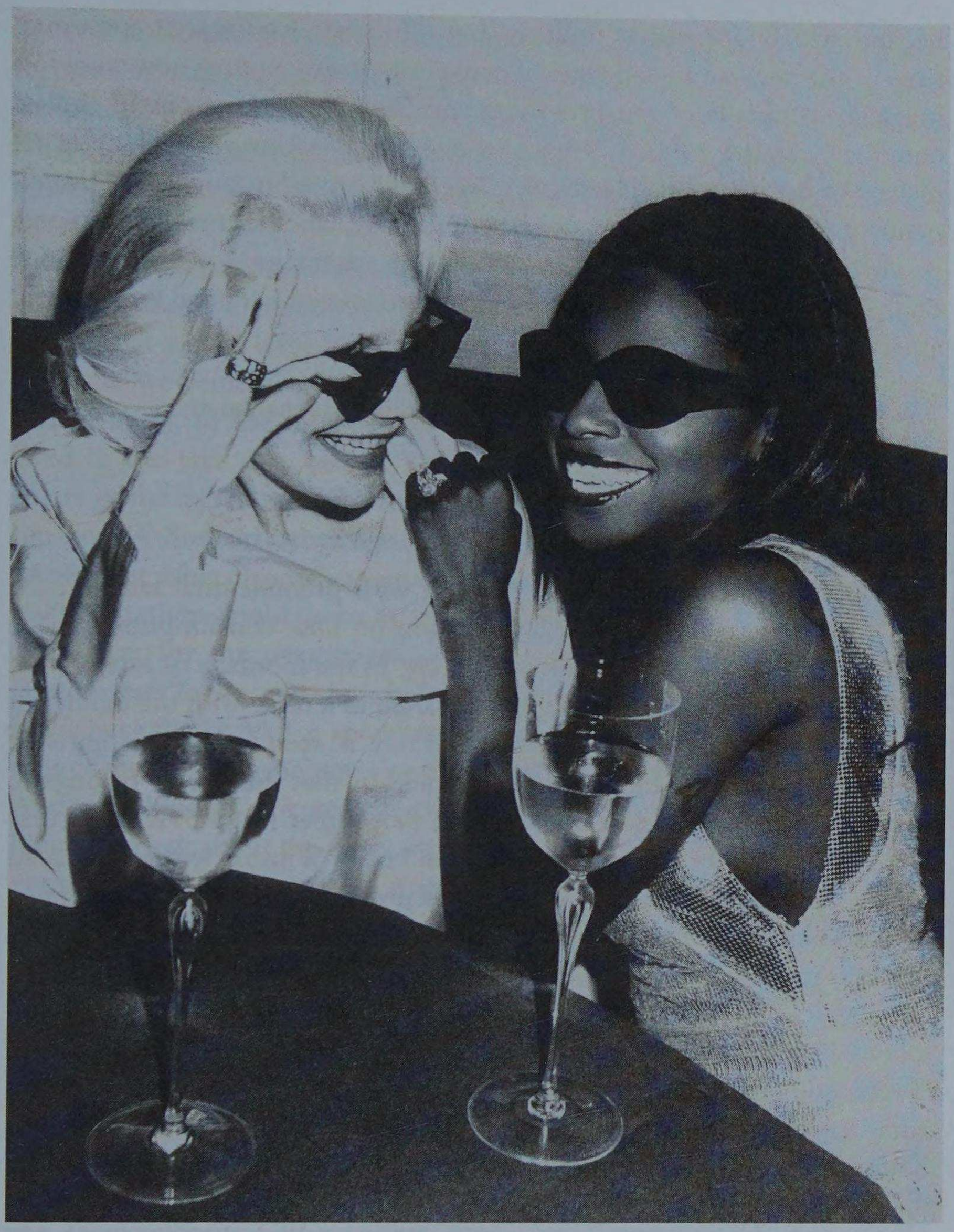
In representational terms, these solutions are all about the packaging of possibility and not outright containment or foreclosure. In other words,

the ongoing project for American industrial managers, particularly those—like the newly emergent hip-hop moguls—who govern the industries of culture and leisure, has been to harness the uniquely modern experiential opportunities afforded by America's oceanic multicultural flows in the name of commodity production, consumption, and further economic growth. In the United States, this endeavor has always insisted upon using art and performance to overcome social stratification, thereby enabling new modes of interracial, interethnic, and class-transcendent contact, no matter how circumscribed and degraded such contact may inevitably have been. Indeed, in American popular culture, the threatening, yet strangely reassuring, proximity of the other within the crowd must necessarily accompany the individual's auspicious quest toward modernity's Holy Grail of enlightenment, since that proximity exacts "the price for which the sensation of the modern age may be held: the disintegration of the aura in the experience of shock."[14]

Indeed, through the boundary-defying powers of the electronic and digital media, socially isolated territories of allegedly disreputable knowledge, such as American inner cities, have become essential to the new modes of personal identity—and social knowledge formation.[15] This unlikely symbolic reversal has been progressive to the extent that it has shattered the old high–low cultural hierarchy predicated upon "good breeding," "proper schooling," and "aesthetic appreciation" and has placed the market's "equal opportunity" brand of consumption at the center of the individual's protean capacity for self-development.

Many black cultural practitioners—especially those in the hip-hop entertainment sectors—certainly benefited from this phenomenon, and with the bottom-most layers of minority communities deemed more valuable for the sake of the global entertainment complex than had been previously thought possible, rap music unit sales escalated significantly. In 2000, for example, "the Recording Industry Association of America [estimated] that rap music generated more than $1.8 billion in sales, accounting for 12.9 percent of all music purchases" and "has surpassed country music as the nation's second most popular genre after rock and roll."[16] These figures have since softened, along with the music industry as a whole, but the fact remains that hip-hop culture has unquestionably solidified itself over the past half-decade as a key rampart of the national structure of feeling.[17]

Rap's explosive growth trends during the better part of the 1990s also led to unprecedented black economic clout for the hip-hop moguls, with two hip-hop entrepreneurs, Percy Miller (a.k.a. Master P) and Sean Combs (a.k.a. P-Diddy) recently listed squarely in the middle of *Fortune* magazine's roster of "America's Forty Richest under 40." Master P sat



Anne Slater and Foxy Brown revel in the social pretensions of "bling." Roxanne Lowit, *New York*, 22 February 1999

directly behind Vinny Smith, chairman and CEO of Quest Software, with a net worth of $293.8 million; P-Diddy, whose personal fortune came in at a cool $293.7 million, ranked ahead of such luminaries as actress Julia Roberts, the golf wunderkind Tiger Woods, and a slew of technology and software tycoons.[18] As exemplary signifiers of the New Economy's ability to promote Dionysian categorical dissolution, select hip-hop glitterati

became widely deemed as unlikely, but ultimately legitimate, representatives of the new American state of prosperity, privy as they now were to a magical Shangri-la of mushrooming capital gains and seemingly endless liquidity.[19] As the 1990s wound to a close, many forward-thinking tastemakers of the chattering classes were keen to feature hip-hop artists prominently at the most swank social galas of the day, whether real or imagined.

In a February 1999 issue of *New York* magazine, for example, one finds a retro-inspired, black-and-white photo spread heralded by a printed announcement that reads:

> You are invited to a feverish fin de siècle fling, Manhattan-style.
> What will you eat?
> Whom will you dine with?
> And what in the world will you wear?[20]

As a means of relieving this banal bout with premillennial tension, the next few pages convey ample information on how consumption can be articulated with the stylishly adorned body. In the montage of images that follows, the rap diva Foxy Brown is depicted at a table with the aging but spry Manhattan socialite Anne Slater. Foxy is seen sporting a garishly large diamond ring. The photo caption tells us that the bauble belongs to Slater. The caption also points out that the rapper has a 57.7-carat diamond bracelet set in platinum, courtesy of Harry Winston jewelers, draped around her willowy wrist. In keeping with these glitzy accoutrements, both women are smiling brilliantly and appear to be having a grand time, reveling, it seems, in their ability to flow casually between oppositional categories such as "old" and "new," "high" and "low," and "rich" and "poor." During the 1990s, an entirely new repertoire of keywords emerged to refer to such moments of hierarchical deconstruction. Each of them, from "ghetto-fabulous," to "flossing," to "bling, bling"—now more commonly shortened to "bling"—all became normalized as mainstream catchphrases that described the hyperconsumption of luxury goods by celebrities and average folk alike. As the millennial countdown accelerated, the New Economy's already overt promise of social inversion became more and more explicit and so too did the idea that hip-hop's garish sense of style and taste could signify fashionable abundance and set the millennial standard of even the most highly regarded fashion cognoscenti.[21]

It was not altogether surprising, therefore, to see the hip-hop impresario Sean Combs headlining the Metropolitan Museum of Art's annual Costume Institute gala merely weeks before the catastrophe-free arrival of Y2K. Imagine! Within a prime citadel of official Western culture—at an end-of-the-century celebration cochaired by *Vogue* editor Anna Wintour and attended by such disparate luminaries as comedian Jerry Seinfeld,

billionaire Ronald Perelman, Miramax Films cochair Harvey Weinstein, former Secretary of State Henry Kissinger, actress Gwyneth Paltrow, and socialites Patricia Buckley, Nan Kempner, and Alexandra von Furstenberg—rap, the gruff baritone voice of the ghetto, was chosen as the most appropriate musical keynote with which to "ring out the old and ring in the new."[22]

With this notion of tenuous, almost criminal, social collusion apparently in mind, that same year *Time* posed a rhetorical question to its readership that would have been unthinkable when the decade began. "And how will we remember the last days of the '90s?" the magazine asked. "Most likely, to the rough-hewn beat of rap. Just as F. Scott Fitzgerald lived in the jazz age, just as Dylan and Jimi Hendrix were among the rulers of the age of rock, it could be argued that we are living in the age of hip-hop."[23] Similarly, the *New York Times* fashion columnist Amy Spindler wrote that when historians recalled the stylish excesses of the Internet gold rush, they would do so in terms of hip-hop's ascendance as a cultural pacesetter for the champagne and caviar set. "Silicon geeks and dot-comers may earn triple-digit billions," Spindler noted, "but the folks who *really* have the knack for spending—the true nouveau riche, our Carringtons of the new Millennium—are hip-hop impresarios like Puffy Combs."[24] And what kind of new age goodies did Spindler conflate with the Combs lifestyle? How about the following: a sable vest from Fendi ($18,500); silver stilettos from the red-hot designer Jimmy Choo ($650 a pair); an 18-karat gold Tiffany necklace and matching bracelet, both decked out in diamonds ($33,500 and $27,000, respectively); a bottle of Burgundy at Alain Ducasse's new restaurant at the Essex House on Central Park South ($800); a pound of Crème de la Mer facial lotion designed to spec for NASA ($1,000); and title to the 90th-floor penthouse at Trump World Tower at United Nations Plaza ($38 million).

Not surprisingly, rap's spendthrift ways were hardly marginal practices at that time. Indeed, every major symbolic figure of that halcyon age, from celebrity CEOs and upstart technology entrepreneurs to magazine publishers and publicity mavens, were known for spending lavishly to promote their goods, their services, and themselves. Consequently, rap's tactics of consumption became articulated rather quickly as a meaningful aspect of the New Economy's dominant social and cultural formation. Many everyday folk celebrated these figures because during the long boom of the 1990s, more Americans had a chance to have their personal fortunes lofted in the updraft of the speculative winning streak, and they rewarded themselves by spending relatively extravagantly in their own right. Now, however, in light of a jobless recovery, a volatile equities market, and widening federal and state budget deficits, the tide of this inex-

orable period of excess has turned, and everyday people feel less wealthy and more vulnerable. Some even seem prepared to begin sacrificing their whimsies and start spending less.[25] Along with this shift in fortune has come a backlash against the members of the New Economy's celebrity wealth class, particularly the CEOs, investment bankers, and equity research analysts who appeared to service their greed by bilking the masses with phony information. Amid this moral crusade, how and why does hip-hop continue to thrive as what one columnist in the *New York Times* calls the last "safe haven for ridiculous expenditure"?[26] Why aren't Americans bashing a big spender like rap/R&B diva Jennifer Lopez as vigorously as they are Kenneth Lay, former CEO of the now infamous Enron Corporation, or the free-spending Dennis Kozlowski, former CEO of Tyco, the giant industrial conglomerate?

In the current post-dot-com zeitgeist, it seems that in order to escape the jeremiads against the "fabulous life" of greed and excess, one must view individual wealth and the consumptive practices that accompany it as a legitimate outcome of strenuous striving to succeed, and representative therefore of an unexpected (almost divinely ordained) social mobility that arose against the grain of conventional wisdom. Thus, in most rap devoted to the intractable virtues of "bling," artists regard having "clawed . . . out of a brutal . . . housing project to become a multi-platinum star" as a common theme: "Often it is not even articulated; it goes without saying that the squandering protagonist is a rags-to-riches figure who beat overwhelming odds and has every right to the fruits of that success."[27] Thus, the rapper's upwardly mobile ascent is not tethered to a sense of either individual propriety or communal accountability in the same manner as is the ascent of a CEO for a publicly traded company. As the *New York Times* recently quipped, "Sean Combs was once accused of hitting a record executive with a chair and a Champagne bottle, but at least he has never smacked your 401(k) around."[28]

The typical hip-hop mogul does not have the same degree of culpability for the New Economy's hegemonic meltdown as, say, Morgan Stanley's Internet stock maven Mary Meeker since, unlike the other symbolic figures of the age who have now hit the skids, he never had to sell his customers on anything other than his belief in his own fantasies. His trade is purely in the realm of socially mobile aspirations—the quintessential pixie dust of the postwar American dream.[29] Thus, magically, and quite tautologically, he always stands a good chance of convincing his target market of a satisfactory return on their psychic and material investments, and he can continue to be representative of mass expectation of the good life without being responsible for its fulfillment. In the end, neither the corporate CEO of the publicly traded institution nor the equity research ana-

lyst has had such luxury. As Americans continue to ponder the possible shape of populist movements to come in the wake of the dot-com implosion, it might be productive to consider the values, beliefs, and practices that could shape such popular sentiment if it does indeed begin to cohere. It might be fruitful, therefore, to consider the way in which the black youth publics that continue to serve as hip-hop culture's core constituencies imagine the shared utopia toward which they may be attempting to strive.

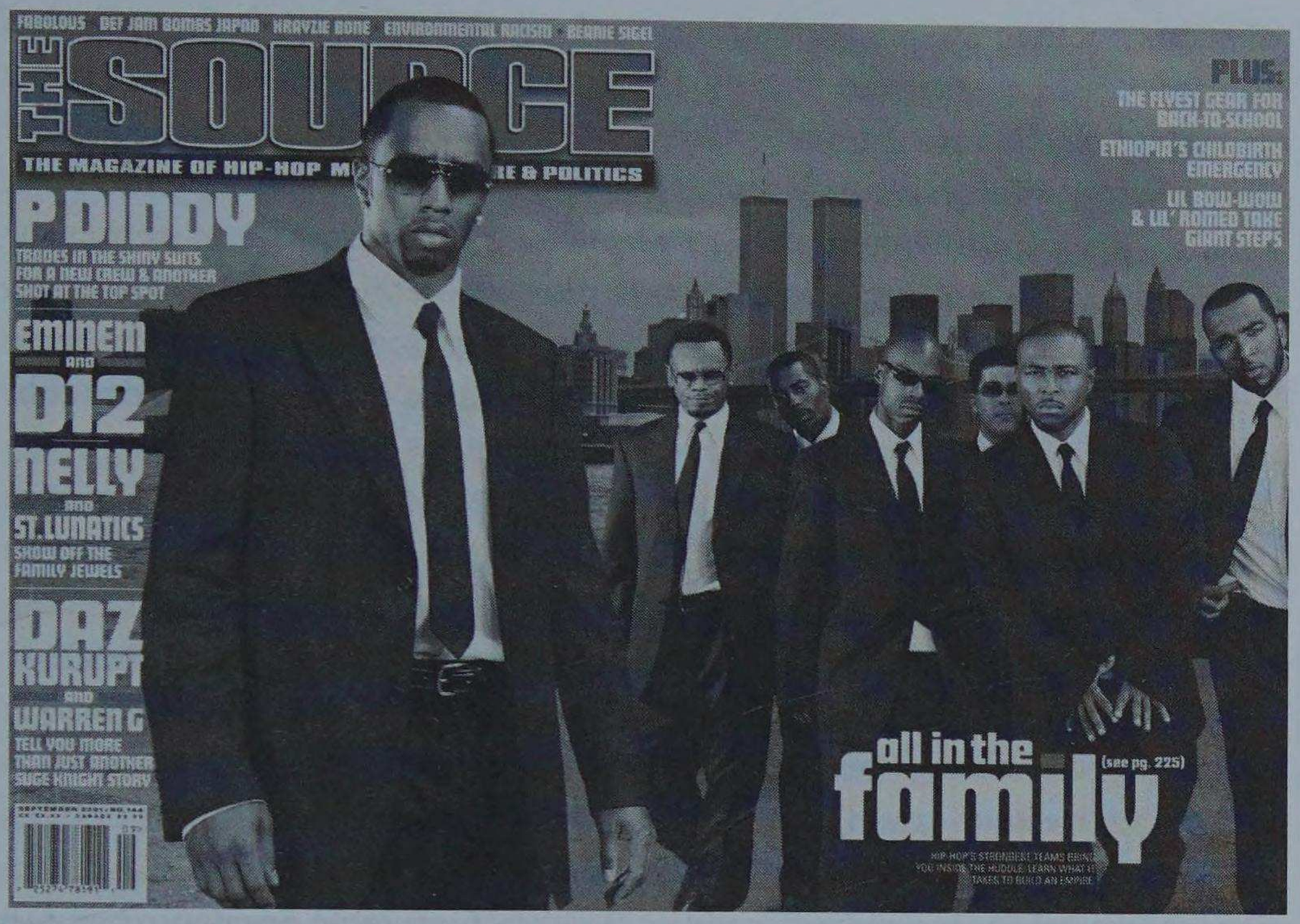
Hip-hop Utopia and Mass Spectacle in the Black Public Sphere

There has always been a utopian creative impulse within hip-hop culture that defies the progressive political frameworks that prioritize civic, educational, and legal meritocracies over a politics of pleasure and chance that revels in often ill-begotten wealth, street-corner prestige, and explicit sexual titillation. Indeed, prototypical rap utopian fantasies blend ethereal instrumentation with wistful lyrics that offer alternating visions of ghetto upward mobility, intoxication devoid of either physical side effect or legal penalty, unlimited access to sexual pleasure, anti-apocalyptic perseverance, and the end of white world supremacy. In short, they typically represent historical materialist modes that take account of present, past, and future disenfranchised lifestyles in the distinctive linguistic accents of America's various ghetto communities. These typically adolescent renditions of the world are utopian in their frustration with the pauperized and hyperscrutinized status of black and Latino ghetto residents and politically familiar because of their frequent lyrical homage to twentieth-century black empowerment iconography and rhetoric. Yet despite their alternative activist readings of American progress, these songs and their music video corollaries exhibit the sort of generic fixation with commodity culture and upward social mobility that thwart their full recognition as typical grassroots rallying cries. It is precisely the rap utopian imagination's insatiable hunger for the capitalist commodity that alienates so many members of the civil rights era political consensus from black youth culture generally, and prevents them from regarding these subaltern dreamscapes as the stuff of "real politics." Fancying themselves as moral crusaders against the evils of capitalism's "false consciousness," the members of political coalitions from the New Deal and Great Society heydays want the hip-hop generation upstart to reform his or her behavior relative to the contemporary commodity culture of "mass prestige" facilitated by aspiration-savvy marketers and their luxury knock-off merchandise.[30]

In this manner, a high-minded attitude of Puritan restraint of the civil rights era political establishment stands in contradistinction to the opportunistic demeanor of the hip-hop mogul, who recognizes that utopian aspirations can be bought and sold, and the higher the price the better.[31] As the labor-oriented activists of industrial-era utopias would like to suggest, the mogul's typical dreamscape is individualistic rather than communal, and its material bounty extends to a limited inner circle composed mostly of the mogul's mother, his crew of friends, his children, and from time to time a lover—just enough people to fit on a private yacht. In the mogul's world of like-minded insiders, gone is much of the "old school" utopian longing for the arrival of a monolithic blackness in a shared promised land. The mogul may lament the plight of the black masses, and he may simulate reference to these constituencies in the name of performative "authenticity," but he doesn't sacrifice his own quest for the American good life on their behalf. Rather, the mogul's vision of gilded glory is as competitive and exclusive as it is opulent. As the prototypical mogul anthem "Hate Me Now" attests, moguls and their talented minions flaunt their rise from among the ranks of the downtrodden by making public displays of their newly begotten wealth. For the mogul, jealousy, envy, and hatred from the crowd are merely rites of passage; to be the object of such "hatred" merely serves to crystallize his essential charisma and mark him as one of God's chosen few. As far as the mogul is concerned, once his surroundings reach a reasonable facsimile of what he desires, anyone who doesn't approve of his elevated social position can rot in hell.

Frequently, moguls, like their talent rosters, will depict themselves as "gangsters" or members of criminal "families" in the mafioso tradition of Al Capone, John Gotti, and the Gambino crime syndicate. A major aspect of the mogul's utopian sense of freedom is one of identity shifting, or at the least, identity "layering." In other words, while hip-hop moguls can never be said to deny their racial and ethnic heritage, they are encouraged to use the material aspects of gangster social formations, even those constructed by other ethnic groups, to expand the options for social performativity normally afforded blacks or Latinos. Moguls use "gangsterism," then, as a trope for escaping the limited "place" afforded minority men of color in American society.

Through the gangster motifs of fast cars, fast women, fancy clothing, strong liquor, and a "never say die" attitude, the mogul can gain social mobility and transcend what Manthia Diawara has called the imprisoning common sense of racial "immanence" that confines black people to the immutable realm of the stereotype.[32] Material goods present life-and-death stakes for the mogul's version of utopia precisely because they represent socioeconomic benchmarks of achievement that blacks have been



P-Diddy and family strike a "gangster lean" in juxtaposition to the World Trade Center, weeks before its destruction. Cover photo, *The Source*, September 2001

told will forever elude their grasp. The mogul knows that the world of high-priced merchandise and elite social experiences was not meant for him—indeed, he has been barred by the mainstream "from all social roles not conventionally associated with blackness"[33]—however, he refuses to accept the stark terms of this disenfranchisement.

In a certain sense, the word *nigga* is the signifier for comradeship and rivalry that inner-city black men have given to those who make a whole way of life from the loud gestures that preemptively mock the very people who would mock their ghetto strivings for mobility and social significance. Niggas take the heat for their brazen social pageantry without flinching and are willing to pay the ultimate price to make their great escape from the anti-utopia to which they have been relegated. If the nigga lives long enough to realize recompense for his initiative and is savvy enough to leverage his gains within and against his immediate surroundings, then he can graduate from relative obscurity and move up to the more elevated plane occupied by the moguls and their handpicked superstars. While niggas are out to establish their self-worth and prove themselves in a hostile environment, moguls possess the sense of entitlement required to begin speculating on the value of the surrounding world. Given that black disenfranchisement has been predicated upon making black people the objects rather than the subjects of capitalist speculation,

The mogul is an elect member of the ghetto community, the speculative confidence man extraordinaire, and he regards himself as an activist of sorts.

there is something to be said for the mogul's display of nerve. In fact, it is this gumption that makes him worthy of celebrity status and mass mediation.

However, in a not-so-progressive manner, the mogul achieves his version of utopia via social isolation from, and antagonism toward, less successful ghetto residents—even as he claims, paradoxically, to represent and inspire their aspirations for greater glory. Whether or not he portrays himself as a gangster, above all else, the mogul calibrates the distance between the lowly member of the hoi polloi that he once was and the elite persona to which he can now lay claim in terms of money, jewels, automobiles, VIP parties, exotic travel, and an abundance of willing sexual partners.[34] In short, the mogul "is a self-made aristocrat, a former member of the underclass who's raised himself up from its ranks and seized his chance to 'shine.'"[35] Because of his largesse, the mogul is an elect member of the ghetto community, the speculative confidence man extraordinaire, and he regards himself as an activist of sorts, an example to others of what they could make of their lives if they would simply seize the right opportunity when the time comes.[36] As self-made men, moguls are not inclined to wait around for social intervention; they spot available opportunities for material advancement and seize them as best they can. They simply want people to get out of their way and let them handle their business.

When those whom the mogul has left behind betray their envy for him and become "playa-haters,"[37] they simply let the mogul know that he has done the "right thing," further reinforcing his solipsistic moral code. This form of spiteful self-absorption that poses as neighborliness is typically at the root of all capitalist-derived notions of community and is one of the more regrettable elements of the postwar consumptive consensus that has infiltrated the ghetto's childhood dream of what it wants to be when it matures. Nevertheless, despite the relative tedium of the mogul's message, "rap fans continue to find vicarious enjoyment in the . . . fantasy, in which being hated is the inevitable price for being one of the few who makes it in a world that otherwise guarantees anonymity and poverty for most."[38]

Still, the mogul is not solely a figure of ideological alienation, for he can never be too discursively disconnected from the spectacle of the black masses because it is the volatile energy of the crowd that gives him a creative impulse to channel, to package, and to sell. In this respect, the mogul is a figure who attains celebrity through his mastery of what I call the "ghetto sublime," which means he can grant us thrilling proximity to a form of social danger of truly monumental proportions while simultaneously providing us safe remove from the object of our fascination. The mogul, therefore, is the figure capable of extracting the productive element from the yawning ghetto maw, for the benefit of broader society. This figure is a speculative prospector if ever there was one. The hip-hop

mogul thus simultaneously symbolizes inclusion within and resistance toward mainstream capitalism and emerges as a potent blend of the "speculative con," the "disciplined self-made man," and an entrancing figurehead of racial double-consciousness with a capitalist twist.[39]

There is always a political dimension to the mogul's balancing act with respect to the symbolic multitudes of everyday folk. Even as postindustrial American society has almost ceased to imagine the oceanic crowd as a sublime wellspring for social possibility and political engagement, there is still a residual cultural recollection that the masses in the public square once symbolized almost unfathomable "heterogeneity and instability . . . the result of the promiscuous intermingling and physical massing of social classes, age groups, races, nationalities, and genders along the great boulevards of the industrial metropolis . . . atomic particles . . . the result of multiple liquids combined in a single test tube always with an uncertain outcome: a new substance, an explosion, a surge of energy, accelerated decay, a fizzle, new fermentations."[40] Hip-hop culture, whether under the auspices of moguls or not, always needs periodically to resurrect this foundational thematic element from its own hallowed past. Indeed, if the mogul cannot claim to understand and be able to tap the volatile energies of the street, he will cease to exist as a viable figure of commercial and cultural enterprise. In this regard, the mogul is the epitome of utopian double-consciousness with respect to the masses, for he

> is the man of the crowd: at once immanent and transcendent, at once an insider and an outsider, at once everyman and the exceptional individual who provides the masses with a singular identity, a singular face, a mirror image of a sovereign collectivity that is now always in motion. . . . Fully swept up in the multicolored and polyphonic waves of modern revolution, he is able to channel their tidal fury towards higher and nobler ends: national sovereignty, liberty, empire, progress.[41]

Thus, for all of his upwardly mobile pretensions, the hip-hop mogul needs the spectacle of the more impoverished masses for they give him the raw material, the literal human canvas, for which, and upon which, his ascent can be made emblematic. Even as American ghetto cityscapes have formed a contemporary scene of "excess with respect to the imagination's ability to comprehend the whole [that] renders a plunge into the abyss inevitable," the hip-hop mogul has been a useful figure in the sedimentation of recent American hegemonic formations, for he enables "the plunge [to be] productive because it is controlled."[42]

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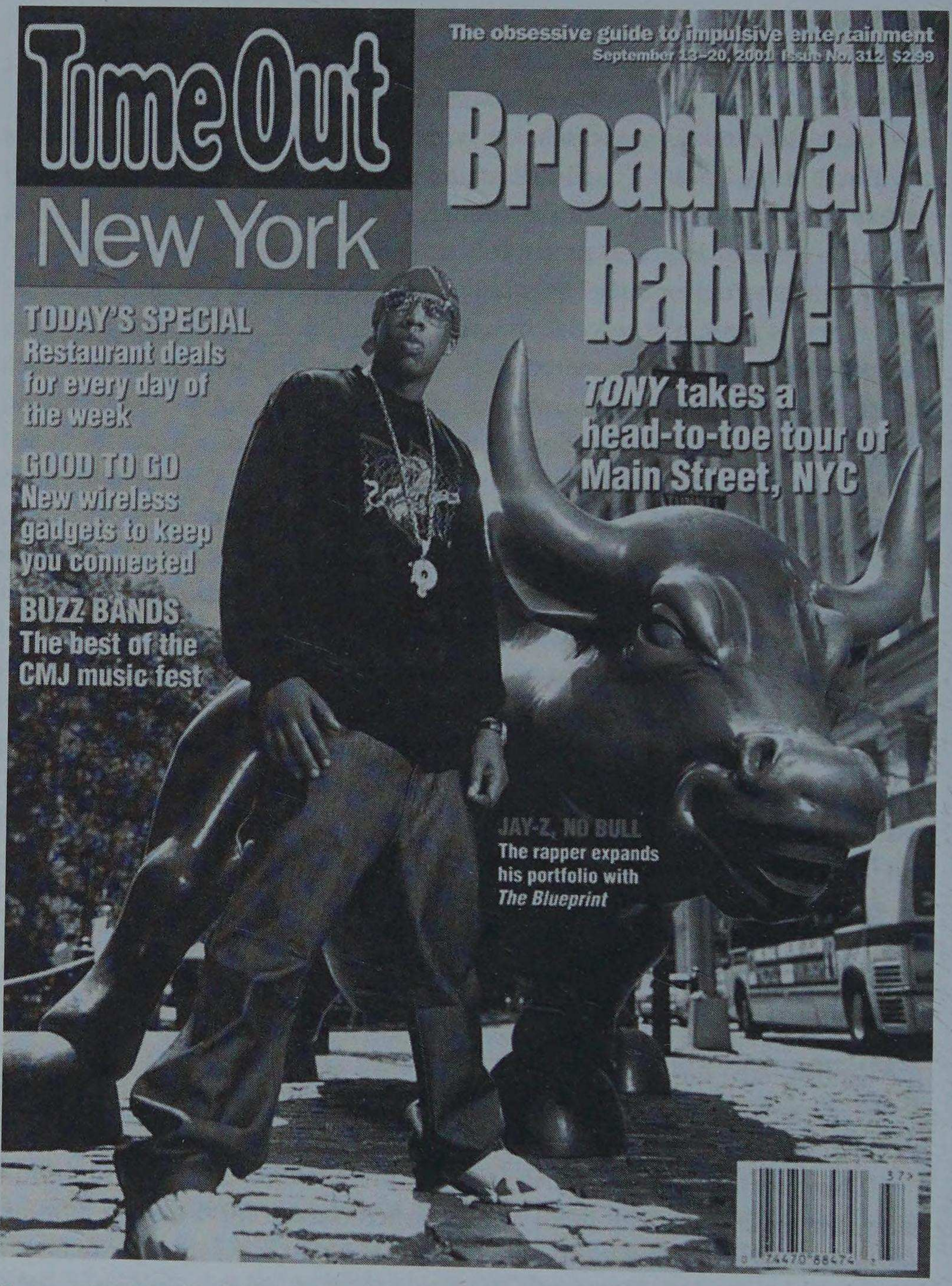

Rapper Jay-Z brings hip-hop culture to Wall Street. Cover photo, *Time Out New York*, 13–20 September 2001

mobilization, even as it has become a highly marketable simulacrum of exactly that sort of transgressive human potential. In this respect, we might regard the rise of the hip-hop mogul as not so much the sign of the end of history on an unnecessarily grand scale—and given prevailing diplomatic conditions on the geopolitical stage such an extrapolation might not even be possible—but at least as a leading indicator that in the

United States "modernization has run its full course" and the "model of politics based upon the physical massing of bodies in public spaces or the performance of symbolic marches in real time and space" is being "superceded by a politics of gestures that relies upon virtual, indirect, and asynchronous forms of presence, organization, and participation."[43] From this basis, mass gatherings like the Million Man March are less viable as templates for the mass expectation and mass action of the future and less significant than the proliferation of more diverting images of sensuous collectivity. These new forms of mediated mass utopia might include the carnivalesque revelry of Damon Dash and Jay-Z's celebrated "Big Pimpin" video, and the updated "Dr. Frankenstein and the monster" iconography of rapper 50 Cent's video for his hit single "In Da Club," wherein a black "gangsta" is created in a pristine secret laboratory and inserted into a writhing mass of dancing black, brown, and white bodies at a nightclub, under the panoptic scrutiny of his creators (Dr. Dre and Eminem), who observe the mass spectacle from behind a two-way mirror in the manner of some weird virtual-reality focus group. In varied dreamscapes such as these, hip-hop moguls represent new forms of iconographic leadership that emerge from within and at the same time from beyond the populist mob. Thus, the hip-hop mogul utilizes his marketing skills to become both the fuse that kindles the crowd into a riotous frenzy and simultaneously an effective mechanism for its discipline, regulation, and conversion into circumscribed simulacra.

Conclusion

Typically, the utopian imagination of progressive factions and coalitions in American political life responds to the disaffecting tendencies of the marketplace with a prophetic critique that refutes the prevailing capitalist obsession with unfettered speculation, commodity exchange, and social inequality.[44] The New Deal–Great Society consensus that held sway in the American political landscape between 1947 and 1970—and has been on the decline, along with American real-wage growth, ever since—generally rejected the fantasy world of the free market as the primary locus for utopian yearning because the market demeans the sanctity of the social contract and leads to the excessive self-interest at the root of many manifestations of evil. For adherents of this almost archaic sensibility, the commodity is the cutting edge wielded by a system of domination that sunders more egalitarian forms of communal bonding while it sows reactionary seedlings of resignation among the citizenry.[45] Nevertheless, despite the work of progressives to shift national civic objectives to something other

than commerce and common stock dividends, and even after the 9/11 terrorist attacks and the war in Iraq, "millions of Americans are refocusing on the one thing that most defines their lives, the upward and downward ticks of interest rates, the gyrations of their mutual funds, the achingly palpable lure and temptations of wealth."[46] This is to be expected at a time when the majority of American households and an increasing portion of the electorate have some sort of ownership of common stock.

Indeed, by 2001, the Federal Reserve determined that 52 percent of the nation's citizens had some form of stock ownership, with the percentage of all stock-holding households moving upward from 31.6 percent in 1989, 36.7 percent in 1992, and 48.8 percent in 1998. Politically speaking, the growing ranks of small investors represent an emerging and potentially significant political bloc within which blacks are sorely underrepresented.[47] Among registered voters, shareholders now outnumber those not in the market by a ratio of 53 percent to 43 percent.[48] The escalating visibility of this group signifies a new development in the story of America's postindustrial evolution in the age of globalization, one that redefines the very meaning of mass political constituencies. Indeed, if "every political and cultural struggle of the past century that called itself democratic was waged for a mass constituency, and in its name," then it seems that shareholders rather than citizen-workers may constitute the next significant electoral bloc of the twenty-first century.[49] This trend represents a challenge to progressives and hip-hop moguls alike who are seeking to overtly revitalize the support-led social movements of the past—as Russell Simmons is attempting to do through his Hip-hop Summit Action Network—because, for all of the democratic changes wrought by commercial entertainment, the fact of lagging asset-ownership within black communities relative to that of white ones continues to exert a structuring influence upon American social life. Quite simply, African Americans are generally not part of the rapidly growing "equity class." This means that many blacks do not share an important characteristic of contemporary American life with their fellow citizens. Recent statistics suggest, for example, that blacks "still account for just 5% of stock investors."[50]

Besides constructing an entirely new electoral category—one overrepresented as white—the migration of average citizens to the asset-owning class has had tangible economic spillover effects. Indeed, the typical American's stock portfolio enjoyed healthy gains during the 1990s, rising in value from $10,800 in 1989 to $25,000 in 1998. Stock holdings across a broader base of American households helped send the net worth per family from $59,700 in 1989 to $71,600 in 1998.[51] These gains have been preserved largely through asset rotation into real estate ventures and holdings despite the past three years of bear market downturn in the

equity markets. Again, according to the latest Federal Reserve statistics, "the median net worth for all families rose 10% to $86,100 in 2001 from 1998 and was up 41% from 1992."[52] To some extent, these figures of aggregate gains in household wealth mask growing discrepancies between white and black households. Indeed, the most recent statistics indicate that while the median net worth for whites rose 17 percent in 2001 to $120,900, it fell 4.5 percent to $17,000 for minorities.[53] Part of the reason for the durability and recent increase in the wealth gap has been the underparticipation of African Americans in equity ownership. Perhaps this discrepancy enables minority celebrity figures like the hip-hop mogul to assume such grand representational proportions through the simulation of communal wealth in the guise of individual achievement.

Despite, or perhaps because of, these sobering circumstances, politicians who seek to galvanize and subsequently win over the slumbering hip-hop electoral base will have to go against the conventional wisdom of the civil rights establishment, who typically are slow to consider growth-mediated paths out of disenfranchisement. This reluctance clearly stems, in part, from a tendency to view the aspiring spending patterns of the minority working classes as pathological. Indeed, a wide range of potential progressive factions that could coalesce into productive political coalitions—from civil rights–era holdovers even to members of the hip-hop generation—do not have faith that underprivileged groups will know what to do with their capital gains when they monetize them and are convinced that these groups will go on detrimental spending binges in pursuit of unnecessary trinkets of the high life.[54] Indeed, popular comedians of color like the cable channel Comedy Central's David Chappelle consistently mock the hypothetical scenario of working-class black Americans feverishly hoarding cartons of menthol cigarettes and urban athletic apparel in the unlikely event that the U.S. government were to grant blacks monetary reparations for slavery. Following from this prevailing assumption regarding minority and working-class "false consciousness," many progressives also generally contend that to advocate even a small measure of the growth-mediated approach for social development, as Jesse Jackson has done with his Wall Street Project initiative,[55] is to capitulate to a consensus that does "not dream of a future qualitatively different from the present . . . [and at] best . . . envision[s] a modified society with bigger pieces of pie for more customers."[56]

It may be time, however, to give growth-mediated measures for social development more consideration and find ways to articulate this need persuasively to democratic constituencies. Bruce Robbins interrogates the reticence within progressive constituencies of the academy—especially those ensconced within the interdisciplinary bastions of cultural studies

that have their own celebrity academic figures who enjoy a quasi-mogul status in their own right—to adopt this rhetorical stance. He asks:

> Does the critic's, anthropologist's, or sociologist's progress indeed *require* arrest and stasis in the characters or cultures under discussion? The one example of upward mobility that is not doubted, indeed seems only confirmed by all this complexity of argument and research, is the upward mobility, the "cumulative" advancement, of [cultural studies] itself. But it remains to be seen whether the contrast between an upward mobility blocked in society and permitted in scholarship is really a necessary one. Could the latter have perhaps worked just as well if the research had shown the opposite, in other words that there *is* significant upward mobility in society? Or could this alternative logic only emerge in some different disciplinary constellation?[57]

Given the unlikely prospect for politically viable alternatives, it would be wise for progressives to consider ways to encourage their respective constituencies to prepare for growth-mediated modes of communal development and upward mobility in various public spheres, even if such propositions undermine their typical interventionist methods and motivations.[58] Clearly, lack of financial aptitude is an unnecessary obstacle before the desire of minority populations to share in the nation's economic good fortune when capital investment cycles turn favorable. As Federal Reserve Chairman Alan Greenspan himself advocates, "improving basic financial education . . . is essential to help young people avoid poor financial decisions that can take years to overcome."[59] Efforts to utilize the allure of celebrity figures like the hip-hop moguls for such pedagogical imperatives need to be explored and pursued. Such efforts will prove effective, however, only if they do not come across to would-be progressive constituencies as "holier than thou" discourses that seek to convert and cure the mass pathology of "consuming prestige" but rather as empathetic discourses of fellowship that acknowledge that the pursuit of wealth, and the symbolic elements of the "good life" that wealth enables, are part of the very fabric of freedom in modern capitalist democracies. By so doing, we may find the kind of ideological flexibility necessary to make celebrity figures like the hip-hop moguls more ethically responsible for the widely held public aspirations that they already currently signify. And by so doing, perhaps we can gradually defuse the explosive charge that the moguls trigger in a tautological commodity culture with an insatiable appetite for the spectacular aura of racial and ethnic authenticity, and we can begin to pay more attention to how these folks are going to sustain their businesses amid unremitting technological and industrial change. If nothing else, the ascension of the hip-hop mogul has gone a long way toward opening up

space in working-class and poor minority communities to view mainstream corporate enterprise with more than absolute suspicion and disdain. These openings may enable new progressive coalitions to proceed with building their proposed agendas without being hamstrung by the class-based friction that has typically plagued the hip-hop generation from within.[60]

To continue to dream of *only* non-market-driven, support-led engines for political mobilization represents a disabling blind spot that will only let figures like the mogul off the hook for other forms of representative capacity that they might embody if they were compelled to acknowledge the full complexity of their behind-the-scenes business and social lives. Too frequently, however, progressive intellectuals can think only within the realm of market-averse myopia. For example, in his critique of the New Economy and its virulent strain of market fundamentalism, Tom Frank writes that "the key to reigning in markets is to confront them from outside. . . . What we must have are not more focus groups or a new space where people can express themselves or etiquette lessons for executives but some countervailing power, some force that resists the imperatives of profit in the name of economic democracy."[61] But how does one even begin to conceptualize "economic democracy" without at least considering the beneficial spillover effects of the profit motive, individual initiative, and entrepreneurship? How does one consider persuading marginalized folks who view themselves always already on the outside looking in not to pursue commercial routes to cash in on that outlaw status when the hip-hop moguls are succeeding by doing exactly that via increasingly hyperreal methodologies? Indeed, imagining where an "outside" might be in twenty-first-century public life looks increasingly difficult, especially as mainstream notions of human perfectibility and social improvement, indeed of "utopia" itself, have become tethered ever more closely to the processes of financial speculation and the prospect of these processes trickling down to the lower stratum of our society through the wonders of new developments in information technology. The digital economy, complete with the hip-hop mogul as a newfangled "knowledge worker" adept at the manipulation and management of urban culture's increasingly open-source code of stylistic innovation, is merely the newest version of the postindustrial society as American utopia.

Certainly, any enthusiasm for the benefits of various market mechanisms should not get in the way of preserving and refashioning what sociologist William Julius Wilson has called the "nation's equalizing institutions," such as public education, unions, government-sponsored safety nets, and certain forms of international trade protection.[62] Indeed, if the

demise of the New Economy in the fires of corporate malfeasance proved anything, it is simply that the quest for wealth and the personal liberties that it facilitates require compassionate guidance and earnest cooperation. As pedagogues and scholars we can and must be available to confer with a range of constituents, within and beyond the academy, in this crucial enterprise. But, in order to do so, we must recognize that our efforts will be complementing, rather than replacing, the influence of celebrity figures like the hip-hop mogul. A multipronged intervention in this regard might not be such a bad thing to which to acquiesce. What better way, after all, to combat the "authoritarian irrationalism"[63] of our world? What other method but a multifaceted one can contend with the information inundation endemic to discursive formations like the rapidly ossifying New Economy and similar maelstroms of moral and economic ambivalence that will surely confront us again in the not-too-distant future?

Notes

This essay developed from a presentation made in March 2003 for the Norman Lear Center's "Celebrity, Politics, and Public Life" seminar series at the Annenberg School for Communication, University of Southern California. I am grateful to the members of the Lear Center for their insightful feedback on my presentation. Titus Levi and Marcia Dawkins were especially generous with their comments on earlier drafts of this essay.

1. Walter Kirn, "The End of the Affair," *New York Times Magazine*, 26 May 2002, 11.

2. Lizabeth Cohen, *A Consumers' Republic: The Politics of Mass Consumption in Postwar America* (New York: Knopf, 2003). Cohen argues that the quarter century following World War II forms an era of consensus on the United States as a "consumers' republic," namely "an economy, culture, and politics built around the promises of mass consumption, both in terms of material life and the more idealistic goals of greater freedom, democracy, and equality," 7.

3. Michael J. Silverstein and Neil Fiske, "Luxury for the Masses," *Harvard Business Review*, April 2003, 48.

4. In the words of the Nobel Prize–winning economist Amartya Sen, we can think of the social tension embodied in the hip-hop mogul as a "relationship between incomes and achievements, between commodities and capabilities, between our economic wealth and our ability to live as we would like." Amartya Sen, *Development as Freedom* (New York: Knopf, 1999), 13.

5. Jean-François Lyotard, *The Postmodern Condition* (Minneapolis: University of Minnesota Press, 1984), 15.

6. In a conversation that he conducted with VA Linux CEO and open-source software champion Larry Augustin, highbrow talk show host Charlie Rose summed up the New Economy's emancipatory populism with a pithy quip: "Everyone's innovation is everybody's opportunity." *The Charlie Rose Show*, PBS, 6 January 2000.

7. In a personal anecdote he offered during an interview, Ralph Ellison points out that, to some extent, black Americans have always activated their subjectivities against the grain of, yet from squarely within, mainstream popular culture. For instance, when asked how he overcame his childhood in racially intolerant Oklahoma, Ellison replied: "There were the accidents through which so much of that world beyond the Negro community became available to me. Ironically, I would have to start with some of the features of American life which it has become quite fashionable to criticize in a most unthinking way: the mass media. Like so many kids of the Twenties, I played around with radio—building crystal sets and circuits consisting of a few tubes, which I found published in radio magazines. At the time we were living in a white middle-class neighborhood, where my mother was a custodian for some apartments, and it was while searching the trash for cylindrical ice-cream cartons which were used by amateurs for winding tuning coils that I met a white boy who was looking for the same thing. I gave him some of those I'd found and we became friends. . . . I moved back into the Negro community and . . . was never to see him again, but knowing this white boy was a very meaningful experience. . . . Knowing him led me to expect much more of myself and of the world." Ralph Ellison, "That Same Pain, That Same Pleasure," in *The Collected Essays of Ralph Ellison*, ed. J. F. Callahan (New York: Modern Library, 1995), 63–64.

8. Not only is this form of mimicry embodied at the grassroots level, it is also enacted through verbal expression at the most rarefied heights of the financial services arena. For instance, if one had been watching CNBC "Business Center" on 19 January 2000, one could have borne witness to Bear Stearns technology and Internet analyst Scott Ehrens encapsulating his analysis of America Online's wellspring of liquidity in terms of a healthy backorder of advertising sales, a pleasant circumstance that Ehrens described via reference to the hip-hop–savvy euphemism "Baby Got Backlog," a remark made in an obvious attempt to piggyback on the enduring popularity of an immensely popular rap song from the mid-1990s called "Baby Got Back," by Sir-Mix-A-Lot. The key difference being, of course, that the rapper penned his lyric in musical tribute to the evergreen allure of the black woman's stereotypically callipygian backside, the denigration of which served as a formative salient of natural science in the West.

9. Malcolm Gladwell, *The Tipping Point: How Little Things Can Make a Big Difference* (Boston: Little, Brown, 2000).

10. For example, Matthew Grant writes that "in the sphere of the culture industry, the 'anarchy' inherent in capitalist relations of production expresses itself in the moment of indeterminacy, the unavoidable moment of autonomy granted the cultural producer. The music industry, like the movie industry, cannot produce a hit through formula and hype alone. It requires a moment of aesthetic autonomy to produce (at least) the appearance of diversity in the market, a diversity necessary to generate desire for the latest product. Although a calculated part of the system, this autonomy gap does allow for the insertion of something else into the cultural commodity. . . . we can understand this gap as the site for intervention and resistance." Matthew T. Grant, "Appendix 2: Of Gangstas and Guerrillas," www.gsd.harvard.edu/~appendix/issue2/grant/index2.htm.

11. John Seabrook, "Nobrow Culture," *New Yorker*, 20 September 1999, 104–11.

12. Laura M. Holson, "Dot-Com to the Stars: The Intersection of the Internet and Celebrity," *New York Times*, 6 June 2000.

13. Clay Christensen defines technology as "the processes by which an organization transforms labor, capital, material, and information into products and services of greater value . . . [a] concept of technology [that] extends beyond engineering and manufacturing to encompass a range of marketing, investment, and managerial processes." Christensen goes on to say that "*innovation* refers to a change in one of these technologies." Clayton Christensen, *The Innovator's Dilemma* (Boston: Harvard Business School Press, 1997), xiii. I am seeking to account for the ways in which black popular culture's potentially adverse, or "disruptive," technological effects have been managed by various agents within the global entertainment complex and converted into market-enhancing, or "sustaining," ones.

14. Walter Benjamin, "On Some Motifs in Baudelaire," in *Illuminations*, ed. Hannah Arendt, trans. Harry Zohn (New York: Schocken, 1969), 194.

15. Robin D. G. Kelley, "Playing for Keeps: African-American Youth in the Postindustrial City," in *The House That Race Built: Black Americans/U.S. Terrain*, ed. Wahneema Lubiano (New York: Random House, 1997), 195–231.

16. Kelefa Sanneh, "Gettin' Paid," *New Yorker*, 20 and 27 August 2001, 60.

17. Just days before the release of Eminem's hit film *8 Mile* in November 2002, the *New York Times* reported that "after more than two decades of growth, hip-hop album sales hit a wall in [2001], declining about 15 percent to 89 million . . . from a peak of 105 million the previous year, according to the Nielsen SoundScan company, which tracks sales figures. Album sales for the music industry were down overall, but less—3 percent in 2001—reflecting both the recession and the growth of free Internet file-sharing services. For the first six months of 2002, sales of hip-hop albums were down almost 20 percent from the same period [in 2001], compared with a general industry drop of 13 percent." Lola Ogunnaike, Laura Holson, and John Leland, "Feuding for Profit," *New York Times*, 3 November 2002.

18. *Fortune*, 16 September 2002, www.fortune.com/fortune/40under40/.

19. Orlando Patterson, *Rituals of Blood* (Washington, D.C.: Civitas, 1998), 249.

20. Roxanne Lowit, "Ciao!" *New York*, 22 February 1999.

21. Constance C. R. White, "It's All about Ice," *Talk*, December 1999–January 2000, 186–89. Such marketing efforts probably influenced the spending habits and style predilections of aspiring consumers. As one recent *New York Times* article reported, overall, the diamond market was up 12 percent in 2000 over figures posted in 1998. Monique P. Yazigi, "Bigger Diamonds Are a Girl's Best Friend," *New York Times*, 13 February 2000.

22. Frank DiGiacomo, "It's the Last Party of the Century," *New York Observer*, 13 December 1999, 3–8.

23. Christopher John Farley, "Hip-Hop Nation," *Time*, 8 February 1999, 54–57.

24. Amy M. Spindler, "Character Development," *New York Times Magazine*, 23 July 2000, 54.

25. Gretchen Morgenson, "Economy Can No Longer Count On the Consumer," *New York Times*, 9 March 2003.

26. Rob Walker, "When Diamonds and Escalades are O.K.," *New York Times*, 19 January 2003, 16.

27. Ibid., 17.

28. Ibid.

29. Stuart Elliott, "Advertising," *New York Times*, 19 November 1999.

30. Silverstein and Fiske, "Luxury for the Masses," 50.

31. In this respect, the rap utopia exemplifies what columnist David Brooks has described as the "realm of abundance." He writes that "in the land of abundance, a person's lower-class status is always temporary. If the complete idiot next door has managed to pull himself up to the realm of Lexus driver, why shouldn't the same thing happen to you?" David Brooks, "The Triumph of Hope over Self-Interest," *New York Times*, 12 January 2003.

32. Manthia Diawara, "Homeboy Cosmopolitanism," in *In Search of Africa* (Cambridge: Harvard University Press, 1998), 239.

33. Ibid.

34. A rap magazine profile of the New Orleans rap collective, the Cash Money Millionaires, describes their rap utopia in the following manner: "Welcome to a world where life is truly beautiful. A world where Cristal flows from bottles like water from fountains. Every expensive car sits on chrome. Rolexes decorate wrists like cuff links, and every foot is covered with the hide of some endangered species of reptile. Every citizen in this utopia is adorned with a minimum of $10,000 worth of jewelry at all times, women are treated like showpieces, ballers ditch their $100,000 cars for candy-painted helicopters, cell phones chime in unison like a well-orchestrated symphony, and players make paper airplanes out of $50 bills for fun. It's gross materialism, and you'll hear it on every Cash Money release." Eric Robinson, "It's a Wonderful World," *Rap Pages*, February 1999, 96. For those who don't know, Cristal is made by the esteemed French winery Louis Roederer. A recent catalog from the premium Manhattan wine boutique Sherry-Lehmann describes the 1995 vintage of Cristal as "the ultimate in rare 'luxuy cuvée' Champagnes . . . one of the most sought after wines in the world." At Sherry-Lehmann, a case of 1995 Cristal will set you back $2,159.40 plus tax. A bottle will require a mere $179.95.

35. Simon Reynolds, "It Isn't Easy Being Superman," *New York Times*, 10 October 1999, 29.

36. Consider the right-wing-leaning call for ghetto self-sufficiency in DMX's hardcore track, "Do You": "Do you—Cuz what it boils down to it's true / Do you—Cuz you are held accountable for you / Do you—is that really what you want me to see? / Do you—Cuz I'mma do me, truly."

37. Memoirist and fiction writer Dave Eggers attributes the *ressentiment* of "the hater" to information overload: "The average one of us is absolutely overwhelmed—as he or she should be—by the sheer volume of artistic output in every conceivable medium given to the world every day—it is simply too much to begin to process or to comprehend—and so we are forced to try to sort, to reduce. We designate, we diminish, we create hierarchies and categories. . . . But you know what is easiest of all? When we dismiss. Oh how gloriously comforting to be able to write someone off. . . . It's exhausting. It's born of boredom, lassitude. Too cowardly to address problems of substance where such problems actually are, we claw at those close to us. We point to our neighbor, in the khakis and sweater, and cry foul. It's ridiculous. We find enemies among our peers because we know them better, and their proximity and familiarity mean we don't have to get off the couch to dismantle them." Dave Eggers, "Too Legit to Quit," *Harper's*, August 2000, 20–22.

38. Reynolds, "It Isn't Easy Being Superman," 38.

39. Jackson Lears, "Luck and Pluck in American Culture," *Chronicle of Higher Education*, 24 January 2003, B15.

40. Jeffrey T. Schnapp, "The Mass Panorama," *Modernism/Modernity* 9, no. 2 (April 2002): 244–46.

41. Ibid., 247.

42. Ibid., 248–49.

43. Ibid., 278.

44. "Over the years and against conventional wisdom, utopians sustained a vision of life beyond the market. . . . The goal is not a new economic order, but freedom from an obsession with economics." Russell Jacoby, *The End of Utopia: Politics and Culture in an Age of Apathy* (New York: Basic Books, 1999), 27.

45. Susan Buck-Morss, *Dreamworld and Catastrophe: The Passing of Mass Utopia in East and West* (Cambridge: MIT Press, 2000), x.

46. Peter Applebome, "Where Money's a Mantra, Greed's a New Creed," *New York Times*, 28 February 1999.

47. Jeanne Cummings, "Small Investors Now a Big Bloc," *Wall Street Journal*, 27 September 2002.

48. Jacob Weisberg, "United Shareholders of America," *New York Times Magazine*, 25 January 1998, 29.

49. Buck-Morss, *Dreamworld and Catastrophe*, xiii.

50. Ianthe Jeanne Dugan, "Broken Trust," *Wall Street Journal*, 12 September 2000, 1.

51. Richard W. Stevenson, "Fed Reports Family Gains from Economy," *New York Times*, 19 January 2000.

52. Barbara Hagenbaugh, "Nation's Wealth Disparity Widens," *USA Today*, 23 January 2003.

53. Ibid.

54. Alex Kotlowitz, "False Connections," in *Consuming Desires: Consumption, Culture, and the Pursuit of Happiness*, ed. Roger Rosenblatt (Washington, D.C.: Island Press, 1999), 65–72.

55. George Packer writes in the *New York Times Magazine*, for instance, that, "if the Wall Street Project lacks the high moral tone of the civil rights movement, it echoes the noise of a bottom-line society moved more by power and access than by moral appeal. Jackson seems to have reached the shrewd conclusion that Bill Clinton's America is not swayed by a desire for economic justice, and that government is unlikely to attempt anything on the scale of the movement's gains. And who can blame him for facing those facts." George Packer, "Trickle-Down Civil Rights," *New York Times Magazine*, 12 December 1999, 76.

56. Jacoby, *The End of Utopia*, 10–11.

57. Bruce Robbins, "Double Time: Durkheim, Disciplines, and Progress," in *Disciplinarity and Dissent in Cultural Studies*, ed. Cary Nelson and Dilip Parameshwar Gaonkar (New York: Routledge, 1996), 188–89.

58. David Brooks asks, "Why don't more Americans want to redistribute more wealth down to people like themselves? People vote their aspirations. . . . None of us is really poor; we're just pre-rich. . . . Democratic politicians proposing to take from the rich are just bashing the dreams of our imminent selves. . . . As the sociologist Jennifer Lopez observed, . . . As long as rich people 'stay real' . . . they are admired. . . . All this adds up to a terrain incredibly inhospitable to class-based politics. . . . You have to be more hopeful and growth-oriented

than your opponent, and you cannot imply that we are a nation tragically and permanently divided by income. In the gospel of America, there are no permanent conflicts." David Brooks, "The Triumph of Hope over Self-Interest," *New York Times*, 12 January 2003.

59. "Greenspan Urges Better Money Sense," *New York Times*, 7 April 2001.

60. Henry Louis Gates, Jr., "Must Buppiehood Cost Homeboy His Soul?" *New York Times*, 1 March 1992.

61. Thomas Frank, *One Market under God: Extreme Capitalism, Market Populism, and the End of Economic Democracy* (New York: Doubleday, 2000), xvi.

62. William Julius Wilson, "All Boats Rise. Now What?" *New York Times*, 12 April 2000.

63. Paul Gilroy, "Black Fascism," *Transition*, nos. 81/82: 91.

Conservatism as the "Sensible Middle"

THE INDEPENDENT WOMEN'S FORUM, POLITICS, AND THE MEDIA

Barbara Spindel

During Clarence Thomas's contentious confirmation hearings, an ad hoc group of female lawyers rallied to the defense of the embattled Supreme Court nominee. By calling itself "Women for Clarence Thomas," the group—several of whose members were personal friends of the nominee—pointedly demonstrated that not all women, simply by virtue of their sex, found Anita Hill's allegations of sexual harassment credible. Following Thomas's confirmation, the group, feeling that neither feminists nor socially conservative women's organizations like Concerned Women for America spoke for them, broadened its agenda and evolved into the Independent Women's Forum (IWF). The IWF's mission is to oppose the mainstream feminist movement, which, in the organization's view, is unnecessary because women have already achieved full equality with men. To support this position, the IWF claims that women have attained legal and economic parity with men and minimizes the significance of such gender-based social problems as sexual harassment and domestic violence. The IWF further argues that the feminist movement is detrimental to women because it encourages them to see themselves as victims. This victim mentality, according to the IWF, leads feminists to advocate unreasonable and irrational policies that are divisive, anti-male, and antifamily.

The IWF has an elite membership of approximately 1,600, and, while the organization claims not to maintain demographic information on this cohort, its most active and visible members are white professionals. The IWF does not seek a mass base, preferring to exert influence from "inside the Beltway." The organization concentrates its efforts in the arenas of public relations (sending out press releases, writing editorials, supplying spokespeople to appear on television and radio talk shows) and legislative and judicial activity (testifying before Congress, filing friend of the court briefs); the IWF also produces two publications, the quarterly newsletter *Ex Femina* and the magazine the *Women's Quarterly* (*WQ*).

By the mid-1990s, the IWF had successfully constructed and circulated a "woman's" viewpoint that distinguished itself from both feminist and traditionally conservative worldviews. The organization generated a remarkable amount of press for its membership of enterprising career women who not only did not hold feminist beliefs but were in fact seeking to destroy the very movement that enabled them to realize their ambitions

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in the first place. Every few years, it seems, the American media rehashes the question "Is feminism dead?" The IWF appeared to provide compelling evidence for the affirmative side of that longtime cultural debate.

In addition to having a cultural impact, the IWF made its voice heard in the policy arena, sending spokespeople to testify before Congress on a number of issues, including the Violence Against Women Act and affirmative action for women, and filing friend of the court briefs in high-court battles concerning the coeducation of the Virginia Military Institute and the fate of Title IX. Moreover, representatives of the IWF have routinely appeared on network and cable news programs providing commentary on issues of the day.

How did the IWF manage to succeed when so many other new organizations find themselves unable to survive? The IWF's rapid and seamless rise to media prominence and political legitimacy can be explained in large part by the organization's prestigious membership, which has included such prominent conservative women—many of whom are married to prominent conservative men—as Lynne Cheney, head of the National Endowment for the Humanities under Presidents Reagan and Bush and wife of the current vice president; Ricky Silberman, vice chairman of the Equal Employment Opportunity Commission under the first President Bush and wife of Laurence Silberman, conservative judge on the U.S. Circuit Court of Appeals for the District of Columbia; the late Barbara Olson, a conservative writer who was married to Theodore Olson, the solicitor general who represented George W. Bush before the Supreme Court during the 2000 presidential election fiasco; economist Wendy Lee Gramm, wife of former Texas senator Phil Gramm; Christina Hoff Sommers, former philosophy professor and current resident scholar at the conservative American Enterprise Institute, who spearheaded the attack on academic women's studies; and Elizabeth Fox-Genovese, a notable academic who in recent years has become increasingly conservative and antifeminist. Others who have been associated with the IWF include Elayne Bennett, wife of former drug czar and Department of Education head William Bennett, and Mary Ellen Bork, wife of conservative jurist Robert Bork. Boosted by these connections to power, as well as by the committed financial support of the conservative Scaife, Bradley, Olin, and Coors foundations, the IWF has carved out a niche in the right-wing infrastructure with unusual speed and finesse.

Today, a decade after its founding, the IWF is thriving. It has supplemented its legislative, judicial, and media work with a growing college initiative aimed at defeating "radical feminism" on campus. Its spokespeople are routinely asked to comment on issues related to women to "balance" the comments of spokespeople representing the National Orga-

nization for Women and the Feminist Majority Foundation, despite the fact that the two feminist organizations speak for much larger constituencies than the IWF. Finally, many of its members and associates now hold important positions in the Bush administration. These include second lady Lynne Cheney, Secretary of Labor Elaine Chao, deputy assistant secretary of the navy Anita Blair, and chief of staff for the Council of Economic Advisers Diana Furchtgott-Roth, to name just a few. The IWF is widely perceived by both critics on the Left and allies on the Right as exerting an influence far out of proportion to its size.

Since its inception, the IWF has billed itself as a new and unique organization, and in important ways the IWF is unlike other groups that populate the political landscape. Certainly women had organized to oppose feminism in the past, but they tended to be religious conservatives who believed that women had a biblically mandated responsibility to remain in the home. The women of the IWF are as modern and ambitious as their feminist counterparts; what distinguishes them from feminists is their belief that women and men are already treated as equals in the eyes of the law and the marketplace.

The mainstream media seemed to accept the IWF's claim to represent something new and during the 1990s prominently featured IWF members in a glut of television, radio, and print stories that heralded a fresh and sexy conservatism. Young conservatives in particular were depicted as iconoclasts, members of a new political counterculture that was explicitly or implicitly linked to the left-wing counterculture of the 1960s and 1970s.

This article begins with an assessment of the IWF's position within the right wing, demonstrating that the IWF, despite its claims to be independent and nonpartisan, can in fact be squarely placed within today's conservative movement. I then turn to the mainstream media's coverage of the organization, dissecting the media's notion that the conservative movement of the 1990s was a hotbed of new ideas. I suggest instead that the public-relations savvy of young conservative activists, epitomized by the IWF, created an irresistible hook for the media. I conclude by arguing that the IWF's denial of its own political aims, and the media's acceptance of that denial, amount to a corruption of the notion of civil society that the IWF, and the conservative movement in general, claim to champion.

Championing a Traditionalist Agenda

In 1999, the IWF's then-president Anita Blair told the *Washington Times* that her organization's influence was on the rise because, unlike certain

The organization has defended the patriarchal Promise Keepers, lobbied against government-subsidized child care, and recommended that women give up work in order to be stay-at-home mothers.

groups on the Left and the Right, the IWF stays in the "sensible middle."[1] An analysis of the IWF's ideology, funding, and coalition-building efforts, however, suggests that the IWF is a firmly entrenched part of a broader right-wing infrastructure, most usefully viewed as a web of organizations whose distinct but related agendas fit together to advance the aims of the modern conservative movement: the promotion of free-market policies, limited government, and traditional values. In *To the Right*, Jerome Himmelstein describes conservatism's "gender division," in which "issues relating to what was considered the male world of work evoked libertarian rhetoric and those relating to what was seen as the female world of family evoked traditionalist rhetoric."[2] The IWF has carved out a niche for itself as a women's organization that successfully bridges this gender division and is equally adept at deploying libertarian and traditionalist rhetoric. In its effort to oppose the mainstream feminist movement, the IWF has argued against government measures intended to close the wage gap between women and men, prevent violence against women, and enforce Title IX. In each of these campaigns, the organization has supported its position with liberal individualist arguments that women as a class do not suffer from discrimination that merits government intervention. While it has trumpeted women's equality with men in the marketplace, however, the IWF has also championed a traditionalist agenda, propounding essentialist and biologistic views of the sexes. The organization has defended the patriarchal Promise Keepers, lobbied against government-subsidized child care, and recommended that women give up work in order to be stay-at-home mothers.[3]

A comparison of the IWF's promotional materials to those of other conservative organizations shows how typically right wing the IWF is. According to one IWF pamphlet, the organization "provide[s] a voice for American women who believe in individual freedom and personal responsibility. . . . the IWF promotes individual responsibility, strong families, more opportunity, and less government."[4] The Heritage Foundation's mission statement declares that the organization's goal is to "promote conservative public policies based on the principles of free enterprise, limited government, individual freedom, traditional American values, and a strong national defense."[5] The American Enterprise Institute, according to its mission statement, "is dedicated to preserving and strengthening the foundations of freedom—limited government, private enterprise, vital cultural and political institutions, and a strong foreign policy and national defense."[6] The Pacific Legal Foundation works "for less government and the preservation of free enterprise, private property rights, and individual liberties."[7] Finally, the Reason Foundation advocates "public policies based upon individual liberty and responsibility and a free-market

approach."[8] The similarities in these mission statements is striking, particularly given that the organizations receive the majority of their funding from the same handful of conservative foundations.

Indeed, perhaps the best way to gauge the IWF's position in the right-wing establishment is to examine its funding sources. The strategic philanthropy of the Right—which has no counterpart on the Left[9]—has resulted in the existence of a well-funded group of organizations that work together to effect political change. This network might not be the "vast right-wing conspiracy" that Hillary Clinton famously referred to during the Monica Lewinsky scandal, but the patterns of right-wing giving do reveal an effort by a relatively small group of extremely wealthy and ideological donors to have a transformative effect on society as a whole.

Most funders contribute to conservative causes on a variety of fronts, recognizing that the effects of a comprehensive funding strategy are more lasting and far-reaching than those of, say, single-issue or exclusively local funding. They also shrewdly fund with an eye toward the future of the movement. The Right's comprehensive approach includes funding national think tanks, advocacy groups, and legal defense funds; regional and state-based think tanks; right-wing media; and conservative training organizations, university programs, and academic associations.[10] Through this comprehensive strategy, conservatives are able to help set current political agendas and foster the development of new talent.

Because the IWF is not a mass-membership organization, it depends on grants from right-wing foundations. Between 1995 and 1998, according to the organization's 990 income tax forms, the IWF received $3.7 million in grants and $87,000 in membership dues.[11] In 2001, the IWF had a $1.3 million annual budget but only around 1,600 members, each paying $30 in annual dues, for an approximate total of $48,000 in dues revenue.[12] Watchdog organization Media Transparency lists the majority of the grants that the IWF received between 1994 and 2000 (the last year for which tax information is available). Other than a $20,000 grant in 1999 from the right-wing JM Foundation, all of the IWF's grants came from the five foundations that People for the American Way has highlighted as the most significant funders of conservative public policy: the Scaife Family foundations, the Lynde and Harry Bradley Foundation, the Koch Family foundations, the John M. Olin Foundation, and the Adolph Coors Family foundations.[13] Richard Scaife, an heir to the Mellon family banking and oil fortune, has been the IWF's most generous funder by far, contributing more than $1.25 million to the organization through his various family foundations.[14]

In addition to sharing ideological agendas and funding sources with other right-wing organizations, the IWF has, on numerous occasions, for-

mally allied itself with some of these groups. For example, in 1997, the IWF offered vocal support to the newly formed Ecumenical Coalition on Women and Society (ECWS), whose mission is "to press for renewal of biblical orthodoxy in the Church, to call for a more central role for faith in society, and to counter the radical feminist ideology and agenda."[15] In a statement, the IWF's Barbara Ledeen said, "I applaud [the coalition's] efforts as a Jew who believes in the centrality of faith and family, as an American who believes in the urgency of religious toleration, and as a woman who believes in the complementarity of men and women."[16] The ECWS is a project of the Institute on Religion and Democracy, which monitors progressive forces in mainline Protestant churches and is funded by several of the same foundations that fund the IWF.[17]

The following year, the IWF became part of the Citizens' Initiative on Race and Ethnicity, the conservative alternative to President Clinton's panel on race. The conservative panel, which strove to focus attention away from affirmative action and discrimination and onto issues like crime and the deterioration of black families, was chaired by anti–affirmative action activist Ward Connerly—to whom the IWF awarded its "Lincoln Leadership Award for Civic Virtue" in 1997. The panel included, besides the IWF's Barbara Ledeen, such credentialed conservatives as Clint Bolick of the Institute for Justice, Elaine Chao of the Heritage Foundation, Linda Chavez of the Center for Equal Opportunity, Gerald Reynolds of the Center for New Black Leadership, and Shelby Steele of the Hoover Institution.[18] (Both Chao, who went on to become labor secretary under Bush, and Chavez, Bush's first labor nominee, also serve on the IWF's national advisory board.)

In 1999, the IWF joined twenty-six right-wing organizations for Americans for Tax Reform's annual "Taxpayer Day of Outrage" rally in Washington's Lafayette Park. The IWF, the Heritage Foundation, the Christian Coalition, Concerned Women for America, and the Traditional Values Coalition were among those fighting for an end to "overtaxation." In keeping with the right wing's traditional opposition to "big government," the activists argued that tax money is squandered "on fruitless and unimportant programs."[19]

Shortly before the Republican national convention of 2000, the IWF joined with a much larger group of conservatives—forty organizations in all—in an effort to push the Republican Party platform to the right. Organized by the American Conservative Union, the coalition, which was called the 2000 Committee for a Conservative Platform, included Americans for Tax Reform, the Center for Military Readiness, the Christian Coalition, the National Rifle Association, National Right to Life, and the Traditional Values Coalition. By the time the Republican platform was

drafted, the committee had declared victory, with the American Conservative Union's Donald Devine announcing that the coalition had helped delegates develop a conservative platform "in every area—abortion, education, foreign policy involvement, the environment, affirmative action, free trade, gun rights, and charitable tax credits."[20]

Since George W. Bush's election to the presidency, the IWF has joined with other conservative organizations to express support for his political nominees and his policy initiatives. In January 2001, representatives of a number of conservative organizations gathered to speak out in defense of embattled senator John Ashcroft, whose nomination as attorney general had sparked opposition from a left-wing coalition that cited the nominee's extreme views on civil rights, reproductive rights, workers' rights, environmental protection, and gun regulation.[21] Recalling the IWF's early incarnation as "Women for Clarence Thomas," the coalition traded on its gender, calling itself "Women for Justice." The group was led by Beverly LaHaye, founder of Concerned Women for America, who was joined at a press conference by the IWF's Anita Blair; Lori Cole of the Eagle Forum, an organization founded by Phyllis Schlafly to fight the Equal Rights Amendment; Janet Parshall of the Family Research Council; Phyllis Berry-Myers of the Center for New Black Leadership; and others. They sidestepped the substantive issues related to Ashcroft's record in the Senate, instead focusing on his religiosity and calling the campaign against him "a type of genteel bigotry that seeks to marginalize people of faith."[22]

In July 2001, in another instance of coalition building in support of the administration, conservative organizations formed Americans for Missile Defense, which spearheaded a national lobbying campaign to back President Bush's calls for a national missile defense system. Participants included the IWF, the Heritage Foundation, the American Conservative Union, Americans for Tax Reform, the Eagle Forum, and the Republican Jewish Coalition.[23] Not long before that, the IWF had joined the Coalition for Compassion, a group of twenty-five organizations including the Free Congress Foundation, the National Association of Evangelicals, the Family Research Council, and the Eagle Forum, whose aim was to endorse Bush's "faith-based initiative" to give federal grants to religious social service providers.[24]

Finally, in January 2002, the Center for Military Readiness, an organization that fights the "radical 'equal-opportunity' agenda for women in combat" and "the homosexual agenda for the military,"[25] held a news conference of "conservative women leaders to call for a focused war on terrorism." The coalition's complaint was that "activists are still promoting lower training standards and coed basic training policies that disregard the safety of the American people for the false leftist idea that women and

men are exactly the same."[26] The conservative women leaders included two representatives of the IWF, president Nancy Pfotenhauer and board member Charmaine Yoest. The coalition also included right-wing syndicated columnist Mona Charen and representatives of Concerned Women for America, the Eagle Forum, and the Claire Boothe Luce Policy Institute, a conservative youth-training organization.

These alliances suggest that the IWF has become an increasingly important player among movement organizations, transcending its involvement in what are traditionally considered women's issues to assume a leadership role on a variety of domestic and international issues. The spectrum of right-wing organizations that the IWF has worked with is notably broad: socially conservative women's organizations such as Concerned Women for America and the Eagle Forum; religious right organizations such as the Christian Coalition, the Traditional Values Coalition, and the Family Research Council; organizations concerned with advancing conservative perspectives on race, such as the Center for New Black Leadership and the Institute for Justice; and those devoted to the promotion of the free market and smaller government, such as the Heritage Foundation and the American Conservative Union.

Perhaps as important as these formal alliances are the bonds of family and friendship that link many of the members of the IWF to major players on the Right. We have already seen how a number of women associated with the IWF—Lynne Cheney, Ricky Silberman, Wendy Lee Gramm, Mary Ellen Bork, Elayne Bennett, and the late Barbara Olson—are connected to powerful conservative men through marriage. In addition to family ties, bonds of friendship have led to the sharing of ideas and talent among organizations. Ricky Silberman, one of the founders of the Scaife-funded IWF, met Kenneth Starr through her husband, Judge Laurence Silberman, because they were members of the Scaife-supported Federalist Society, a heavily funded network of attorneys devoted to the spread of conservative legal principles. In 1994, Ricky Silberman asked Starr to write an amicus brief on behalf of Paula Jones for the IWF, but Starr's plan to file the brief was abruptly dropped when he was appointed independent counsel in the Whitewater investigation. When the plans subsequently became public, many argued that Starr should have recused himself as independent counsel in the Clinton proceedings because of a clear conflict of interest.[27]

Danielle Crittenden, the first editor of the IWF's *Women's Quarterly* (and the wife of former Bush speechwriter David Frum, who is reputed to have coined the phrase "axis of evil" for Bush's 2002 State of the Union address), credits Amity Shlaes, the youngest member of the *Wall Street Journal*'s editorial board, for giving her the idea to edit a new conservative

publication and for connecting her with the IWF to bring the idea to fruition.[28] The IWF has also, on a number of occasions, shared talent and resources with the American Enterprise Institute (AEI). Before getting a job in the Bush administration, Diana Furchtgott-Roth—an IWF national advisory board member and the co-author of *Women's Figures*, an IWF report that purports to debunk the wage gap between men and women—was also a resident fellow at the AEI. Christina Hoff Sommers, chair of the IWF's advisory board, is a resident scholar at the institute as well. AEI Press republished *Women's Figures* in 1999 and published *The Feminist Dilemma: When Success Is Not Enough*, by Diana Furchtgott-Roth and IWF senior fellow Christine Stolba, in 2001.

Coming of age during a Democratic administration, the IWF gained visibility by supplying the media with Clinton-bashing pundits and Congress with witnesses eager to testify on women's issues. During the 1990s, however, articles on the IWF were often relegated to the style pages of newspapers and analyzed the cultural ramifications of an organization of professional women opposed to feminism. When George W. Bush became president, the IWF was well positioned to transform itself from an outsider organization to a serious player in public policy—a transformation foreshadowed by its increasing alliances with other right-wing groups. Recruiters for the new administration contacted the IWF seeking names of potential female appointees.[29]

A May 2001 *Washington Post* article signaled the change in the IWF's fortunes. It appeared not in the style pages but as a hard-news story in the paper's front section. The article, headlined "Women's Forum Challenges Feminists, Gains Influence," notes that the IWF "has found its way to the highest levels of the Bush administration carrying a distinctly different view of women and women's issues." Moreover, according to the reporters, Richard Morin and Claudia Deane, the IWF's impact extends beyond placing its members in positions within the government: "Bush appointees who are not Independent Women's Forum members but must face Senate confirmation are dropping by its Arlington headquarters to be briefed on gender issues." Morin and Deane observe that the IWF has exposure "far out of proportion" to its budget and members; they report that it "has become a favored venue for conservative scholars, writers, and policy-makers to trade ideas and showcase their latest work on women's issues. The forum's reach inside the new administration exceeds the group's modest size."[30] They go on to list IWF members with Bush administration posts:

> Labor Secretary Elaine L. Chao is on its national advisory board. Linda Chavez, President Bush's first nominee for the Labor job, also is on the advisory board. Lynne V. Cheney, wife of the vice president, is a former member of its board of directors who is now listed as a member-emerita.

Wade Horn, who heads the National Fatherhood Initiative, served on the forum's advisory board before he was tapped to be assistant secretary for family support at the Department of Health and Human Services. Diana Furchtgott-Roth, who has advised the group on economic issues, is chief of staff for the White House Council of Economic Advisers. . . . Paula J. Dobriansky was on the advisory board before Bush tapped her to be undersecretary of state for global affairs; forum adviser Eileen J. O'Connor is the administration's choice for assistant attorney general for the Justice Department's Tax Division.[31]

In the months following the publication of the *Washington Post* article, other women of the IWF saw their influence expand. Jessica Gavora, the former manager of the IWF's Play Fair project, which coordinates opposition to Title IX, became the chief speechwriter and senior policy adviser for Attorney General Ashcroft. From that position, Gavora continues to speak out against Title IX.[32] In March 2002, IWF president Nancy Pfotenhauer represented the United States as a delegate to the U.N. Commission on the Status of Women. Pfotenhauer was also appointed to Secretary of Labor Elaine Chao's Committee on Workplace Issues, which advises the administration on challenges facing America's workers.[33] In September 2002, in a third government appointment for Pfotenhauer, Attorney General John Ashcroft invited her, along with IWF board member Margot Hill, to serve on the National Advisory Committee on Violence against Women. The committee advises the administration on implementation of the Violence Against Women Act, whose passage the IWF, dubbing it "Violence against Taxpayers," vehemently opposed.[34]

In addition, IWF cofounder Barbara Ledeen—who had once told a journalist that she had helped form a women's organization because "you can't have white guys saying you don't need affirmative action"[35]—was hired by Senator Rick Santorum of Pennsylvania to help coordinate Republican outreach to minority groups.[36] In 2002, Secretary of Defense Donald Rumsfeld assigned Ricky Silberman to the Defense Advisory Committee on Women in the Services (DACOWITS), where she, along with twelve other civilian members, was charged with providing recommendations on policies relating to the recruitment and integration of women in the Armed Forces.[37] Finally, in another military appointment, the IWF's former president, Anita Blair, was given an administration position closely related to one of the issues she devoted much time to during her years at the IWF. As one news account reported,

> The former president Bill Clinton's policies of allowing women soldiers into combat zones are being halted as part of a fundamental rethink by the Bush administration about the culture and purposes of the armed forces. Oppo-

> nents of boosting the role of women in the front line have been appointed to influential positions in the Pentagon and a move to open up a reconnaissance unit linked to special forces is likely to be reversed. . . . Anita Blair, the new deputy assistant secretary of the U.S. Navy, is an opponent of allowing women to serve in submarines, a key Defense Advisory Committee on Women in the Services aim, and is an advocate of separating the sexes during training.[38]

As president of the IWF, Anita Blair worked strenuously to prevent the coeducation of the Virginia Military Institute and argued against women in combat roles. This policy shift clearly reflects the political efficacy that the IWF can expect now that its members and associates have moved from positions of advocacy outside of one administration to positions of power within another.

Grooming the Next Generation

In addition to solidifying its power within the Bush administration, the IWF has, in recent years, involved itself in campus politics. While American college campuses are frequently caricatured by conservatives as bastions of 1960s-style leftist radicalism, right-wing student groups, often with the financial assistance of outside organizations, are enjoying considerable success today. A 2002 *National Journal* examination of Republican campus politics observed that "left-wing students may garner most of the headlines and have louder voices on campuses, but it is conservative students who are quietly solidifying their organizations nationwide."[39] In the late 1990s, taking its cue from the Right's tradition of fostering new talent and reacting to what it saw as feminism's hegemony on the nation's college campuses, the IWF turned its attention to recruiting college women to conservatism. Its first foray into campus life was to provide advice and financial support to a fledgling organization at Georgetown University. The Georgetown Women's Guild made its debut on campus with "The Guide," a booklet on women's life at Georgetown underwritten by the IWF. In "The Guide," the Guild—sounding very much like the IWF—argued, "In our view, the fight for equality is largely a thing of the past." Like much IWF propaganda, "The Guide" announced that rape and anorexia are exaggerated problems and that feminism is irrelevant to contemporary women. It also included columns by such IWF stalwarts as Laura Ingraham and Christina Hoff Sommers. Sommers later spoke on campus, along with representatives from the Center for New Black Leadership, the Family Research Council, and the American Enterprise Institute, at a forum sponsored by the Guild.[40]

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The publication of "The Guide" created a heated controversy at Georgetown, with progressive students protesting the pamphlet's distribution to incoming freshmen and editorializing against its content in the school newspaper. The fracas drew extensive media coverage—for both the Guild and the IWF—that some feminist students saw as a cynical move for publicity on the part of the conservatives. Said one student, "The most upsetting thing is that [the Guild] is not a true student organization. There's a larger agenda at work, and with substantial funding, their side can get access to a lot of things that the average student group would not have access to." Indeed, as a result of the controversy, the IWF committed itself to holding a fund-raiser for the embattled Guild.[41] Since the Georgetown controversy, the IWF has funded "Guide"-like publications at Yale, Harvard, and Smith and has scouted other campuses for willing student editors.[42]

In 2000, the IWF stepped up its campus campaign with the launch of SheThinks.org, a webzine for college women. The article archive at the site, not surprisingly, is full of attacks on both feminism and political correctness on campus. SheThinks.org also includes original pieces by IWF members and reprints articles that have appeared in the *Women's Quarterly*. In 2002, the IWF began publishing *SheThinks*, a magazine that compiles columns from the Web site. Browsers on the Web site can print out an "instant copy" of the magazine, or the IWF will send bound copies to student volunteers to distribute on their campuses.

A frequent complaint on SheThinks.org is that, on American campuses, traditional courtship has been replaced by casual sexual encounters. In July 2001, the IWF took its courtship campaign to the national level with the release of a study entitled "Hooking Up, Hanging Out, and Hoping for Mr. Right." The IWF study was conducted with the Institute for American Values, an organization devoted to "the renewal of marriage and family life" and headed by David Blankenhorn, founder of the 1990s "fatherhood movement." Pollsters surveyed more than 1,000 women at campuses across the United States and found that traditional dating had been replaced by "hooking up," a term for sexual encounters, ranging from kissing to intercourse, that tend not to lead to committed relationships. Three-quarters of those surveyed agreed that a hookup happens when "a girl and a guy get together for a physical encounter and don't necessarily expect anything further." (The survey, which received widespread coverage in the national press, ignores the existence of gay and lesbian students altogether.) The report argued, however, that even though women told surveyors that they "[didn't] necessarily expect anything further," many women hooked up in hopes of finding a committed relationship (63 percent of respondents said they hoped to meet their husbands in

college) and that the encounters often left women feeling "emotionally empty." Commenting on the report's findings in the *Washington Post*, IWF president Nancy Pfotenhauer said, "Young women are trying more and more to act like men, but the problem is they don't react like men." Because men weren't included in the survey, however, the study cannot purport to demonstrate that men as a group are more satisfied than women with their campuses' sexual climates. And indeed, as the study itself demonstrates, not all women react to hookups the same way; some reported "feeling strong, desirable, and sexy" after encounters with men. The report concludes with the recommendation that adults "help restore courtship rituals and guide the young."[43]

In the spring of 2001, neoconservative writer David Horowitz sparked a national controversy when he submitted to several college newspapers an advertisement entitled "10 Reasons Why Reparations for Blacks Are a Bad Idea for Blacks and Racist, Too." Horowitz gleefully cried censorship when several universities refused to run the purposely incendiary ad—and generated a lot of publicity for him in the process. Several months later the IWF took its cue from Horowitz and submitted to a number of college newspapers an advertisement that, with information culled from Christina Hoff Sommers's *Who Stole Feminism?*, claimed to debunk "the 10 most common feminist myths," which concerned topics like the wage gap and rape statistics. Columbia University's student newspaper refused to run the ad, citing a policy against accepting political advertisements. The *Harvard Crimson* stalled for several weeks before running the ad as the school year was ending. Yale and U.C.L.A.'s newspapers ran the ads, which were met with outrage from campus feminist groups. As was the case with Horowitz, the stunt generated extensive publicity for the IWF.[44] The tactic worked again several months later, in February 2002, when the IWF took out an ad in several college newspapers for SheThinks.org; this ad urged young women to reject the "victimology" of Eve Ensler's play *The Vagina Monologues*, which was slated to be performed on campuses nationwide on Valentine's Day. When Penn State's *Daily Collegian* initially rejected the ad, calling it "too inflammatory" (the newspaper eventually ran the ad), the newspaper was taken to task in a commentary in *USA Today* written by Laura Vanderkam, who describes *The Vagina Monologues* as "inane" and calls SheThinks.org a Web site "that tries to carve a third way. It urges women to have lives and goals outside of boys, but also to reject victim feminism and instead see men as lovers and, most importantly, people." At the end of the piece, Vanderkam is identified as a Collegiate Network intern at the newspaper. Most *USA Today* readers probably would not be aware that the Collegiate Network is a program of the Intercollegiate Studies Institute that trains conservative college journalists

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and, with the financial support of right-wing foundations, provides them with internships at mainstream publications. Writes Lisa Bennett in the *National NOW Times*, "To the average reader, these writers appear to be eager interns getting a big break, rather than the well-funded propagandists that they are." In the months following the publication of her commentary, Vanderkam contributed three articles to SheThinks.org.[45]

The latest effort of SheThinks.org has been to encourage students to start "alternative feminist organizations" on campus. The Web site's "Student Activist Guide" asks, "Don't feel like a victim of oppression just because you're a woman? You are far from alone. On campuses across the nation, students are fed up with campus groups that do not represent their values and principles and are founding alternative feminist organizations." The activist guide provides instruction on founding and maintaining a group, including how to attract and retain members, plan events, draw media attention, and raise funds. The guide suggests that the IWF can be a source of funding, telling students, "We are a resource. Use us."[46] The schools that have most recently formed IWF-like clubs include Harvard, the University of Chicago, and Penn State.

An examination of the IWF's influence on campus politics published in the *Chronicle for Higher Education* quoted students at several campuses who were resentful that an outside organization was able to alter the tenor of campus politics.[47] These complaints capture the significance of the IWF's college campaign. Certainly off-campus political organizations have long had ties to American college campuses. Yet, the best of student organizing, from the free speech movement of the 1960s to the anti-apartheid movement of the 1980s, developed organically as young men and women learned about the world around them and determined to change it. For their part, feminist groups on campus have tended to look outward with their activism, focusing on issues affecting women in general—most notably, violence, sexual assault, and eating disorders. Many campus feminist groups also have an international focus; well before 9/11, for instance, campus feminists were calling attention to the plight of women living under Taliban rule in Afghanistan. The campus activism supported by the IWF is far removed from this tradition. Just as the IWF develops its agenda largely by opposing whatever NOW supports, its campus satellites exist purely to oppose feminist activists on campus. With money, advice, and materials from an outside organization that is itself funded by a handful of right-wing foundations, the IWF's campus groups, rather than developing politics of their own, cynically mouth the politics of the IWF.

We have seen the many ways the IWF has proven its conservative credentials, from its reliance on right-wing foundations for financial support to its alliances with an array of conservative organizations on a range of issues and its focus on grooming the next generation of conservative activists. Despite so much familiar substance, the IWF's unorthodox style captivated the media, leading to a wave of coverage for the organization beginning in the mid-1990s. One typical example was a 1996 *Boston Globe* article on "Washington's new breed of Republicans." Its subheading read, "Washington's young conservatives are impatient and iconoclastic, and they have the connections it takes to get things done." In the article, the IWF's Danielle Crittenden says, "Any young person wanting to challenge the establishment and thinking in unconventional ways and wanting to be involved in intellectual ferment is now found on the right."[48]

Readers of publications ranging from the *New York Times* to *Vanity Fair* and from the *National Law Journal* to *Harper's Bazaar* found breathy articles that reinforced Crittenden's assertion. Like the *Globe* piece, this flurry of media attention described a new "conservative chic." All of these articles featured the most photogenic of the IWFers, women like Laura Ingraham, Ann Coulter, and Kellyanne Fitzpatrick, whose blonde hair and short skirts fly in the face of the stereotypical image of the frumpy conservative woman. Many of them were already familiar to television viewers as pundits appearing on talk shows on CNN and CNBC and on ABC's *Politically Incorrect*. Were these women really offering something new, or had conservatism simply received a makeover?

Before the media could tell the story of the newly fashionable conservative movement, the new conservative women had to make themselves known and available to the media. From its inception, the IWF has been uncommonly successful in garnering media attention, and this success has been observed with alarm by feminist activists. Laura Flanders of Fairness and Accuracy in Reporting (FAIR) tallied up the IWF's media appearances in early 1996, when the organization boasted only 600 members. Flanders reported that IWF-ers had appeared recently on PBS's *Charlie Rose Show*, ABC's *Politically Incorrect*, CNN's *Crossfire*, NPR's *All Things Considered*, and PBS's *MacNeil/Lehrer News Hour*. In addition, according to Flanders, in 1995 alone, the *New York Times* published six opinion pieces by IWF spokespeople; the *Wall Street Journal* published five; and the *Washington Post* three. During the same period, no opinion pieces were published by spokespeople for NOW or the Feminist Majority Foundation.[49] An early *Washington Post* profile of the IWF observed that its spokespeople "get published on the op-ed pages of major news-

papers, quoted in news stories, and invited on talk shows with astonishing regularity." Patricia Ireland, then-president of NOW, commented, with some understatement, "We're sitting here with 600 chapters all over the country and they exist for a year or so and get equal coverage. It is a little startling."[50]

The IWF was able to create a successful media package through a combination of public relations savvy, political connections, and, of course, the content of its message, which involved the novelty of successful career women attacking feminism. The organization's shrewd self-marketing techniques were evident early on. Working with a public relations firm, the IWF issues a press release every time one of its spokespeople addresses Congress or has an opinion piece published.[51] In its early years, the IWF sponsored periodic workshops called "Mastering the Media."[52] In addition, in 1994, the IWF signaled its availability to the media by publishing a reporter's guide listing hundreds of members who could serve, in the words of IWF president Anita Blair, as "politically incorrect women commentators" on topics ranging from the expected (affirmative action, sexual harassment, and glass ceilings) to the unexpected (aviation, science, and energy).[53] Reporters who utilize the guide can specify the category of professional they wish to interview; reflecting the IWF's elite membership, these categories include businesswomen, economists, elected officials, lawyers, and public policy analysts.[54] IWF commentators have proved able to inject the organization's ideology into discussions of a wide range of issues. During a CNBC appearance to discuss the deaths of Princess Diana and Mother Teresa, Danielle Crittenden managed to tie Diana's death to the failures of feminism, claiming that the princess's unhappiness represented "the empty promise of the feminist idea of independence. That even as a princess and rich . . . very few people want to live a loveless, independent life."[55]

The IWF's skillful self-promotion earned it a lengthy feature on the venerable *60 Minutes* in 1996, when the organization boasted less than one thousand members. In his introduction to the segment, host Ed Bradley called the IWF "a small, conservative, and increasingly high-profile group that says the time has come to put a new face on feminism. These women say that the kind of feminism practiced over the last 30 years by groups like the National Organization for Women has lost its way and has become so radical, so anti-male and anti-family, that it no longer speaks for the majority of American women." Bradley's profile includes a sit-down interview with Lynne Cheney, Christina Hoff Sommers, and Laura Ingraham and does not include a feminist position until more than halfway through, when NOW's Patricia Ireland and the Feminist Majority Foundation's Eleanor Smeal are interviewed. Still, the piece ends with

Cheney declaring that feminists are negative and that women aren't victims.[56]

The IWF has long opposed Title IX, arguing that it imposes a "gender quota" on college athletics that has resulted in the elimination of so-called minor men's sports like wrestling and swimming at a number of American universities. In June 1999, the *Village Voice* obtained a letter from Kimberly Schuld, the director of the IWF's anti–Title IX campaign, to leaders of several U.S. wrestling associations; the letter makes clear that the IWF has used, in the *Voice*'s words, "unabashed manipulation of the press" to shape media representation of the Title IX controversy. In the letter, Schuld

> brags that the IWF was instrumental in getting *U.S. News and World Report*, the *Wall Street Journal*, and other publications to cover the issue from their point of view. She takes credit for an anti-"quota" *20/20* episode last May (1998), noting how "the show's producer was on the phone several times a week" with her and her colleagues, "who directed the tone of the show." As for the (May 1999) segment on PBS (*Title IX and Women in Sports: What's Wrong with This Picture?*), Schuld crows, "I was a key player with the production staff, assisting them on how to write the story line."[57]

This rare look at the IWF's behind-the-scenes efforts to influence press coverage suggests how successful the organization's aggressive media marketing techniques have been. Moreover, given its official nonpartisan status, the IWF is often quoted in media accounts that do not identify its position on the political spectrum. One syndicated article blandly identified the organization as "a nonpartisan group concerned with women's issues," and the *New York Times* has identified the IWF as simply "a policy group." Even the *Washington Post*, which has published several articles over the years describing the IWF's antifeminism and its place in the conservative movement, recently referred to the organization as "a nonpartisan think tank on women's issues."[58]

Of course, the IWF has its own media outlet, too: its journal, *Women's Quarterly*. *WQ* has a circulation of only 16,000,[59] but as is often the case with the IWF, the journal's impact is far out of proportion to its numbers. Articles first published in *WQ* regularly get republished in such conservative periodicals as the *National Review* and the *Washington Times*, both of which, with circulations of 157,000 and 110,000 respectively, have a far broader reach and, in the case of the *National Review*, more cultural impact.[60] For instance, in 1997, a *WQ* story described a panel discussion held by the Utah chapter of NOW that featured several Mormon feminists and one "feminist polygamist." The polygamist argued that being one of eight women "married" to a man enabled her to pursue a career knowing

that another "wife" would always be on hand to care for her son and husband. The *WQ* writer questioned the chapter's spokesperson and two of its members, all of whom defended the polygamist's right to choose her own lifestyle. Although the statements did not represent official policy of the national NOW or even the Utah chapter, the quotations, picked up by the *Washington Times*, became the basis of an August front-page story in the *Times* (despite the fact that the panel took place in May) under the headline "New NOW Answer: Polygamy for Moms." The article, essentially a tempest in a teapot, included quotations from Concerned Women for America's Carmen Pate and the Eagle Forum's Phyllis Schlafly; the latter commented that "radical feminists have been on a collision course with traditional morality for quite some time."[61]

By 1995, in addition to attracting media attention for its positions, the IWF began to gain notice for its personalities. Increasingly, the organization relied on telegenic spokespeople who distinguished themselves from other pundits by cultivating provocative personas in place of providing staid political commentary. The most successful of these spokespeople was Laura Ingraham, whose star began to rise after she appeared on the cover of the 12 February 1995 issue of the *New York Times Magazine*. The article, on rising young conservatives, was called "The Counter Counterculture." Appearing on the cover were a seated Adam Bellow (son of novelist Saul Bellow and publisher of *The Bell Curve*), flanked by Lisa Schiffren (IWF member and former speechwriter for Dan Quayle) and James Golden (producer of the Rush Limbaugh radio show). To their left was the cropped torso of David Brock, author of *The Real Anita Hill*. Towering over all of them, and dominating the cover's foreground, was the IWF's Laura Ingraham—who was featured at the suggestion of her friend Brock—with her arms crossed, wearing a short, tight leopard-print miniskirt.

Ingraham, a Connecticut native, comes from a conservative family and has been a conservative activist since her days as an undergraduate at Dartmouth, where she served as editor-in-chief of the *Dartmouth Review* and was briefly engaged to right-wing author Dinesh D'Souza. She was a speechwriter in the Reagan White House and a clerk for Clarence Thomas; by the time she became active in the IWF, she was a partner in the Washington law firm Skadden Arps, specializing in the defense of white-collar criminals. In the *New York Times* article, author James Atlas describes the experience of "careering through the streets of downtown Washington . . . in Ingraham's military-green Land Rover at sixty miles an hour looking for an open bar while the music of Buckwheat Zydeco blasted over the stereo."[62] Ingraham's impeccable conservative credentials and her impulsive image made her the perfect spokesperson for the

IWF, an organization that, although engaged in serious business, defines itself against "dour" feminists by claiming not to take itself too seriously.

Atlas's article—or, more precisely, the leopard-print miniskirt—turned Ingraham into a right-wing "It Girl." Within a few months of its publication, she had stopped practicing law in order to devote herself to full-time punditry. She published opinion pieces for the IWF in newspapers across the country (including two in the *New York Times* in 1995 alone), appeared regularly on network and cable news programs, and won a contract to provide political commentary for ABC News.

Ingraham soon became a news story in and of herself: her romances were detailed in the *Washington Post*'s style pages, and she was the subject of a number of admiring profiles. The *Boston Globe* article on Washington's young conservatives features Ingraham prominently, describing her leopard-print miniskirt and her belief that conservatives should "be silly. Ride mountain bikes. Dress crazily. Say provocative things."[63] A 1996 profile in the *National Law Journal* was typical, describing the appearance and wardrobe of the "telegenic and vibrant" Ingraham (she is "a single woman fond of leopard-skin prints") as much as her positions on political issues.[64] A lengthy profile in *Vanity Fair* opened, "On this, her friends and her enemies agree: it all began with the leopard-print skirt." Focusing on Ingraham's "high-concept package of looks, brains, and right-wing politics," the article describes her media rise and even includes a quotation from anchor Tom Brokaw, whose network, NBC, was courting Ingraham at the time. "We would like very much for her to be part of the NBC News family," he says. "There's no secret about that."[65] A *Wall Street Journal* profile credited Ingraham with giving the IWF "a feisty, irreverent public image—for example, by appearing earlier this year on the cover of the Sunday *New York Times Magazine* in a leopard-skin miniskirt."[66] Ingraham was even profiled in the *London Times*, which referred to her as "the woman who is telling America's feminists to stop whining." The article mentions the "ubiquitous" Ingraham's vanity license plate, which reads "FAR RITE," and, of course, describes her leopard-print miniskirt.[67]

Ingraham's sexualized media image ushered in a change in the stereotype of the conservative woman. In a commentary for National Public Radio's *All Things Considered*, conservative author David Brooks notes that the perception of conservative women as frumpy and chaste, "which was never very fair, is blown away these days. Now, as many are noticing, if you go to a party of Young Republicans, the men are dweebs and the women are sophisticated."[68] In a *Vanity Fair* article on "the new female conservatism," Sam Tanenhaus, profiling several young, right-wing

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women, including the IWF's Danielle Crittenden, writes, "While many on the left are writing them off as throwbacks, the real message is that [they] look more like the coming thing, heralds, or sirens, of a genuine conservative chic." When Tanenhaus asks Bob Newman, publicist for several female conservative authors, to comment on his clients' success, he says that the new conservatives understand the "need to be provocative, push buttons, be sexy."[69]

Ingraham's success typifies the increased blurring of the lines between news and show business. It also perfectly exemplifies the shallowness of the media where women's limited access to positions of media authority is concerned. While certainly a committed conservative ideologically, Ingraham, barely into her thirties when she appeared on the cover of the *New York Times Magazine*, lacked the years of experience or thoughtful analysis one would expect from someone courted to be an expert commentator by the nation's major news outlets. But what Ingraham lacked in depth, she made up for in an almost parodic liberal-baiting—for instance, she told one journalist that her fur coat was made of "baby squealing foxes" who were "really cute when they were alive."[70] Her rapid and easy rise to celebrity did not go unnoticed by those who booked guests for news shows or by those who aspired to appear on them. Ingraham's success paved the way for a number of other telegenic right-wing female pundits, Ann Coulter and Kellyanne Fitzpatrick—both of whom have been associated with the IWF—the most notable among them.

Ingraham, Coulter, and Fitzpatrick declined to pose nude for a *Playboy* story on female conservative pundits,[71] but Coulter and Fitzpatrick, along with the IWF's first campus projects manager, Amy Holmes, posed for a two-page photo spread in the February 1998 issue of *Harper's Bazaar*. The story's tag line on the cover reads, "Washington's Spice Girls: The New Breed of Conservative Babe." The caption asks, "Has conservatism become the new radical chic? Yes, judging by this new breed of sharp-dressing, tough-talking, right-wing women." In the photograph, the women wear miniskirts and stiletto heels.[72] That year, the popular NBC series *The West Wing*, which focuses on a Democratic presidential administration, introduced a character who, according to the show's creator, was a composite of Ingraham, Coulter, and Fitzpatrick—"young, blond, conservative, and leggy."[73]

The Monica Lewinsky scandal dovetailed with the increase in twenty-four-hour cable news networks and the proliferation of talk shows that needed to fill airtime; the scandal afforded Ingraham, Coulter, and Fitzpatrick frequent opportunities to denounce both President Clinton and the feminist organizations that they and the IWF accused of hypocrisy. Their spirited attacks on the president won them repeated invitations to

appear on television—perches they maintained by taking obstreperous positions on such high-profile news stories as the 2000 presidential election, the disappearance and murder of Capitol Hill intern Chandra Levy, and Andrea Yates's murder of her five children in Texas.

With the pundits' ubiquity, however, came a backlash of sorts, as media-watchers and Clinton defenders began to point out the hypocrisy of scantily clad women using sex appeal to secure spots on television from which they often spouted retrograde values. While spokespeople from Fox News and CNN, in response to a journalist's queries, denied that the pundits' looks had anything to do with their invitations to appear on news shows, one producer, Mike Tirone of MSNBC's *Hardball with Chris Matthews*, did concede, "You want someone who is smart, but you also need someone who is easy on the eyes."[74] In a revealing commentary, longtime Democratic activist and legal scholar Susan Estrich acknowledged that she was invited to appear on television to defend Clinton only when she had transformed herself from a size-12 brunette to a size-6 blonde. "For years, feminists have argued that the voice of women has been excluded from the public debate," she writes. "But choosing post-feminist experts by pre-feminist standards is hardly what we had in mind."[75]

The pundits themselves denied that their looks had anything to do with their frequent television bookings; Kellyanne Fitzpatrick even argued that criticism of them came only from "men who can't find dates" or women who "can't lose their last 10 pounds."[76] While Fitzpatrick's catty explanation leaves no room for a principled critique of a system that privileges style over substance, envy over the pundits' instant celebrity was perhaps a contributing factor when even those who sympathized with their politics began to dismiss them. Camille Paglia called them "pampered, peroxided, wet-behind-the-ears conservative pundettes," while Republican media consultant Mike Murphy called them "Washington-bred cigar-and-martini bimbos [who] show up on television offering brain-dead 'analysis.'"[77] But perhaps the greatest proof of the pundits' expendability was their near disappearance from the airwaves when the news turned "serious." Consider the comment of producer Phil Griffin of MSNBC's *Hardball with Chris Matthews*, the same show whose Mike Tirone, mentioned above, spoke of the necessity of pundits who are "easy on the eyes": "Those blondes had their field day prior to the 2000 election. . . . But after September 11, authenticity is the key word. We want people who are working in government, who know the Taliban, who have expertise in the military. Even if they're a bunch of fat old men. You can be a fat old man if you've got something to say and you've got expertise."[78] Griffin's derisive attitude suggests that the opinions of Ingraham,

Now, in shaky economic times and with a protracted war on the horizon, the message of the networks seems to be that the entertaining girls have been dismissed and the expert men brought in.

Fitzpatrick, and Coulter were welcomed during a prosperous age when the most pressing news headlines—sex scandals and contested elections—were a bit surreal and, ultimately, not as weighty as the issues we face today. Now, in shaky economic times and with a protracted war on the horizon, the message of the networks seems to be that the entertaining girls have been dismissed and the expert men brought in.[79]

Statistical studies bear this out. Shortly before 9/11, the White House Project, an organization dedicated to fostering the entry of women into leadership positions, conducted an analysis of five Sunday news shows: ABC's *This Week*, CBS's *Face the Nation*, CNN's *Late Edition with Wolf Blitzer*, Fox's *Fox News Sunday*, and NBC's *Meet the Press*. The study found that women represented only 11 percent of all guests on the shows and only 7 percent of repeat guests. As if these findings weren't dismal enough, the organization, following the terrorist attacks, reexamined the same shows to determine whether the statistics had changed. They found that in the weeks following 9/11, the percentage of guest appearances by women on all of the shows dropped 39 percent.[80] Similarly, a survey for Fairness and Accuracy in Reporting (FAIR) found that men wrote 92 percent of the 309 bylined opinion pieces published in the *New York Times*, the *Washington Post*, and *USA Today* in the month following 9/11.[81]

If the women pundits made famous by the networks had been chosen on the basis of their expertise instead of their looks and entertainment value, they might have survived the turn to "serious" news and feminists wouldn't find themselves in the unsatisfying position of cheering the disappearance from the airwaves of some of the few women who were able to penetrate the white male bastion of punditry. Feminists, however, have fought for women's access to traditionally male-dominated jobs with the expectation that women, once admitted to previously off-limits careers, would open the doors for other women. It is by now clear that the conservative pundits, rather than paving the way for more female perspectives in the media, helped no women but themselves.[82]

While the IWF surely benefited from its early association with Ingraham, Coulter, and Fitzpatrick—its profile rising along with theirs—the organization has always provided a wide range of spokespeople to the media. The IWF's current president, Nancy Pfotenhauer, is a practiced and telegenic media commentator who appears often on talk shows on CNN, Fox News Network, and MSNBC. In allowing so many spokespeople to represent it, the IWF wisely ensured that its fate was never tied to the fortunes of any one media star. And significantly, with a friendly Republican administration in power and so many IWF associates working within that administration, the IWF is now poised to effect change from inside the government, rather than depending upon sympathetic pundits who discuss policy from the outside.

Although the IWF may yet find its maximum efficacy by working with its allies and associates in the administration, the impact of the discourses circulated by the IWF and its pundits during the past decade must not be underestimated. A fund-raising solicitation on the organization's Web site urges prospective donors to "be a part of creating an independent voice for women." Elsewhere on the site, IWF members are described as "reasonable women with important ideas who embrace common sense over divisive ideology."[83] These claims typify a core contradiction of conservative organizations, which often deny that their work is "political" and commonly accuse the Left of "overpoliticizing" everything from gender to race and private life. The IWF's legislative, judicial, public relations, and campus activities of course belie its claim to be "beyond" politics, and, combined with the organization's funding sources and strategic alliances with other groups, reveal it to be a valuable component of the Right's political infrastructure. The IWF's downplaying of its political agenda was facilitated by a media that, interested primarily in their own bottom line, treated the IWF's brand of conservatism like a fashion trend, often obscuring the organization's true aims and thus failing to inform readers and viewers of the serious issues at stake. The IWF's stated embrace of common sense and contempt for ideology, coupled with a punitive political agenda that doesn't recognize the persistent inequalities in American society, constitute a corruption of the very civic virtues the organization claims to promote: coming together to seek rational, sensible solutions to the problems we face (problems, in the organization's view, often created or exaggerated by "radical" feminists and the Left). In this sense, the IWF shows itself again to be typically right wing,[84] promoting an active citizenry while seeking to dismantle the legal and governmental protections put in place to provide tangible solutions to that citizenry's real problems.

Notes

1. Julia Duin, "Twenty-Year-Old CWA Struggles to Find, Retain New Leader," *Washington Times*, 12 September 1999.

2. Jerome L. Himmelstein, *To the Right: The Transformation of American Conservatism* (Berkeley: University of California Press, 1990), 89. For another useful history of modern American conservatism, see Sara Diamond, *Roads to Dominion: Right-Wing Movements and Political Power in the United States* (New York: Guilford, 1995).

3. Notably, however, the IWF takes no official position on abortion, arguing that enough organizations already focus on the issue. With its silence on the issue, the IWF alienates neither moderate, pro-choice Republican women nor committed pro-life religious conservatives, both of whom have been allies of the IWF.

4. "Who Are We? The Future," IWF promotional pamphlet.

5. See www.heritage.org.

6. See www.aei.org.

7. Robert G. Kaiser and Ira Chinoy, "The Right's Funding Father," *Washington Post*, 2 May 1999.

8. Ibid.

9. Foundations tagged as "liberal," like Rockefeller and Ford, are more accurately described as centrist. They tend to fund social services, not ideological or political projects. See Vince Stehle, "Righting Philanthropy," *Nation*, 30 June 1997; and Herbert J. Gans, "Tanking the Right," *Nation*, 27 January 1997, 15.

10. See *Buying a Movement: Right-Wing Foundations and American Politics*, a 1996 report published by People for the American Way, and Sally Covington, *Moving a Public Policy Agenda: The Strategic Philanthropy of Conservative Foundations*, a 1997 report published by the National Committee for Responsive Philanthropy.

11. Reproductions of the IWF's 990 forms are available online, at www.guidestar.org, a national database of nonprofit organizations.

12. Richard Morin and Claudia Deane, "Women's Forum Challenges Feminists, Gains Influence," *Washington Post*, 1 May 2001.

13. *Buying a Movement*, 16.

14. Throughout his lifetime, the reclusive Scaife has donated more than $340 million to conservative causes and institutions. His largesse was behind the *American Spectator*'s "Arkansas Project," which was devoted to investigating President Clinton and which succeeded beyond its expectations by being the first to publish the Paula Jones story, thus putting in motion the series of events leading to the president's impeachment. See Robert G. Kaiser and Ira Chinoy, "The Right's Funding Father," and Mark Jurkowitz, "The Right's Daddy Morebucks," *Boston Globe*, 26 February 1998.

15. See the Ecumenical Coalition on Women and Society's Web site at www.ird-renew.org.

16. Suzanne Fields, "Ecumenical Coalition Organizes to Uphold Faith in Women," *Tampa Tribune*, 22 September 1997.

17. Adele M. Stan, "Keeping Faith," *Mother Jones*, May 1996, 26.

18. "Have You Heard?" *Ethnic News Watch*, 30 June 1998, 13.

19. Jennifer Kabbany, "Activists Gather to Express 'Outrage' over Tax Burden," *Washington Times*, 16 April 1999.

20. See "Committee: 'There Will Be a Conservative Platform,'" *U.S. Newswire*, 22 June 2000, and "Draft GOP Platform '80 Percent Plus' Conservative," *U.S. Newswire*, 28 July 2000.

21. For an overview of this opposition, see "The Case against the Confirmation of John Ashcroft as Attorney General of the United States," a report published by People for the American Way, 10 January 2001.

22. "Women for Justice! Coalition of Women Leaders to Speak Out in Support of John Ashcroft," *PR Newswire*, 10 January 2001.

23. "Americans for Missile Defense to Hold Press Conference Today," *U.S. Newswire*, 30 July 2001.

24. Hanna Rosin and Thomas B. Edsall, "Survey Exposes 'Faith-Based' Plan Hurdles," *Washington Post*, 11 April 2001. The initiative, passed in the House of Representatives, has since stalled in the Senate.

25. See www.cmrlink.org.

26. "The Best Defense: National Defense Should Not Be Corrupted by Gender Politics," *U.S. Newswire*, 30 January 2002.

27. See Garry Wills, "Cabal and Courtiers," *Austin American-Statesman*, 27 July 1998; and "Mr. Starr's Duty to Resign," *New York Times*, 18 August 1994. For information on the Federalist Society, see www.mediatransparency.org.

28. See Joyce Price, "No 'Angry Agenda,' No Feminists at New Women's Quarterly," *Washington Times*, 13 September 1995.

29. Anita Blair described this process to me in e-mail correspondence, 14 March 2003.

30. Morin and Deane, "Women's Forum Challenges Feminists."

31. Ibid.

32. See "IWF in the News on Title IX," *Ex Femina*, September 2002, 2; and Ted Hutton, "Title IX Hits Milestone under Attack," *Ft. Lauderdale Sun-Sentinel*, 11 August 2002.

33. See "Nancy M. Pfotenhauer, President of the Independent Women's Forum, Is a Delegate to the United Nations Commission on the Status of Women," *PR Newswire*, 4 March 2002; Kate O'Beirne, "Our Girl at the U.N.," *National Review*, 8 April 2002; and "IWF President Nancy M. Pfotenhauer Appointed to Secretary of Labor's Committee on Workplace Issues," 18 June 2002, press release, www.iwf.org.

34. Dana Milbank, "Ashcroft Appointments Assailed," *Washington Post*, 5 September 2002.

35. Megan Rosenfeld, "Feminist Fatales," *Washington Post*, 30 November 1995.

36. Louis Jacobson and Brody Mullins, "The GOP's New Bridge to K Street," *National Journal*, 5 May 2001, 1330–32.

37. "IWF Chairman Ricky Silberman Appointed to DACOWITS," 13 December 2002, www.iwf.org.

38. Toby Harnden, "Pentagon Halts the Advance of Fighting Women," *Daily Telegraph*, 2 November 2001.

39. Martin Davis and Craig Colgan, "The GOP's Big Move on Campus," *National Journal*, 16 March 2002, 796–98.

40. See Elizabeth Kastor, "A Date with Controversy," *Washington Post*, 12 January 1998; and Julia Duin, "Students at GU Upset by Pamphlet for Freshman Girls," *Washington Times*, 28 October 1997.

41. See Duin, "Students at GU Upset"; and Sarah Blustain, "Ladies of the Right," *Lingua Franca*, October 1999.

42. Blustain, "Ladies of the Right." See also Dana Mulhauser, "National Group Rallies Students Who Question Campus Feminism," *Chronicle of Higher Education*, 5 October 2001, 37.

43. The IWF report received extensive media coverage. These quotations are taken from Karen S. Peterson, "College Women Find the Non-dating Game Confusing," *USA Today*, 26 July 2001; Michael A. Fletcher, "Campus Romance, Unrequited," *Washington Post*, 26 July 2001; and Irene Noguchi, "Hooking Up in College," *Washington Post*, 28 August 2001.

44. See John Leo, "Miffing the Myth Makers," *U.S. News and World Report*, 4 June 2001, 14; and Katha Pollitt, "Mad, Bad Ads," *Nation*, 25 June 2001, 10.

45. See Laura Vanderkam, "Cupid Combat Rages on Campus," *USA Today*, 14 February 2002; and Lisa Bennett, "Attacks on Campus Feminism Spread Misinformation, Propaganda," *National NOW Times*, summer 2002, www.now.org.

46. See "Student Activist Guide," www.SheThinks.org.

47. Mulhauser, "National Group Rallies Students," 37.

48. David M. Shribman, "The People to See," *Boston Globe*, 28 January 1996.

49. Laura Flanders, "Conservative Women Are Right for Media," *Extra*, March–April 1996, 6, 27.

50. Rosenfeld, "Feminist Fatales."

51. A typical press release, following Melinda Ledden Sidak's anti–affirmative action testimony before the House Subcommittee on Employer-Employee Relations, carried this headline: "Women's Group Tells Congress: Revamp Affirmative Action, Stop Clinton Administration's Stealth Attempt to Require Comparable Worth in Federal Contracting." *PR Newswire*, 2 May 1995.

52. Advertisement in *Ex Femina*, June 1996, 10.

53. Eliza Newlin Carney, "A New Breed of 'Feminist,'" *National Journal*, 26 March 1994, 728.

54. See www.iwf.org.

55. "Danielle Crittenden of *Women's Quarterly* and Professor Regina Barecca of the University of Connecticut Discuss the Canonization of Princess Diana and Mother Teresa," *Equal Time*, CNBC News Transcripts, 12 September 1997.

56. "Independent Women: Independent Women's Forum Members Speak Out on Their Views of Feminism vs. the Traditional," *60 Minutes*, 11 August 1996.

57. "Twisting and Tainting Title IX," Jockbeat column, *Village Voice*, 1 June 1999, 189.

58. See David Goldstein, "GOP Gets in the 'Family Act' with New Flex-Time Proposal," *Deseret News* (Salt Lake City), 8 May 1997; Flanders, "Conservative Women Are Right," 27; and Roxanne Roberts, "The Whole Mom Catalogue," *Washington Post*, 12 November 2002. Given that the IWF is clearly a conservative organization, media organizations that fail to identify it as such are abrogating their responsibilities to their readers.

59. Chris Black, "A Riddle Rises from the Right: Can Smart, Powerful Women and Antifeminism Co-exist?" *Chicago Tribune*, 1 May 2002.

60. Circulations information from Keith J. Kelly, "The Last Editor Shall Be the First," *New York Post*, 5 June 2002, and an Associated Press report from 28 May 2002.

61. See Julie Ann Kessler, "Dispatch: An Immodest Proposal," *Women's Quarterly*, Summer 1997; and Joyce Price, "New NOW Answer: Polygamy for Moms," *Washington Times*, 12 August 1997. For another example, see Kathryn Jean Lopez's profile of Kim Gandy, who succeeded Patricia Ireland as president of NOW, "NOW—So Very Then," *Women's Quarterly*, winter 2000. "NOW's New Gal," *National Review*, 2 July 2001, was adapted from Lopez's article.

62. James Atlas, "The Counter Counterculture," *New York Times Magazine*, 12 February 1995, 61.

63. Shribman, "The People to See," 12.

64. Harvey Berkman, "Republican, Connected, and Rising," *National Law Journal*, 11 March 1996, A1.

65. Marjorie Williams, "Laura, Get Your Gun," *Vanity Fair*, January 1997, 44, 46.

66. Paul M. Barrett, "A New Wave of Counterfeminists Is Providing Conservatism with a Sophisticated Female Face," *Wall Street Journal*, 13 October 1995.

67. Martin Fletcher, "There Is No Male Conspiracy," *London Times*, 29 December 1995.

68. David Brooks, "New Breed of GOP Women Difficult to Stereotype," NPR, *All Things Considered*, 19 June 1996.

69. Sam Tanenhaus, "Damsels in Dissent," *Vanity Fair*, November 1999, 144–58.

70. Shribman, "The People to See," 12.

71. "*Playboy*: Conservative Pundits Heading for Cover," *Hotline*, 26 April 1999.

72. The photo spread was discussed in Cynthia Grenier, "Birth of the Conservative Cool?" *Washington Times*, 17 January 1998.

73. Gail Shister, "New Staffer on 'West Wing' Mimics 'New Breed of Young, Blond Conservatives,'" *Philadelphia Inquirer*, 2 November 2000.

74. Vincent Morris, "Gentlemen Prefer Blond Pundits," *New York Post*, 5 June 2000.

75. Susan Estrich, "Babes in Impeachland," *Denver Post*, 3 January 1999.

76. "*Playboy*: Conservative Pundits Heading for Cover."

77. Paglia and Murphy quoted in Lloyd Grove, "Goodbye, Angels," *Talk*, February 2002, 44, 45.

78. Grove, "Goodbye, Angels," 45.

79. In truth, Laura Ingraham's star had begun to fade before the terrorist attacks. Her 2000 book, *The Hillary Trap: Looking for Power in All the Wrong Places*, met with unimpressed reviews and unimpressive sales. Meanwhile, Ingraham's MSNBC talk show, *Watch It!*, was canceled due to poor ratings after only seventeen months on the air. In April 2001, she began hosting a syndicated radio talk show, which can be heard in 175 markets. See Grove, "Goodbye, Angels," 45, and www.lauraingraham.com.

80. For the full text of the report, "Who's Talking," see www.thewhitehouseproject.org.

81. Jennifer Pozner, "Missing in Action," *Women's Review of Books*, February 2002, 20.

82. Ann Coulter, "This Is War," *National Review Online*, 13 September 2001, available at www.nationalreview.com. Only Ann Coulter has been able to maintain her fame, seemingly by ratcheting up her outrageousness. In her weekly column following 9/11, she wrote of Muslim nations, "We should invade their countries, kill their leaders, and convert them to Christianity" (*National Review Online*). In a well-publicized dispute, the editors dropped her column when she refused, the following week, to delete a reference to "suspicious-looking swarthy males." Her subsequent book, *Slander: Liberal Lies about the American Right*, calls conservatives in America "the most tolerant (and long-suffering) people in the world" and liberals "savagely cruel bigots who hate ordinary Americans and lie for sport." *Slander* became a surprise best-seller during the summer of 2002.

83. See www.iwf.org.

84. See, for instance, George W. Bush's "Communities of Character" initiative, in which this decidedly uncompassionate president urges citizens to respond to the "evils" of 11 September 2001 by performing acts of compassion in their communities. See John M. Bridgeland, Stephen Goldsmith, and Leslie Lenkowsky, "New Direction: Service and the Bush Administration's Civic Agenda," *Brookings Review*, 22 September 2002, 18.

What Goes Around Comes Around

A PARABLE OF GLOBAL WARFARE

Susan Willis

The month following the U.S. commemoration of the thousands who died in the attacks on the World Trade Center brought a new wave of terror: a sniper in the Washington suburbs. Not the mass catastrophe produced by tons of collapsing steel and burning jet fuel, the sniper's campaign wrought massive uncertainty punctuated by randomly chosen, but precisely aimed shots. Ordinary people doing ordinary things were transformed into targets, the suburbs into a shooting range. Seven people fell during the first three days of the sniper's attack. "Killed while sitting on a park bench," "killed while walking across a parking lot," "killed while doing lawn work," "killed while putting gas in his taxi cab," "killed while vacuuming her minivan," "killed on the street corner," or "shot while loading packages into her car,"[1] each victim was a mark, frozen in a rifle's telescopic sight, isolated from his or her surroundings, a target in an exercise in marksmanship. Six more would fall before the snipers, John Allen Muhammad and John Lee Malvo, were finally apprehended. In terms of numbers, thirteen shooting deaths in the space of three weeks is hardly remarkable in the gun-crazy United States. Los Angeles alone can yield six hundred shooting deaths in a year, with the notorious South Central area contributing twenty per week. Even Muhammad and Malvo's exploits might have gone unnoticed had they spread their victims out instead of concentrating them in the highly visible topography of the D.C. area. Indeed, prior shootings in Louisiana and Alabama that were subsequently attributed to the snipers might have remained in the homicide limbo of unsolved crime—just another random shooting death. Only by concentrating their attack did the snipers' serial spree take on the proportion of terror to emerge as what Jean Baudrillard might call a "singularity [in] the heart of a system of generalized exchange."[2]

October was a month of relentless uncertainty, steeped in the awful reality that anyone could get a bullet through the head while pumping gas. The sniper attacks brought a lottery of death to the suburbs. The banal landscape of car-choked roadways and parking lots, the commerce of gas stations, convenience stores, and strip malls were reconfigured in a new terrain of risk. The cloak of uneventful malaise that passes for security was torn asunder to reveal a population gripped with fear and anxiety. The media and law enforcement officials issued palliatives meant to calm,

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all the while fanning our fears with more uncertainty. We were told that the likelihood of death by the sniper's bullet was a one-million-to-one shot and we were reminded that death in a car crash is far more likely than death by a random sniper. But the stakes seemed much higher, since every victim was so unremarkably just like us. Beyond reason and gripped by the faith we bestow in the luck of the individual (whether good or bad), we fell prey to sniper anxiety.

During the height of the sniper attacks, *USA Today* reported that Americans were more worried by the sniper than they were by impending war with Iraq and the plummeting economy. Even people far from the sniper's epicenter, in places like Montana, worried that the sniper would generate copycat versions in their own neighborhoods.[3] We, the society of rampant individualism and the culture of commodity replication (whose apparent contradiction has recently found resolution in the reported birth of the first cloned human), are doomed to the fear that every individual event will spawn its unwanted copycat replicant. So, we plotted the sniper's strikes on a mental map of crisscrossing interstates from Montgomery County, Maryland, to Ashland, Virginia, wondering if the sniper would move further south or do something truly spectacular like take a plane to the West Coast and begin anew with a fresh set of victims. Our fear enhanced the sniper's aura. The FBI provided us with a profile of an angry white man, to which we added an apocryphal white van seen leaving the crime scenes. And with each day, we awaited the report of yet another unlikely, but no less chosen, individual.

The snipers' lottery of death was not an antithesis but, rather, a grim counterpoint to all the ways in which free-market capitalism has made our lives a gamble. Rocked by accounting scandals, Enron, WorldCom, and Tyco have collapsed and with them the futures of many middle-class Americans. Like a bad hand in poker, our 401(k) plans have folded. Skyrocketing medical expenses have turned seniors into crapshooters who stake their lives on whether or not a particular drug or procedure is "covered." And the policy of "school choice" has turned education into a lottery of Babel, with the middle class opting to play the game of vouchers, charter, and home schools. Of the fifty states that comprise the union, most are struggling with budget shortfalls, with California and New York in the hole by billions of dollars. No wonder forty-six states have created lotteries to patch their budgets. For a population whose claim on jobs and social services is tenuous, states offer scratch-and-win tickets for instant cash rewards and lucky lotto numbers for big jackpots. Of course the odds of winning the lottery are equal to the odds of being shot by a sniper. But who cares, with the constitutional guarantees of life, liberty, and the pursuit of happiness nowhere in sight, we gamble to make our daily lives

work. Random but fatal, the sniper's bullet is our proof that the system really is based on the luck of the draw.

The sniper's campaign of terror was waged against the suburb and cast its atomization in stark relief. Witness Karl Marx's description of a surprisingly similar landscape, "A small holding, a peasant and his family; alongside them another small holding, another peasant and another family. A few score of these make up a village, and a score of villages make up a Department. In this way, the great mass of the French nation is formed by simple addition of homologous magnitudes, much as potatoes in a sack."[4] Would Marx have seen Montgomery County any differently? The sprawl of roadways, strip malls, office complexes, and condominiums engulfs a landscape of homogeneous continuity. More exurb than suburb, Montgomery, Frederick, and Prince George's Counties—all prey to the snipers' attacks—are home to "a tribe of people who don't live in cities, or commute to cities, or have any contact with urban life."[5] Having fled more congested inner suburbs, exurbanites congregate in anomalous cul-de-sac neighborhoods newly gouged out of farmland and open nature. Once installed, exurbanites lobby for more highways (to facilitate their consumerist lifestyle) and less growth (to preserve their dream of escape). Wealthier than the potatoes in the sack, exurbanites are distinguished by their cell phones and other electronic devices. These embody the exurbanite's insertion in the information industry just as the potatoes figure the fruits of the peasant's labor.

Marx goes on to assess the French peasantry as a class in terms that might well be applied to exurbanites: "In so far as millions of families live under economic conditions of existence that separate their mode of life, their interests and their culture from those of other classes, and put them in hostile opposition to the latter, they form a class. In so far as there is merely a local interconnection among these small-holding peasants, and the identity of their interests begets no community, no national bond and no political organization among them, they do not form a class."[6] The snipers' foray into the exurbs revealed a web of highways and discontinuous parking lots, an architecture of "local interconnection" incapable of producing community. The twenty-four-hour news coverage was merciless in its quest to portray a multitude of besieged individuals who one by one professed their unwillingness to pump gas, shop, or eat out. Their anguish bespoke a world where everything that was once familiar had suddenly become unfamiliar and threatening. Catapulted out of the mundane, these individuals found themselves in an existential nightmare very like Jean-Paul Sartre's account of what it feels like to be apprehended by the "look" of another. Who can read *Being and Nothingness* and not remember the spine-tingling threat posed by the little house, mundane in

every way, whose windows connote the eyes of the horrible, objectifying gaze? Who does not remember the gut-sinking humiliation of the man caught spying through a keyhole? These scenarios, drawn from Sartre's experience of Nazi France, capture the exurbanite's fear of scrutiny. The sniper, apt to be lurking anywhere, freezing anyone and everyone in the objectifying gaze of his telescopic sight, renders the truth of a population that always sees itself as the object of another's judgmental look. Where the sniper's "look" produced fear and curtailment of activities, the neighbor's "look" manifests itself in the exurbanite's penchant for too tidy houses and vacuumed minivans.

The snipers' incursions struck at the atomized and decentered reality of the exurbs where class is an ambiguous category. To the extent that exurbanites separate themselves from imperfect others—the infirm, the homeless, the poor, the unschooled, the foreign—they experience themselves as a group. But as workers, scattered across the information and service sectors, and as consumers, fetishized by their commodified desires, they produce an identity of style interests rather than class interests. They are an "us" that recognizes itself as such only when apprehended by a third party—here the sniper's gaze. Sequestered in their cul-de-sac havens, each member of the exurbanite us "feels himself trapped among an infinity of strange existences; he is alienated radically and without recourse."[7] So, too, in death each of the snipers' victims is immortalized for us as a name and a photo in the *New York Times*—the alienated indices of personhood.

Mobility is the exurbanite's excuse for freedom. The sniper curtailed this. Multicar families, forever en route to schools and malls, found themselves immobilized and having to take refuge in their homes. Schools became jails, "locked down" for the protection of their inmates. Privileged youth, accustomed to after-school sports, marching band practice, homecoming festivities, and off-campus lunch breaks, were sealed in their classrooms. Apparently, the sniper as an external threat superceded memories of Columbine, where the school was killing field rather than safe haven. Besieged and imprisoned, exurbanites bemoaned their lack of freedom in newspapers whose front pages simultaneously ran stories of curfew in the West Bank. Americans and Palestinians were "locked down," each the obverse of the other's reality. Thus, the sniper rendered to the American middle class an experience roughly analogous (although not in degree) to the experience produced by that class's support of U.S. foreign policy. Habitually disconnected from the global effects of its politics, the American middle class can only know itself by indirection.

In writing *The Eighteenth Brumaire*, Marx strove to document the waning of revolutionary France and its transformation into a bureaucratic

state. Part and parcel was the figure of Louis Bonaparte, whose base of support was the smallholding peasants, who, because they did not truly form a class, could not "represent themselves" but "must be represented."[8] George Bush, the younger, is our Louis Bonaparte. And just as the latter represented history as farce, the second coming of a Napoleon, so, too, our current Bush represents a farcical second coming of the first Bush presidency complete with a Gulf war.

Extending the logic of repetition as farce into the virtual, Jean Baudrillard has argued that Desert Storm, the first Gulf war, is the war that never happened, although he concedes that as the most televised war it "devoured space and time." It devoured us as well. Glued to our televisions, we watched CNN's Peter Arnett, hunkered down in Baghdad while incoming missiles flared behind him. Did we pause to consider that all the other images that filled our twenty-four-hour news addiction were a video feed direct from the Pentagon? We needed Arnett's reality to lend credence to the whole show. Enthralled, we sat before our TV monitors and watched a war portrayed as a video game. Positioned to appreciate all the new technologies deployed for Desert Storm, we got high. A viewing public absorbed into a war rendered virtual, we achieved the "consensus of a flat line encephalograph."[9]

If the Gulf War was portrayed as an easy victory for the Americans, it has not been an easy defeat for Iraq, where 1.3 million people have died as a direct result of either the war or the postwar sanctions.[10] But the war has had its second coming for Americans. Indeed, America may have to reconsider its sweeping victory in the light of the Gulf War's boomerang effect. According to congressional testimony, "since the Gulf War ended in 1991, there has been a growing number of reports of chronic illness among the nearly 700,000 U.S. troops who served in Saudi Arabia, Kuwait, and Iraq."[11] Fueled by fears that Iraqis would use chemical and biological weapons, the U.S. military inoculated its soldiers with experimental drug cocktails. And to blast Iraqi tanks sky high, the Pentagon issued depleted uranium ordinance. The result is a veteran population whose chronic symptoms include "memory loss, fatigue, sore muscles and joints, insomnia, cough, some night sweats, diverticulitis, diarrhea, kidney stones, bloody stools, growth on [the] eye, rashes, tingling and itching sensations, and depression and irritability."[12] Contrary to the weight of veteran testimony before Congress, the official government position is that Gulf War syndrome does not exist.

Just as the Gulf war comes back to haunt us as a malady, so too, our sniper, John Allen Muhammad, is our angel of death returned from the battlefield to visit the fruits of his marksmanship upon the civilian population. Actually, Muhammad was not a combatant in Desert Storm, but an

Contrary to the weight of veteran testimony before Congress, the official government position is that Gulf War syndrome does not exist.

engineer, something of a glorified laborer. Not content with tearing down Iraqi fortifications and building roads, Muhammad practiced marksmanship and routinely won awards for his skill.

Though the United States is forever eager to find military solutions to dilemmas that are at heart political and economic, there has been some post–9/11 discussion that broaches the question of why the United States was the target of such blatant hostility. George W. Bush tells us time and again that the terrorists hate our freedoms—this, while his administration is busy consigning our freedoms to the Department of Homeland Security and the Office of Information Awareness. Not to worry, with scoundrels like John Poindexter and Henry Kissinger—both newly resurrected and laundered—freedom will surely prevail. Nevertheless, a few contrary journalists have been so bold as to raise the question of U.S. imperialism as a factor in the terrorist attacks. Even the word *empire* has come up, although it does not appear that any of the talking heads has read Michael Hardt and Antonio Negri.[13] When "empire" is mentioned it tends to elide with imperialism to produce a map of America's military outposts in places like Djibouti, Kazakhstan, Qatar, and Afghanistan. Imperialism is perceived as necessary, even beneficial to the world's health—notwithstanding all those broken treaties occasioned by U.S. unilateralism.

If the discussion of imperialism should veer slightly to the left so as to allow a few NPR liberals to be heard, blame becomes self-criticism. Fingers point with embarrassment at all those nasty thugs—like bin Laden—that we supported in our previous military incarnation as the world's Cold Warrior. Liberal commentators have coined terms like *blowback* and *boomerang* to explain why we were targeted. Essentially, we reaped the rewards of our bad investments.

What is interesting about *blowback* and *boomerang* is the way these terms work to preserve cause-and-effect reasoning. America projects its policies into the world and that provokes certain responses that then boomerang back to us. These terms conjure a "tit-for-tat" world demarcated by a sense of here (the homeland) and there (the foreign). Such thinking fails to apprehend how U.S. imperialism, now, at the advent of the twenty-first century, enacts empire as a continuous globalized circuit of control and domination. There is no "here" and "there," but rather a Moebius strip on a global scale. Ubiquitous in Lacanian thought, the Moebius strip "describes the subject, where the apparent division of conscious and repressed turns out to be [a] unity of writing on one continuous side."[14] Similarly, the world defined by global capitalism flattens difference in the drive to produce a continuous circuit of production and exchange. Under the logic of Moebius, everything we perceive as a duality, inside/outside, sign/referent, self/other, everything capable of generat-

ing contradiction, is sublimely subsumed as a continuous circularity. In an essay that has also circled the globe, Jean Baudrillard baits self-righteous America, maintaining, in Moebius fashion, that the 9/11 terrorists were not our absolute "other," but objects of our own creation. As Baudrillard puts it, "the logical and inexorable climb to power of power itself exacerbates the will to destroy this power; and power itself is accomplice with its own destruction."[15] So, too, our sniper is not "other" but us, our Gulf War enacted on the home front, here to exact the collateral damage that our war daily wreaks on Iraqis, here to give a lie to the notion of a zero-death war, our safe technological alibi. Here/there, us/them, we all become ciphers on a global map of war that has in turn become universally domestic, universally acceptable.

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The preparations for war with Iraq bred a daily litany of the threats we face: dirty bombs in our cities, anthrax in our mail, dockside containers loaded with chemical agents, bombs that explode power plants into nuclear chain reactions, dams primed to inundate whole states—images of mass destruction so ever-present that they lose their sting. Accomplices, we invent video games that feature simulated weapons of mass destruction. These we played while we watched CNN's persistent warnings of Iraq's weapons of mass destruction. Only the sniper was able to blast through the banality of ever present threat. A bolt of fantasmic reality, he struck without warning, leaving only bullet casings and an occasional ransom note as proof of his existence and as testament that his victims did not die a natural death.

"No man is ever an individual, it would be better to call him a universal singular."[16] This is how Jean-Paul Sartre regards the relationship between individual freedom and historical necessity. "Totalized and thereby universalized by his epoch, he retotalizes his epoch in the course of reproducing himself in his epoch as a singularity."[17] The sniper, an isolated and aberrant freedom, a singularity that evaded FBI attempts to profile him, is simultaneously our truth and the truth of our epoch. Soldier/civilian, black man/father to a surrogate son (the son an immigrant, one of the "huddled masses yearning to breathe free"), the sniper embodies our society's dearly held family values. Who can forget the front-page photo of Muhammad and Malvo, shown seated on a couch in a homey ambiance, the two of them grinning from ear to ear. The photo presented the pair as poster child and father for the sort of male role models that the dominant society has exhorted African Americans to develop ever since the Moynihan Report condemned the female-headed, single-parent family as the root cause of black poverty and crime. How remarkable that every front page across America greeted its readers with the ineffable discontinuity between the photo that conjured a healthy, happy father-son relationship and the

headline that proclaimed the two as cold-hearted snipers. All our society's dearly held ideals of fathering are in Muhammad upheld and twisted to reveal dark antithesis: Muhammad the caring, who sheltered a fatherless immigrant; Muhammad the nurturer, who taught his son the value of good nutrition and exercise; Muhammad the mentor, who taught his disciple the manly art of marksmanship; Muhammad the coach, who recognized that his son's talents could be put to advantageous use in the trunk of their car; Muhammad the altruist, who allowed his protégé to share in the killing. Thus, with a twist like the Moebius strip, Muhammad reveals his fatherly universality as a murderous singularity, which is in no way aberrant because death-dealing force is our nation's most fundamental truth.

Ours is a world dramatically strayed from the path envisioned more than a century ago by Hegel, for whom history moved inexorably toward the realization of Reason. Our world, pursuing the reason of global capitalism, moves toward the perfection of superpower domination. Where Hegel saw certain "great individuals" capable of grasping history's trajectory "to make it their own end,"[18] we produce an antithetical non-hero whose violent acts render visible our history's course. Where Hegel saw world-historical individuals like Napoleon as vehicles for the realization of history, our history produces a sniper. Neither our world's negation, nor our contradiction, the sniper manifests the "cunning of reason"[19] no longer synonymous with the workings of Spirit, but rather the banality of global capital.

As vehicle of history, the sniper mimics and reveals to us the reality of our latest war technology. Out of the blue, his death bullets capture the essence of our new war toy, the Predator. An unmanned surveillance plane armed with Hellfire antitank missiles, the Predator strikes targeted individuals without warning. And it kills while preserving zero-death security for its "pilot," who guides the craft from a ground installation hundreds of miles away. Thus the United States launched its sniper attack on Qaed Salim Sinan al-Harethi, killed by the Predator while driving in a car with five other individuals in Yemen. No more remote than the streets and parking lots of the D.C. suburbs, the hinterland is under surveillance. Anyone, anywhere can be targeted by a console jockey, logging missions from inside a bunker.

The quintessential embodiment of our moment in history, the sniper manifests the repercussions of U.S. imperialism on the home front. With military surveillance planes patrolling the skies over Washington and ground troops, including 623 agents from the Bureau of Alcohol, Tobacco, and Firearms, 600 FBI agents, 100 U.S. marshals, and 50 Secret Service agents,[20] the quest for the sniper transformed a police action into a federal

mobilization. Lulled by the myth of democracy, Americans like to imagine that imperialism is something we enact elsewhere. We fail to grasp the ever-present military in our daily lives. Yet many of us live in cities that border military camps, like Tacoma, Washington, a place the sniper once called home. Here, FBI agents dug a tree stump out of his backyard and hauled it back to Washington, where they pried out the bullets that would match the spent casings found at murder sites thousands of miles away. Military cities like Tacoma precariously endure a pathological symbiosis between town (a site for off-duty R and R, and the domestic life of military dependents) and base (our nation's most viable welfare economy). Journeying to Tacoma to get a feel for the sniper's neighborhood, a reporter for the *New York Times* commented, "You can't drive around Tacoma without noticing the transitory nature of an Army town, with neighborhoods that are used and reused, where people move on without anyone noticing."[21] Here, the sniper's backyard target practice also went unnoticed, camouflaged by the bigger booms of the heavy artillery guns at Fort Lewis. Less substantial than the potatoes in a sack—the small-holding exurbanites who claim their political presence with their conservative votes—the transient population lives in the cracks, failing to register until one of them travels to the sprawling megalopolis and begins picking off citizens.

The sniper straddles the blurred boundary between military and civilian life that is fast becoming every American's common lot. His car, a 1990 Chevy Caprice that he bought for $250, was camouflaged by its unremarkableness. Indeed, the police stopped him ten times during the course of his exploits and each time let him pass through their roadblocks because neither he nor his car appeared on any pertinent database. As a *Washington Post* writer put it, the sniper was "hiding in plain sight."[22] Muhammad slept at a Y.M.C.A. or in his car, ate a brownie at a sandwich shop, and ordered pizza from a room at an Econo Lodge. Not unlike the 9/11 terrorists, who blended into the suburban mainstream, the sniper was an everyman. Musing over the banality of American everyday life that offered "cover and camouflage" to the 9/11 terrorists, Baudrillard points to a complicity that enabled the terrorists to hide in plain sight. He asks, "Might not any inoffensive person be a potential terrorist? If they could pass unnoticed, then each of us is a criminal going unnoticed (every plane becomes suspect)"; indeed, every nondescript car.[23] Contrary to its mundane appearance, the sniper's car was a hybrid vehicle that straddled civilian and military spheres. The trunk made over into a shooting space with sight holes bored through the steel, the Caprice was a light-infantry assault vehicle. Finally, the sniper's weapon, a Bushmaster XM-15, also straddles military and civilian designations. According to the manufacturer, the Bushmaster is "a civilian version of the standard American mil-

The snipers targeted civilians, not as collateral damage, but for want of a more clearly defined enemy—or perhaps because the civilian has become the enemy.

itary rifle, the M-16,"[2] a perfect choice for a military-trained marksman, operating on civilian soil.

His rifle, a civilian copy of a military weapon; his car, a light-infantry vehicle; himself, an erstwhile soldier living in an army town; his modus operandi, a military protocol; the sniper delineates the military takeover of everyday life and the spread of the battlefield to the home front. Significantly, the category of soldier has been further sliced and hybridized to create the notion of "illegal combatants." Whereas the Taliban has been consigned to the limbo of Guantánamo, which is administered by the U.S. Army but not subject to the laws of either the United States or Cuba, Muhammad and Malvo as boomerang soldiers have been assigned to federal court.

As the global Moebius strip erases distinctions between battlefield and home front, soldier and civilian, who, then, is the enemy? According to Catherine Lutz, anthropologist of the home front, civilians are increasingly at risk and can find themselves in the position of enemy. The end of the draft has professionalized the army. No longer every man's common lot, soldiering is a choice, as is civilian life. And civilians are of necessity defined as weak, dependent on the army for their protection. Yet, many civilians have better lives than their counterparts in the army, hence the makings of a new sort of class antagonism between those who preserve and protect and those who bring home fat paychecks.

Recently, four soldiers, three of them special-operations troops, returned to the army town–base of Fayetteville/Fort Bragg from duty in Afghanistan and killed their wives. Once shock gave way to attempts at explanation, journalists and military experts offered an array of rationales, from the chemical (the side effects of an antimalaria drug) to the psychological (everything from post–traumatic stress syndrome to the specific difficulties faced by military families). The media has sought to explain the sniper in a similar way, as the child of a broken home, lacking a father figure; as a control freak with a short temper; as a person unable to form long-term relationships. What is not mentioned is that all the victims are civilians—people lifted out of their ordinary lives and put in the place of the enemy. Did anyone question why the snipers, both of them black, showed no sense of racial preference in their choice of targets? Black, white; young, old; male, female—all census categories were targeted as victims, thus denying us the possibility of calling these shootings "hate crimes." The only common characteristic of the dead is their civilian status. Mobilized for a suburban military action, the snipers targeted civilians, not as collateral damage (people inadvertently killed for their proximity to a designated enemy), but for want of a more clearly defined enemy—or perhaps because the civilian has become the enemy.

The final days of the sniper's campaign overlapped with another story on the global Moebius strip: Chechen rebels had stormed a Moscow theater and were holding hundreds of audience and cast members hostage. The siege dragged on for days, usually reported on page three of the *New York Times*, with accounts of the sniper on page one. What bumped Moscow's story to the front page was its final solution to the hostage crisis. Deftly and ruthlessly the Russians pumped an as yet undisclosed poison gas into the theater, mortally asphyxiating rebels and hostages alike. Emblazoned across newspapers everywhere, our sniper's discreet war against civilians found itself juxtaposed with the Russians' dirty war against civilians. If there is a final truth that the sniper conveys, it is our readiness to wage war on civilians.

Epilogue

Commenting on the new world order and new forms of warfare, Slavoj Žižek asks, "are not 'international terrorist organizations' the obscene double of the big multinational corporations—the ultimate rhizomatic machine?"[25] Clearly, capitalism's rhizomatic global structure similarly unites corporations to the military. What appears disparate and contradictory on the surface (a terrain of seemingly autonomous business and military operations) is nourished by a common dense and entangled rhizomatic mass. Its fruits are the myriad permutations of genetically modified and hybridized soldiers and civilians.

Notes

1. *New York Times*, 25 October 2002, A22.
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3. *USA Today*, 24 October 2002, 3A.
4. Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte* (New York: International, 1984), 124.
5. *New York Times*, 10 November 2002.
6. Marx, *The Eighteenth Brumaire*, 124.
7. Jean-Paul Sartre, *Being and Nothingness* (New York: Simon & Schuster, 1973), 542.
8. Marx, *The Eighteenth Brumaire*, 124.
9. Jean Baudrillard, *La Guerre du Golfe n'a pas eu lieu* (Paris: Galileé, 1991), 7.
10. Catherine Lutz, *Home front* (Boston: Beacon, 2001), 255.
11. U.S. House of Representatives, "Background," Union Calendar no. 228, 105th Cong., 1st Sess., 1991, House Rept.

12. Ibid., 120.

13. Michael Hardt and Antonio Negri, *Empire* (Cambridge: Harvard University Press, 2000).

14. Anthony Wildon, *The Language of the Self* (Baltimore, Md.: Johns Hopkins University Press, 1968), 236.

15. Jean Baudrillard, "L'Esprit du Terrorisme," *South Atlantic Quarterly* 101 (spring 2002): 404.

16. Jean-Paul Sartre, *L'idiot de la famille* (Paris: Gallimard, 1971), 7.

17. Ibid.

18. Stephen Houlgate, ed., *The Hegel Reader* (Oxford, England: Blackwell, 1999), 410.

19. Ibid., 413.

20. *New York Times*, 24 October 2002, A26.

21. *New York Times*, 26 October 2002, A31.

22. *Washington Post*, 4–10 November 2002, 10.

23. Baudrillard, "L'Esprit du Terrorisme," 19.

24. *New York Times*, 25 October 2002, A23.

25. Slavoj Žižek, *Welcome to the Desert of the Real* (London: Verso, 2002), 38.

Trust, Corruption, and the Globalization Tango

Jane Marcus-Delgado

In anticipation of protests against the 2003 World Economic Forum (WEF) in Davos, the Swiss government deployed 2,000 troops and spent $10 million to protect the meeting's 2,000 participants. Despite the presence of as many soldiers as corporate and world leaders, security forces used tear gas, rubber bullets, and water cannons against demonstrators, whose activities ranged from throwing snowballs to burning a U.S. flag and blocking the rail line into town. Ironically, as the police worked to keep activists out, those gathered on the inside focused on the annual meeting's theme: building trust.

The forum's organizers acknowledged that the "string of corporate scandals of 2002 contributed to the serious undermining of trust as an intrinsic value."[1] They further observed that corporate corruption had become bad for business and that pressure for operational accountability and transparency was heating up: "Investors are increasingly critical of corporate executives, executives face decreased autonomy and greater scrutiny, board members are concerned about personal liability, and regulators are endeavoring to enforce new rules to avoid future transgressions."[2] The forum's public concern about trust highlights the developing tensions among the international private sector, the global polity and its citizens, and the state.

Whose trust did the forum's elite members wish to regain? They were clearly nervous about regulatory intervention from governments, but to what extent are they constricted by the territorially confined reach of the state? It would seem that while capitalism operates increasingly without spatial borders, the state remains restricted to a finite jurisdiction. The state's power to regulate is more and more limited, even when a corporation's actions may directly affect social rights, such as those of workers, minorities, and social movements (see Bonanno and Constance 1998). Companies can, and do, move overseas. In the same vein, while groups of protestors may regularly demonstrate against groups such as those gathered at Davos, protesters' physical access may be as limited as is their financial ability to have a presence in the boardroom. To what extent do the protestors represent the concerns of consumers and investors, or the global "community"? If globalization has largely liberated the corporation

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It turns out that trust has become an overriding concern for the corporate community during the past few decades and has been assigned a monetary value.

from the regulatory hand of the state and its constituents, what has business and political leaders so worried?

It turns out that trust has become an overriding concern for the corporate community during the past few decades and has been assigned a monetary value. Trust has been identified in popular social scientific literature—and has made its way into the business world—as a key ingredient in the construction of networks that form social capital, considered by neoliberals to be a money-making commodity.[3] The international business community relies on social capital's associational links, and forums such as Davos are crucial to the reinforcement of the community's circles of trust: "Social capital produces wealth and is therefore of economic value to a national economy. . . . Social virtues like honesty, reciprocity, and keeping commitments . . . have a tangible dollar value and help the groups who produce them achieve shared ends" (Fukuyama 1999, 14). Trust binds international capital together, forming morals and values that are mutually understood and transmitted among members of the group. It may be inferred, then, that recent corruption scandals that have rocked the international business community have raised public questions about these values and, consequently, adversely affected its income-generating capability.

Before widespread globalization, as long as the private sector's affairs could remain private, their shared practices and business and social networks could quietly operate according to their established rules of engagement. A crucial element of the corporate interpretation of trust was its confidentiality, as deals took place behind corporate doors, in congressional backrooms, or on the links of golf courses. Trust is a fluidly moral, ethical, and above all, relative concept, and illicit and venal activities most certainly have always taken place, but within traditionally delineated boundaries.

In fact, there is little evidence to suggest that corruption has increased over the years, and it may have even declined. The problem is that globalization has complicated the corporate world's modus operandi on several levels. Globalization has expanded communication and the flow of information among ever widening circles of people, some of whose interests conflict with those of the private sector, and those adversely affected have organized themselves in a variety of ways to express their discontent. Globalization has forced like-minded Western capitalists to interact with their counterparts in lower-income countries, where interpretations of trust, reciprocity, honesty, and social engagement may differ. Finally, globalization has created visible, open clashes among private actors, public officials, individuals, and organized groups at an unprecedented level and pace.

This essay examines the shifting relationships between the public and private realms in the globalized economy, and the way that corruption exposes and colors them. The essay explores the problematic public/private distinction in its varied forms: as the divide between state administration and the market economy, as community and citizenship versus self-interested individuals, and as the privacy of the "household" versus the larger political and social order.[4]

I focus on the impact of globalization on lower-income countries—using Argentina as an example—and emphasize three aspects of this complex interaction. I first explore the international community's restructuring of the state in the neoliberal model during the 1990s, and the public and private sector corruption involved in the process. I then turn to the rise of the global polity, and the conflict between democratic representation and the market-driven international regime. I conclude with a look at the social, economic, and cultural backlash against corruption and conflicting definitions and demands of rebuilding trust.

Globalization, Corruption, and Economic Shock

The Cold War ended at the same time as Latin America's so-called lost decade, ten years marked by an unprecedented downward spiral into debt, capital flight, low investment levels and—perhaps most directly damaging to Latin America's citizens—unimaginable hyperinflation. Since much of the debt of Latin American countries had been held externally for decades, it would be inaccurate to claim that globalization first struck the region in the 1990s. But globalization as a highly touted cure for Latin America's ills reached its peak with the fall of the Berlin Wall and the triumphant worldwide march of neoliberal ideology.

Argentina archetypically illustrates the clash between public and private corruption in the process of neoliberal economic reform. Less than a decade after returning to democracy in 1983, the nation collapsed politically and economically, and it sought relief by turning to the past. In the 1940s, President Juan Perón had overseen a radical restructuring of the economy, organizing and mobilizing workers, protecting domestic companies through import substitution industrialization, and creating a cadre of followers who became the fiercely loyal "Peronists." They remained the dominant political force throughout the century, and when the 1980s crisis struck, Argentines returned to their populist roots and elected Peronist Party candidate Carlos Menem president in 1989. Although he had promised to follow in Perón's more progressive footsteps, Menem did an immediate about-face and imposed one of the harshest market-driven

economic plans the world had ever seen. Globalization hit Argentina overnight, with devastating consequences.

Following the guidelines of the "Washington Consensus," a prescription designed by think tanks, academics, and international agencies calling for fiscal reform, trade liberalization, domestic deregulation, and public enterprise privatization, the Menem administration cooperated closely with the International Monetary Fund (IMF) and the global financial community to rapidly implement a free-market economic program. The Argentine government renegotiated its foreign debt by obtaining a standby agreement with the IMF, the result of which was its renewed ability to obtain loans and credits from the Inter-American Development Bank, the World Bank, and the IMF itself. The state functioned as an intermediary between global capital and industry, implementing a five-part plan that consisted of monetary, fiscal, public sector, social security, and trade reforms. One of the first casualties of the economy's abrupt entry onto the world stage appeared in the area of trade. Tariffs dropped precipitously, export subsidies were either abolished or drastically cut, and the result was a flood of imports into the previously restricted Argentine market. This was coupled with a rigid monetary policy that pegged the peso to the U.S. dollar, making formerly protected exports even more expensive and less competitive to outside buyers.

Since the flaws of the free-market program in Argentina have been widely documented, and their consequences are commonly known, I wish to focus instead on the corruption involved in the process. Here some explanation is required. My aim is not to emphasize the role of corrupt high-level officials or to expose illicit political activities, but instead to emphasize the interactions of officials with multilateral lending institutions and the international financial community. Let me be clear: President Menem and his inner circle undoubtedly enriched themselves through the sale of state-owned industries as well as through deals made in the reform of labor, social security, health care, and other social service and trade legislation. Menem was eventually indicted for his role in an arms trafficking deal, and a number of his cronies are in prison.

But while these activities are reprehensible, they pale in comparison to the venality of the actions of the international business community (including public and private actors) and their multilateral henchmen in dealing with the Argentine state. There were three egregious activities in the process, which were repeated throughout the developing world. First, the multilateral lending institutions coerced Argentina to adopt economic reforms too quickly and drastically, more interested in reducing the size of the state than in serving the best interests of the population. This led to uneven reforms and tremendous opportunities for illicit activities and

misuse of power and resources. Second, state enterprises were shifted from public ownership, where there was some semblance of accountability and transparency, largely to foreign hands, where there was little concern for competition, quality of service, or social needs, not to mention a siphoning off of profits into overseas banks. Third, the multilateral lending institutions collaborated with private business to demonize the public sector and accuse its officials of corruption, leading to a breakdown of public confidence and a surge of popular support for rolling back the state.

In the early 1990s the IMF forced a number of developing countries to undertake sweeping economic reforms rapidly, despite the fact that necessary procedures and institutions were not in place to regulate and oversee the process. Democratic checks and balances and the rule of law were inchoate in much of Latin America, which had returned to civilian rule at the beginning of the 1980s after years of military governments. The same conditions existed in the former Soviet Union and Eastern Europe, where transitions from centralized to market economies were not accompanied by the requisite strengthening of regulatory bodies. It was implied that the free market would not tolerate the corruption that had existed in the "bloated welfare" state and that it would regulate itself. Neoliberals fallaciously asserted that open markets inherently precluded corruption by giving companies choices of where they wished to operate. The argument was that illicit activities increased the cost of doing business, prompting firms to go elsewhere and "not have to pay off anybody" (Friedman 1999, 151). In fact, the opposite is true: bribery, kickbacks, and payoffs "grease the wheels" for companies, especially during processes of rapid reform. Rather than raising corporate costs, they frequently lower expenses by allowing for tax evasion, easing of restrictions on labor and environmental controls, and sidestepping of regulations. Venal activities can inhibit or eliminate competition, allow employers to exploit workers, and dump products on vulnerable consumers and markets.

By the end of 1990 the Argentine government had sold the state telephone company and Aerolineas Argentinas, the national airline. Hundreds of other businesses and properties were subsequently sold or leased to the private sector, including the state oil company (YPF), electric power plants, hotels, banks, tanker vessels, armaments and manufacturing facilities, agricultural corporations, railroads, and the licenses of ports, roads, and television and radio channels. The government's revenue from privatizations totaled nearly $10 billion from 1990 to 1994, and by mid-decade Argentina had little left to sell. Because of the speed and corruption involved in the process, many state-owned enterprises were sold at below-market prices, and the lack of regulatory oversight resulted in pri-

vate monopolies whose owners had little commitment to the nation's larger developmental needs (Pastor and Wise 1999). Services and utilities were "streamlined"—a process that translated in many cases into higher costs, employee layoffs, and less service for consumers.

The case of Aerolineas Argentinas illustrates the nefarious nature of the process, which involved deals with public officials that ultimately destroyed the state-owned commodity. Prior to the privatization process, the national airline was earning an annual profit margin of over 5 percent. It possessed the largest training facility in Latin America, had worldwide corporate offices, flew routes throughout the globe, and was valued at $636 million. In the early 1990s, Iberia Airlines, then owned by the Spanish government, bought Aerolineas for $260 million and $1 billion in bonds. Iberia then proceeded to eliminate the majority of the Argentine carrier's routes, selling nearly all of its planes and other assets, and burdened the business with a $950 million debt (Faiola 2001). Several Spanish officials involved in the transaction were indicted for corruption and the Argentine state spent much of the decade bailing out the airline and saving it from bankruptcy, even though it no longer owned it. In the end, Aerolineas became part of a Spanish state monopoly that enriched itself and its representatives while systematically gutting a previously successful public asset.

The relationships among the officials who administered the privatization process, the multilateral institutions that imposed and oversaw it, and those on the receiving end all complicate and blur the boundaries of corruption within the public/private distinction, while simultaneously challenging the limits of the binary itself. As the Aerolineas case illustrates, individuals and institutions in both realms benefited from these transactions, as privatization did not necessarily imply the passage of public goods into private hands. And, while the multilaterals ostensibly demanded transparency and accountability in the process, their messages were inconsistent, ambivalent, and unevenly transmitted.

Demonizing the State

As Argentine economic reforms continued through the 1990s, accusations of political corruption began to surface, gaining momentum throughout the decade. Several popular books were written, including journalist Horacio Verbitsky's *Robo para la corona* [I steal for the crown] and Beto Casella and Darío Villarruel's *La mano en la lata* [The hand in the can]—exposés of venal misdeeds by high-level officials. Numerous members of the Menem administration and his circle of associates were indicted, and

citizens' reported confidence in elected representatives deteriorated. Indeed, scandals erupted in quite a few Latin American countries, leading to the downfall, arrest, or discrediting of a number of presidents. Menem was detained after leaving office (although charges against him were later dismissed), and accusations led to the downfall of Mexico's Carlos Salinas, Venezuela's Carlos Andrés Pérez, Brazil's Fernando Collor de Mello, Ecuador's Abdala Bucaram, and Peru's Alberto Fujimori.

Oddly enough, while each case involved a public official *and* someone on the other end—usually a multinational corporation or executive, a foreign government, or a domestic business concern—usually only the political figure received public recrimination and punishment. It appears that this was no coincidence. In fact, in the wake of the Cold War, the West undertook a concerted campaign to expose corruption in the governments of former communist and developing nations. By the mid-1990s virtually every major multilateral lending institution and development organization had jumped on the bandwagon, with the World Bank declaring political corruption "the single greatest obstacle to economic and social development" (see World Bank 1999). For its part—and despite its involvement in shady aspects of neoliberal shock programs—the IMF published eleven studies between 1996 and 2000 measuring the impact of corruption on major economic indicators. In Latin America, the Organization of American States aggressively attacked the problem, adopting the sweeping Inter-American Convention against Corruption.

In 1993, as part of the crusade, former World Bank employee Peter Eigen founded a watchdog group called Transparency International (TI) to establish "a structure independent of the constraints of an intergovernmental framework," aimed at curbing political corruption in developing nations and the former Soviet Union (see Hodess 2001; Galtung and Pope 1999, 258). The organization ranks countries according to the degree of political corruption perceived by businesspeople, risk analysts, and the general public. Based on a varying number of surveys, countries receive a score between 0 (most corrupt) and 10 (cleanest). Problematically, the TI scale reports perceptions of corruption, since objective measures of corruption are extremely difficult—if not impossible—to obtain. But how are the subjective perceptions created?

Public perceptions are to a large extent generated by opinion polls and the media, which are owned by corporations with interests of their own. With the advent of the free market and the political opening in the former Soviet Union, Eastern Europe, and Latin America, the number of media outlets expanded exponentially and these outlets were hailed as a democratizing force. Although a larger and more autonomous press did increase the amount of information disseminated to the public, it did so

selectively. The press bombarded citizens with a barrage of polls asking them how much they trusted politicians and relentlessly targeted elected officials, accusing them of corruption. Politicians became convenient scapegoats for economic failures, and the news outlets filled voids left by a weak judiciary and other impoverished state institutions, judging and critiquing the public sector with little concern for accuracy or accountability. Reporting shaped and colored the public's perception of political corruption, as well as impressions of the crime rate and other societal woes.[5]

Interestingly, however, when studies looked beyond the hype and separated evidence of corruption from dissatisfaction with economic performance, corruption seemed to lose salience in the public mind. For example, in Venezuela, accusations of corruption against Pérez emerged when economic conditions deteriorated and had not been an issue in better times. According to Susan Stokes (2001), "corruption as a moral issue has little resonance. . . . Rather than a separate valence issue that drove Pérez's popularity down, corruption was the explanation Venezuelans offered themselves for why people in a rich country struggled economically" (135). Similarly, Menem enjoyed high levels of popularity, and won reelection in 1995, despite widespread reports of his administration's corruption. As long as the economy remained strong, he maintained his status as the international community's "poster child" for neoliberal reform. By the end of his term, in 1999, as Argentina careened toward default on an unpayable external debt, unemployment reached unprecedented heights, and the economy verged on collapse, the public suddenly turned against the president. Perceptions of corruption, fueled by opinion polls and the media, began to dominate citizens' concerns. With fingers pointed at politicians and the state, the business sector and its global counterparts continued to push hard for more lenient labor laws, tax exemptions, less regulation, and smaller government. As economic performance deteriorated, pressure mounted on public officials for more "belt tightening." The country hemorrhaged funds as tax evasion by businesses and wealthy individuals ran rampant and capital flight skyrocketed. The state's role was discredited and its representatives vilified, while the private sector continued to reap the benefits of economic reform and avoided the critical limelight of the press and public scrutiny.

Globalization and the Public/Private Tango

As the Argentine case demonstrates, the neoliberal dance of the 1990s challenged and reshaped the public/private dichotomy. What had been

private became public, and those charged with defending the public interest enriched themselves privately. And globalization meant that the state could not protect the populace, both because the majority of transactions took place extranationally and because high-level political officials betrayed the people in exchange for personal profit. In addition, the population itself had become transnational, with social and economic concerns that extended far beyond geographical borders. To force the metaphor, it was as if an intimate bar tango had suddenly become a grand ball, and no one was quite sure who was dancing with whom, or what music they were to follow.

Clearly, globalization demands the construction of a global polity—a means to organize life on the planet politically in a way that serves and protects its citizens' welfare. In globalization's present form, representatives of powerful corporate interests dominate global governance and the institutions charged with its administration. Efforts are under way to democratize the international public sphere, and there is emerging a conflictual mass of national and international government institutions, nongovernmental organizations, and a multidimensional cacophony of nonstate and global actors. These are the roots of the global polis. To begin to conceptualize such a body, I wish to glance back at the classical origins of the public/private divide, in order to clarify the discrete functions of each realm.

Consider this distinction in the classical Greek sense (following the tradition of theorists such as Jürgen Habermas and Hannah Arendt), with the public as the polis or location of political action, and the private encompassing the household and property ownership. In *The Human Condition*, Arendt (1998) exalts the classical realm of the public, explaining that in its ancient iteration it signified two crucial phenomena: "It means, first, that everything that appears in public can be seen and heard by everybody and has the widest possible publicity" (50). It is the space that binds people together and exposes them. Also, "the term 'public,'" Arendt says, "signifies the world itself, in so far as it is common to all of us and distinguished from our privately owned place in it" (52). As a purely political space, it is above all a site of action, contestation, and transparency.

In contrast, Arendt applies the "privative" sense to the private realm: "The privation of privacy lies in the absence of others; as far as they are concerned, private man does not appear, and therefore it is as though he did not exist" (58). The private realm is the space of necessity, and a hiding place for things that should be hidden. In the Greek private realm, individuals are concerned with the mundane requirements of existence, such as work and the demands of the household. By extension, the private

sector can be seen as equally utilitarian, the place where individuals work to earn money and compete for material gains.

While Arendt laments the consequent bureaucratization of the state as it became involved in the mundane chores of private life—such as the administration of private property and the household—she also exposes the dynamic tension between the public and private realms that creates the potential for democratic citizen action. Bonnie Honig (1992) describes this "agonistic" binary as follows: "Self versus body, male versus female, resistible versus irresistible, courageous versus risk-averse, multiple versus univocal, speech versus silence, active versus passive, open versus closed, power versus violence, necessity versus freedom, action versus behavior, extraordinary versus ordinary, inimitable versus imitable, disruption versus repetition, light versus dark, in short, public versus private" (223). Seen this way, "every situation is an encounter between 'private' and 'public' because every enterprise is private while never immune from the public conditions prescribed by the principles of citizenship" (Mouffe 1992, 378). The dynamism of the globalized public/private juxtaposition, then, lies in the interaction between public and private, and I concur with Mouffe that "the centrality of the notion of rights for a modern conception of the citizen should be acknowledged. . . . [This] view of radical and plural democracy . . . sees citizenship as a form of political identity that consists in the identification with the political principles of modern pluralist democracy, namely, the assertion of liberty and equality for all" (378). In ancient Greece, the private was kept private because there were ugly truths to hide, such as slaves and women kept in the household, shielded from public view. When they emerged into the light and challenged the political status quo, that contest gave them the freedom to struggle for more just representation. Thus, by centering citizenship in the formation of the global polity, there emerges a great potential for democratic action.

Let us return now to the question posed at the beginning of this essay: Why did the corporate and political leaders at Davos focus on building trust at the 2003 meeting? The rational answer would seem to be that they have lost a great deal of money in the past few years and are concerned about losing more, and that their traditional social networks, based on their private interpretation of the meaning of trust, have been exposed and interrogated on the global stage. The Davos participants lost money in part because their corrupt private dealings and greed were suddenly thrust into the public glare, destroying investor and consumer confidence. As the elite sectors of the transnational citizenry increased their involvement in the global economy, the robbing and pillaging of corporations by executives began to affect them directly. And the system of checks and balances

in governmental institutions, the backbone of the democratic state, began turning its wheels. Concurrently, the old-time cycle of lending to poor countries to line the pockets of private financial institutions backfired, with Argentina leading the charge by declaring bankruptcy on a scale unprecedented in world history.[6]

Argentina's collapse should prove instructive in the construction of global political and economic governance. During the 1990s the international financial community failed Argentina—and many other lower-income nations—because it attempted to apply a rigid one-size-fits-all solution to a long-standing, complex situation. Unlike economically stable nations boasting equitable, democratic regimes, Argentina has followed a much more difficult and convoluted trajectory. Its unique path must be recognized and taken into account in the building of a multifaceted, constructive form of global governance. Rather than a giant worldwide bureaucracy, it will be a messy, inefficient, and associational dialogue, the hallmark of democracy. Since to a large extent institutions will speak for their constituents, and the role and nature of these entities is critical, they must be re-created to reflect the diversity and pluralism of those that empower them. The IMF need not be run by a U.S. citizen, or the World Bank by a European, as they have been traditionally. The International Labor Organization must play as critical a role in global governance as the World Trade Organization, and the latter must address issues such as corruption and fairness in trade and lending. New institutions have been and will be created and they should be supported. States must enforce checks and balances on one another within a democratically established international legal framework, which must in turn reflect new relationships among states, global capital and its representatives, and the citizens the framework is designed to protect.

Cacerolazos and Snowballs: Building Trust by Popular Demand

Popular protests from Davos to Buenos Aires may help shape the future of global governance. While antiglobalization forces alone do not constitute a new form of citizenry, they are part of a process of constructing networks of trust and social capital based on nonmonetary interests. Unlike the private concerns meeting within the confines of the forum, those on the outside insist on being seen and heard in the public arena.

On the other side of the world, demonstrators' demands have displayed a heightened sense of immediacy and urgency. Unlike many protestors from rich countries, the Argentines who have taken to the streets in

recent years have directly felt the impact of neoliberal economics in their homes, their jobs, and their stomachs. A recent casualty of their political mobilization was President Fernando de la Rua, who hurriedly resigned the presidency and left office in disgrace in December 2001. His downfall occurred during weeks of massive demonstrations and social unrest that motivated a wide spectrum of protesters—from those living in the poorer sectors of the provinces to middle-class Buenos Aires residents—to clamor for his ouster. Throughout the countryside citizens banged on empty pots and pans in an action known as a *cacerolazo* to demand a presidential response to the nation's political and economic ills. Private citizens literally marched out of their kitchens, armed with their most intimate, domestic possessions—cooking utensils left bare from the economic collapse—into the public limelight to repudiate their political leadership and the free-market agenda that had led their nation into bankruptcy and driven millions of them into poverty.

Since the president's departure, Argentines have organized an impressive array of public actions to demand relief from the government's economic mismanagement and capitulation to international interests. Thousands of *piqueteros* (groups of unemployed workers) have effectively shut down highways and principal roads throughout the nation, forcing the government to provide unemployment wages. Squatters have built homes and farms, neighborhood groups have opened soup kitchens, and workers have taken over and reopened more than one hundred closed factories, putting them back in business. Free theater productions and musical performances have also brought the Argentines' political messages to the cities' streets. And residents of nearly every social class have become involved—from domestic workers whose jobs were lost to the recession, to their former employers, whose savings were trapped in banks as the government froze their accounts. The Argentines' popular rallying message to their politicians of "Qué se vayan todos" (which politely translates as "May they all go") has resonated far beyond their national boundaries.[7]

If the 1980s were a "lost decade" in Latin America, then the 1990s may be deemed a "learning decade." Like Argentines, as the region's other economies became increasingly integrated into the world system, their citizens demanded higher levels of transparency and accountability in economic management. As of the early twenty-first century, voters have begun to demonstrate their dissatisfaction with the collusion between their political and economic leaders and international actors. Venezuelan president Hugo Chavez, a populist champion of the poor who has used his nation's oil wealth to challenge the status quo, has been joined by left-leaning executives in Brazil and Ecuador, and their popularity in the hemisphere has climbed. And, as a counterbalance to the annual World

Economic Forum meeting, a World Social Forum simultaneously took place in Brazil, diverting and harnessing international attention to popular concerns. If the Davos representatives' goal was to build networks of trust that would enrich themselves at the expense of the citizenry, political forces—from the top down and the bottom up—fought to redefine the concept.

The private sector may retreat to mountain villages to meet surrounded with thousands of armed soldiers, but in the public sphere people have demonstrated that they can, and will, take action to shape the future of globalization. This message was heard nowhere more loudly than in the Argentine capital on a warm January evening in 2002, when De la Rua's successor, Eduardo Duhalde, took his oath of office. Duhalde, the Peronist former governor of the Buenos Aires province, served as vice president during Menem's first term in office. Throughout his years of governmental service he has been engulfed in countless accusations of corruption, including misuse of public funds and drug trafficking. The national congress chose him for the presidency after several interim leaders failed to muster enough support to sustain them. After much negotiation and deal making, the legislators voted to deliver the nation once again into corrupt Peronist hands, and their selection represented yet another return to political business as usual.

As the leader delivered his inaugural speech, his televised words became increasingly difficult to hear. They were distinctly, loudly, and rhythmically drowned out by the sound of banging pots and pans in the open windows of Buenos Aires kitchens—a most private expression of public discontent, and a most public expression of private discontent—a cacophonous and powerful interpretation of the traditional lament of the Argentine tango.

Notes

1. World Economic Forum 2003 Web site: www.weforum.org.
2. World Economic Forum 2003 Web site: www.weforum.org.
3. On the economic value of social capital, see, for example, Fukuyama 1995 and 1999, Putnam 1993 and 2000, and Uslaner 2002.
4. The last distinction, which emerged from feminist theory, originally redefined the public realm to include both the state and the market as opposed to the private world of intimacy and domesticity. This definitional difference highlights the complexity (and limitations) of the public/private binary both theoretically and sociohistorically. For a discussion of these varied definitions, see Weintraub 1997.
5. A political leader of the Argentine city of La Plata has written a critique of the corporate role of the media and its antigovernment stance. See Alak 2002.

6. In December 2001 the Argentine government defaulted on its external debt, which at the time totaled over U.S.$100 billion and amounted to more than 50 percent of the nation's GDP.

7. For state retaliation against demonstrators, see Klein 2003. See also Rohter 2003.

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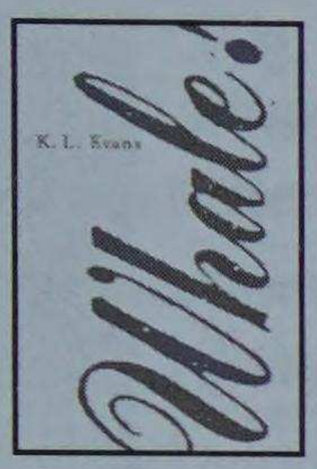

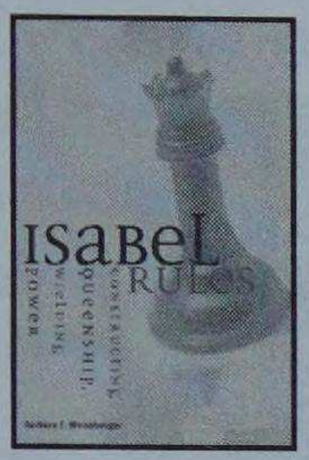

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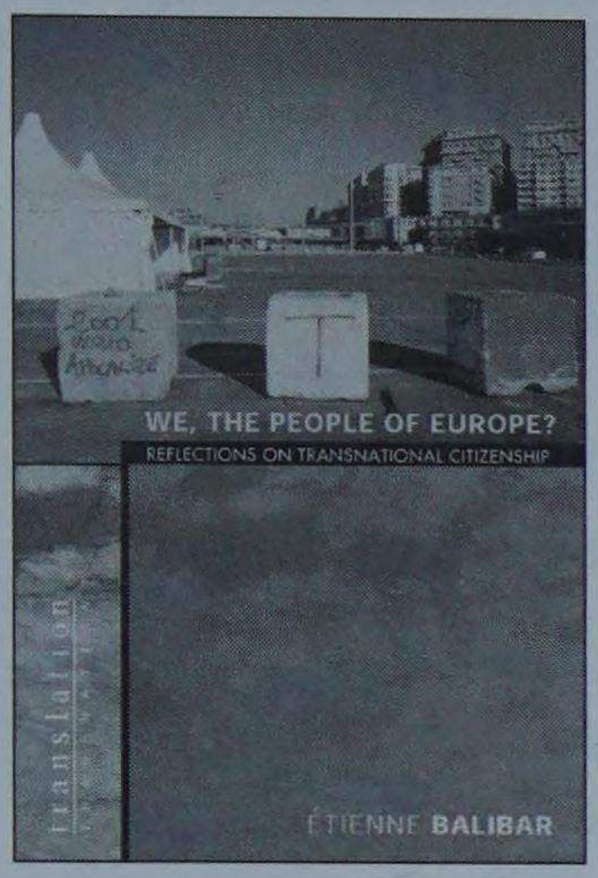

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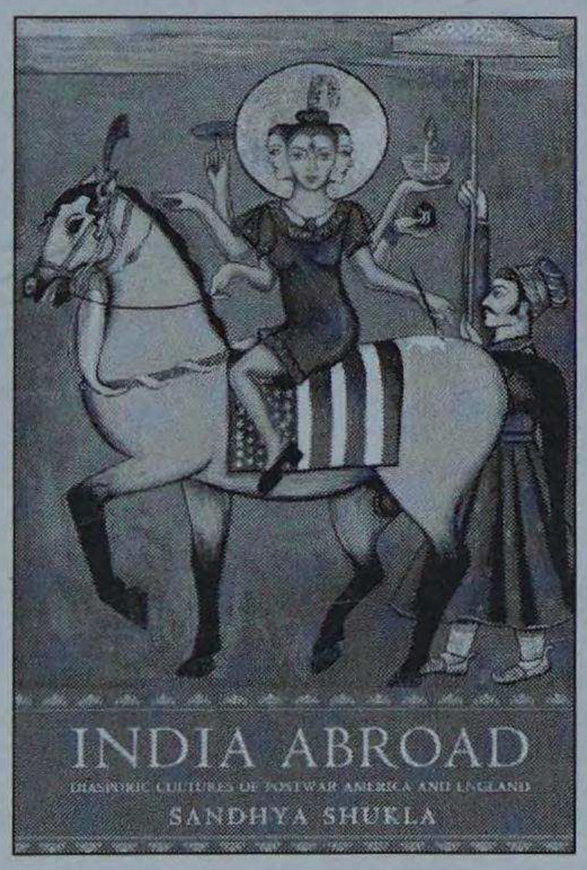

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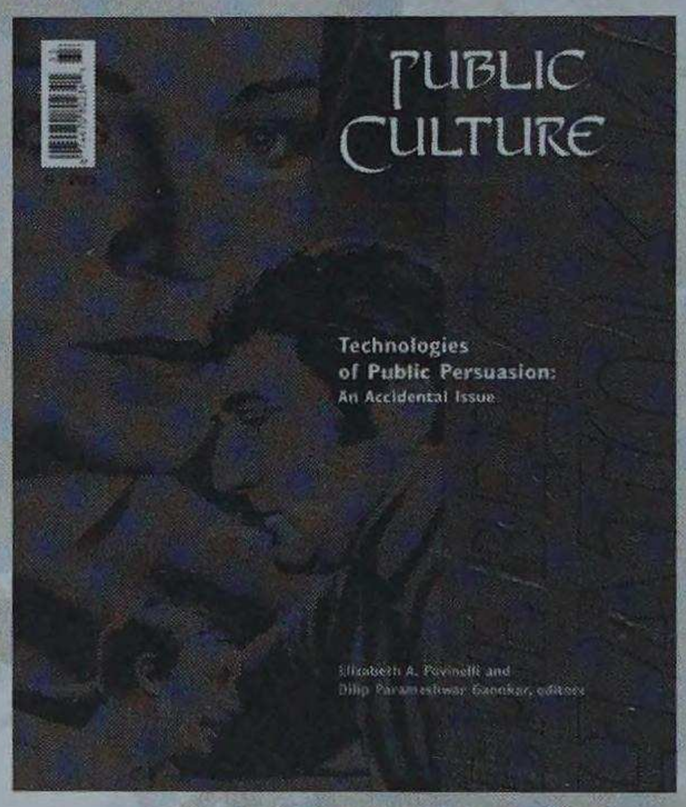

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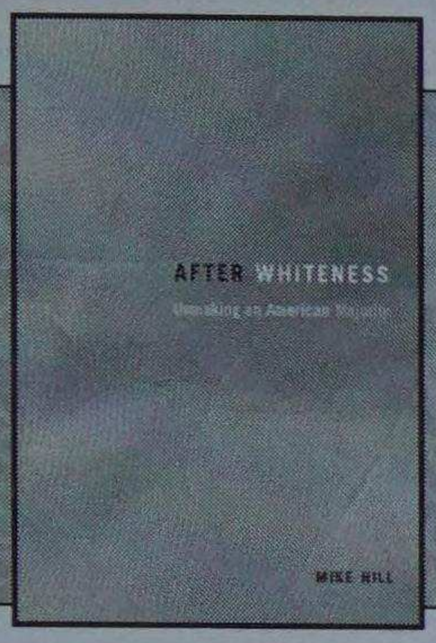

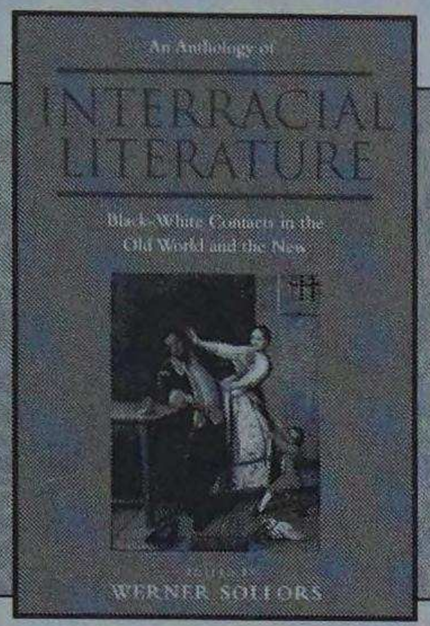

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