

Liberalizing Trade and Finance

Corporate Class Agency and the Neoliberal Era

Michael C. Dreiling

Political sociology has an important role in explaining the history, development, and consequences of neoliberal globalization. Specifically, our methods and theory are equipped to address the role of states and the political economy in shaping processes and outcomes of globalization, but also to examine specific forms of collective action aimed at building neoliberal institutions – or challenging and transforming them. This chapter addresses the ways that the collective action of US corporate leaders ushered in neoliberalization through trade policy, closely interacting with state officials and institutions. As Hopewell (2016: 18, emphasis in original) further qualifies, neoliberal globalization “is an *institution-building project*” geared to the construction of new rules, regulations, and institutions with the aim to expand markets globally. Treating neoliberal trade policies as part of a historical project – made and remade by collective actors – offers a framework for exploring the intersection of class and state actors in the emergence and transformation of neoliberal globalization.

Using the case of US trade policy at its hegemonic heights (Arrighi 1994), this chapter differentiates the political action of corporations from nation-state actors to specify conditions where corporate class actors become political drivers of neoliberalization. First, trade policy theory is summarized to point out the relative silence of corporate collective action as a driver of US trade liberalization across successive periods. Second, the chapter revisits a critical moment in the late 1960s to reveal the political role of US corporate leaders acting collectively to upend the postwar Keynesian monetary order and dramatically enlarge trade liberalization. This expands on Harvey’s (2005) assertion that neoliberalism was “a class project” and Arrighi’s (1994) explication of the world historic shift in the US hegemonic project toward neoliberalism domestically and internationally. Third, the chapter offers a glimpse at the collective action of corporations that brought class actors into

the trade policy apparatus of the US state's executive branch, from the North American Free Trade Agreement (NAFTA) to trade liberalization with China and beyond. In the larger context, the political project of neoliberal globalization by US corporate elites ushered in a deepening of financialization (Fairbrother 2014; Krippner 2005, 2011), growing inequality (Piketty and Goldhammer 2014), and, amidst US hegemonic decline, geographic shifts in economic power toward the emerging BRIC economies of Brazil, Russia, India, and China (Hopewell 2016; Lachmann 2014).

Elites in the BRIC nations have marshaled various models of neoliberal economic governance, in some cases explicitly rejecting the political liberalism of the G7. Meanwhile, authoritarian and ethnonationalist politics in the G7 – exemplified in Brexit and the election of US president Trump – have melded with ultra-conservative corporate factions to advance a hyperneoliberal economics while debasing political liberalism. Do these transformations spell an end to a corporate neoliberal consensus and deepening fractures among corporate elite? In the US, following Mizruchi (2013), the contradictions of neoliberalism introduced an era of heightened political contest among major world powers as well as conflicts among US billionaires and corporate elite. Concluding that research on corporate networks has much to offer, the chapter suggests avenues for more analyses of corporate class (re)alignments and factions in relation to ongoing sociopolitical change, especially research on the crises of and challenges to neoliberalism.

NEOLIBERALISM AND CORPORATE CLASS ACTION

Neoliberalism – which promises to efficiently generate wealth while disciplining states and bureaucracies with market forces – took shape over the course of decades. As a kind of governing philosophy, it has been offered, variously, as a remedy for economic stagnation, bureaucratic bloat, corruption, inflation, and more (Bourdieu 1999; Harvey 2005; Mirowski and Plehwe 2009; Mudge 2008; Prasad 2006). From the early 1980s onward, it provided the basic policy framework for “structural adjustment” in the Global South, for “rescuing” the welfare state in the Global North, and as a vision for a global economy unbound from centrally planned markets, dying industries, or rent-seeking interest groups. Domestically and internationally, neoliberal trade proposals were generally presented in tandem with calls for privatization, deregulation, and a reduction in the size of government (nonmilitary) spending as a share of GDP.¹

¹ As critics of neoliberal trade policy have argued for decades, the policy choice is not necessarily between market intervention and pure markets. Instead, one key goal of international trade agreements and institutions is to codify production standards, among many other rules and regulations about commodities, and form a baseline for the construction of markets characterized as “free” (Quark 2011).

Although a large and varied group of economists, policy elites, and government leaders supported the general principles of neoliberalism, the “market fever” of the 1980s did not spread simply because certain individuals espoused free trade and domestic deregulation. The fact that many of these noncorporate actors assume a central role in many popular and academic accounts of this era does not resolve some important questions. In particular, the problem with this “triumphant” vision of neoliberal history is the manner in which the very *engines* of capital behind the market mania – globalizing corporations – *appear* as liberated historical agents acting out their market freedoms, not as class *political* actors foisting new institutional realities on the world. This chapter builds on Dreiling and Darves (2011, 2016) to ask, from a US-centered view, which historical actors liberalized international markets and then worked to build transnational trade institutions. Was it the fever pitch of a new policy ideology acted out by government partisans and policy-makers committed to its mantra? Or did the very economic actors benefitting from market liberalization act politically and concertedly to unleash it?

The broadly held assumption that the diverse economic interests of large corporations create atomistic political interests contributes to a seeming paradox. In the extreme version of this perspective, competitive market dynamics are thought to create permanent divisions among corporations and their managing elite; only autonomous political elites that identify with the rationality of free trade orthodoxy are capable of creating rational systems to govern international transactions and capital flows (Lindblom 1977; Block 1977, 1987). Corporate political action, within this framework, is reduced to a multiplicity of competing economic interests incapable of sustaining political unity to press broader classwide aims. In the end, classwide business interests detach from the political behavior of corporations, leaving state actors and associated private regulatory agencies to determine international trade policy. This perspective – where states direct a fragmented private sector toward trade liberalization – creates a rupture in political theories of globalization and, in particular, confuses the relative historic roles of class and state actors.²

Similar theoretical dilemmas are found in approaches that locate shifts toward neoliberalism within economic and structural crises in the late 1960s and early 1970s (Dicken 2007; Harvey 1989, 2005). In *Capital Resurgent*, Dumenil and Lévy (2004) situate the shift toward a neoliberal order in the crisis of accumulation and profitability beginning in the late 1960s. This well-documented pattern of declining US profit rates, which continued into the 1980s, is also the basis for the argument that neoliberal restructuring reflected

² In Prasad’s (2006) comparative study, the US case is cited to advance a state and political party centered approach to the rise of neoliberalism, referencing instances of business opposition to Reagan’s tax policy. In contrast, Mizruchi’s class-oriented approach cites broad corporate support for business tax cuts, even though instances exist where business leaders were divided on tax cuts to individual income earners (Mizruchi 2013).

a (relative) ascent of finance capital and the trend toward financialization of the global economy (Foster and Magdoff 2009; Howard and King 2008; Inoue 2011; Krippner 2011). While these arguments convincingly suggest that a structural crisis in capitalism compelled financialization and a reordering of social and class power as business sought ideological and political strategies to increase profits by cutting corporate taxes and labor costs, corporate class agency is generally not discussed within this genre of scholarship. In economistic accounts, the contradictory logic of capital accumulation is thought to foist upon history the need for financialization and market liberalization. Corporate class action is implied, but remains invisible or narrated on a case-by-case basis. While Dumenil and Lévy (2004, 2011), for example, offer an explicitly Marxist account of recent economic crises, their focus remains on the aggregate economic conditions of accumulation and, by extension, the impetus for abstract capital to liberate markets (and finance) in its search for renewed profitability.

In Dicken's (2007) highly popular overview of the economic dimensions of globalization, transnational corporations are examined for their economic and administrative dynamics. Yet surprisingly, multinational corporations (MNCs) are portrayed almost entirely as singular, atomistic forces within their surrounding political systems. Only "east Asian" firms are examined for their political linkages, particularly in the case of the Japanese *keiretsu*, and then only to dispute the "convergence thesis," which states that global corporations adopt similar organizational features. Even in the chapter devoted to the relationships between states and MNCs, there is little discussion of the political organization and mobilization of MNCs within their countries of operation. Excluding the *political* force of MNCs, especially as collective actors, tends to reproduce the assumption that global corporations are mostly fragmented actors incapable of sustained, collective political activism. Common to these and a wide variety of other approaches, especially in trade policy and international relations literature, is a dearth of efforts to conceptualize corporate collective action as a political force behind neoliberalization.

TRADE LIBERALIZATION AND THE STATE

Outside of sociology, the growth of world trade is often treated as a purely economic phenomenon. World growth in merchandise exports is viewed as an important proxy for deepening networks of economic exchange and integration (see Figure 37.1). The expansion of activities by multinational corporations, including intra-firm trade, and the global development of value chains, contribute to this economic globalization. While growth in the trade of goods and services is certainly a facet of globalization, concluding that this growth is mostly a function of economics, not politics, is a mistake. To put the matter plainly: markets cannot exist apart from the active participation of states (Polanyi 2001 [1944]; Fligstein 2001). Whether one views capitalist markets

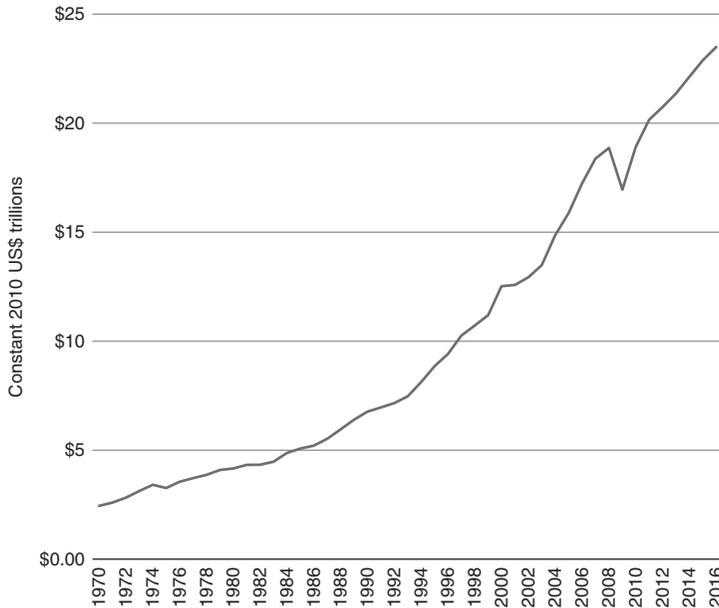


FIGURE 37.1 World exports of goods and services, 1970–2016 (Constant 2010 US\$)
Data Source: World Bank 2017.

positively or negatively is quite secondary to this basic observation about the role of the state and its function with the project of liberalizing trade and financial markets.

The most straightforward manner in which states transform the conditions for international trade is through import and export tariffs. Economists have long noted the negative relationship between tariffs and international merchandise trade. For example, Garret (2000), using World Bank data, found a strong negative correlation (-0.89) between annualized trade taxes for all countries and the total value of world trade. As tariffs steadily dropped in the postwar era, the volume of world trade expanded. While international trade flows linked to large firms were a key *expression* of this process, the genesis of these changes can be clearly traced to changes that occurred within *states*. Professional economists and technocrats often construct specific rationales for market liberalization programs like NAFTA, but it is ultimately the authority exercised by the state that transforms trade rules (Fligstein 2001; Fourcade 2006). The substantial increase in world trade from the early 1970s to the present thus requires an understanding of US corporations and trade policy.

Nearly all studies of US trade politics consider the 1934 Reciprocal Trade Agreements Act (RTAA) the most important piece of trade legislation ever passed by Congress (Chorev 2007; Cohen, Blecker, and Whitney 2003;

Destler 2005; Duina 2006; Milner 1988). Because the US Constitution delegates authority over tariffs and other matters of international commerce to Congress, there was, prior to the RTAA, relatively little executive branch participation in trade policy formation. Whereas other industrialized countries tended to place authority over trade policy under the head of state or various executive-level departments, in the US only Congress could enact changes in tariff rates following bilateral or multilateral trade negotiations (Cohen et al. 2003: 113).

While in the short run the RTAA was seen as a victory for internationally expanding corporations, institutional theorists also focus on long-run transformations in the domestic trade policy apparatus that the policy precipitated – transformations that materialized over the course of years and decades, not months (Chorev 2007; Ikenberry, Lake, and Mastanduno 1988). Among these various transformations, institutionalists highlight two in particular. First, as policy authority was shifted from legislators to various executive agencies, such as the State and Commerce Departments, new organizational interests and centers of expertise were developed within the executive branch (Haggard 1988: 93). A cadre of bureaucratic trade policy experts was assembled who, over time, instituted the forward-looking, “rationalized” trade program that Congress had lacked the competence and, most crucially, the “autonomy” to develop (Chorev 2007; Cohen et al. 2003; Haggard 1988).

Second, the RTAA significantly altered the structure of state–firm relations in trade policy formation. Prior to the RTAA, direct constituent pressures and institutional norms of reciprocity ensured ongoing congressional support for protectionist trade policies (Haggard 1988). The RTAA, however, led to a redefinition of the trade policy issue. Whereas trade policy had previously been viewed as a distributive issue – a mechanism to influence the costs and benefits of trade – it was increasingly defined as a more general regulatory problem (Haggard 1988). As trade negotiations became more open to public scrutiny, cleavages in domestic industry were exposed. Tariff and quota provisions, once buried in a complex host of legislative amendments and riders, were now scrutinized by technocratic officials who were attentive to the broader costs and benefits of trade policy. Because these officials in the State and Commerce Departments were said to be averse to protectionist trade policies, the internationalists found a new and enduring base of institutional support within the executive branch.³

While some dispute the extent to which the RTAA signified an expansion of “state autonomy” (Woods 2003), most analysts concede that the RTAA set the major institutional framework for subsequent trade policy conflicts (Chorev 2007; Cohen et al. 2003; Destler 2005; Duina 2006; Haggard 1988: 91–93).

³ As Domhoff (1990) notes of the 1934 RTAA and Chorev (2007) notes of the 1974 Trade Act, increased support for trade liberalization in the state was the intended outcome of corporate internationalists.

Most trade legislation subsequent to the RTAA has affirmed and expanded the central role of the executive branch in trade policy negotiations. It is often said that delegation of authority to the executive is strongly favored by Congress because it allows legislators to use protectionist rhetoric to appease constituents while lacking the political capacity to intervene on their behalf (Cohen et al. 2003; Destler 2005).

By also making it more difficult and costly for import-competing firms to receive trade relief, the RTAA decreased the political influence of protectionist forces (Haggard 1988), which, as Chorev (2007) argues, was the intended outcome by globalizing corporate forces. While the RTAA changed the institutional context of trade policy formation the political power of MNCs also grew in proportion to their growing share of domestic production (Cohen et al. 2003). Milner (1988: 15), for example, makes a compelling case that US trade policy became less protectionist after the Second World War because dominant firms and sectors were more integrated within the international economy and not as a result of prior institutional transformations that enhanced executive autonomy. In this view, the US's growing support for liberal trade was a by-product of the ascendance of MNCs and was not significantly influenced by changes in the locus of policy authority precipitated by the RTAA. Given the arguments and evidence presented by Chorev (2007), however, the transformation of state institutions under the RTAA and the growing economic prominence of multinational corporations worked synchronously to facilitate the expansion of post-Second World War trade liberalization (Dreiling and Darves 2016).

Immediately after the Second World War state *and* corporate leaders in the US successfully founded the General Agreement on Tariffs and Trade (GATT) (see Domhoff 2013). While state actors are featured prominently in historical accounts of these developments, Domhoff (2013) and Chorev (2007) argue the Bretton Woods and GATT institutions were not *just* the product of political leaders. Instead, corporate leaders in the Business Council, the Committee for Economic Development (CED), the Council on Foreign Relations (CFR), and US delegates to the International Chamber of Commerce (ICC) were all instrumental in the development of the GATT and the Bretton Woods institutions. These same organizations and their leaders worked closely in the decades that followed to open the world trading system and, later, to reform the international monetary system. Expanding global economic power and market opportunities were thus driven not only by the state elite, but also by the corporate elite, who worked closely with the state during and after the Second World War.⁴

Support for lower tariffs continued well into the 1960s, when corporate profitability and trade balances began to decline. The first major trade

⁴ See Panitch and Gindin (2013: Chapters 3–5) for a full account of the Bretton Woods institutions. See also Ruggie (1998), McMichael (2012), and Evans (1995).

initiative of the decade, the Trade Expansion Act of 1962, largely affirmed the post-RTAA consensus in favor of liberalized trade relations. The act mainly authorized the Kennedy Round of GATT negotiations to cut tariffs with participating countries by up to 39 percent (Lovett, Eckes, and Brinkman 1999: 81). The Kennedy Round evoked considerable condemnation by Congress, labor, and import-competing producers (Chorev 2007; Lovett et al. 1999). Many contended that the trade concessions were asymmetric, favoring Japanese producers in particular.

The resurgence of support for protectionism in the late 1960s had many causes. First, many industries and unions were reacting to a surge of Japanese and German imports that were beginning to undermine the historic trade surplus enjoyed by the US following the Second World War. This was especially evident in the trade imbalance with Japan, which grew from 17 percent to 50 percent between 1967 and 1977 (Canto 1983: 682). The US's deteriorating balance of payments also contributed to its growing inability to support the gold standard (along with a protracted war and budget deficits).

Most trade policy theories predict that protectionist trade policies are more likely to be enacted during periods of economic decline, particularly when the decline is associated with losses incurred through import competition (Cohen et al. 2003; Destler 2005; McKeown 1984; Milner 1988: 4). This raises an important question: Why did the tumultuous economic conditions of the 1970s and 1980s coincide, not with a return to widespread protectionism, but with further liberalization that dropped tariffs to their lowest levels in US history?⁵

Despite a growing trade deficit, weak US dollar, a recession, and flagging private sector profitability, Congress enacted the Trade Act of 1974 that renewed and expanded the US's commitment to reduce tariff and nontariff barriers to trade on a reciprocal basis. Chorev (2007: 102) persuasively argues that the 1974 Trade Act, "just like the one in 1934, was the deliberate creation of internationalists and their supporters in the administration, precisely in order to curb protectionist demands."

The section below builds on Chorev's point in a brief historical narrative to reveal that it was not just the executive branch or the growing share of multinational corporations in the economy that tilted the political economy to neoliberalization; it was also the *collective action* of globalizing firms. This brief narrative, drawn from Dreiling and Darves (2016), expands on, and validates, other scholarship on the neoliberal transition. As Harvey (2005: 31) posited, if "neoliberalization has been a vehicle for the restoration of class power, then we should be able to identify the class forces behind it." A political sociological

⁵ Certainly protectionist initiatives occurred during the 1970s and 1980s, but, as Chorev (2007) points out, these were selective within a larger set of compromises that deepened trade liberalization.

account of the power structure of US trade policy illuminates corporate class forces at play.

WHERE CLASS ACTORS MEET THE STATE

A little-known political mobilization began in 1967 as a response to a number of economic forces and reached its height as Watergate unfolded in the Nixon administration. The multiyear initiative reshaped the voice of large corporations and the authority of the president in US trade policy. Steel and textile industries, once comfortable allies with the larger corporate community in the postwar hegemony of Keynesianism, New Deal liberalism, and American global “free enterprise,” now faced stiff import competition and began to demand new protections. Amidst heightened business conflicts over American trade policy, a new political moment was opening for economic conservatives at the American Enterprise Institute (AEI), who had been promoting neoliberalism as an alternative to the New Deal and Keynesianism (Domhoff 2013). By the late 1960s, interindustry splits created a political opportunity for leaders in the AEI and other conservative groups to align with free trade globalizers. Describing this period, Chorev (2007) and Destler and Odell (1987) highlight the stark and growing divide between “internationalist businesses” intent on trade liberalization and the increasingly marginal voices of declining domestic industries, such as steel and textiles.

Concurrently, many corporate leaders whose operations expanded internationally after the Second World War complained how the international monetary system posed growing challenges to their activities in international markets. Bankers were particularly motivated to change the Bretton Woods system of pegged currency valuations to a floating system. For example, David Rockefeller of Chase Manhattan Bank understood the benefits that accrued to the US with the gold-backed fixed exchange system, but in 1961 laid out the steps for abandoning the dollar’s link to gold: “remove the requirement that gold be held against the note and deposit liabilities of the Federal Reserve Banks” (Rockefeller 1963: 153). Because, Rockefeller continued, New York’s large banks are a “major part of the financing of our exports and imports of goods and services” the “United States must exercise a role of leadership in international financial matters” (Rockefeller 1963: 158). A few years later, Arthur Watson, vice-chair of IBM and son of the founder, reasoned similarly. As incoming president to the International Chamber of Commerce⁶ and chairman of the US delegation, Watson outlined the interdependence between the world financial system and world trade to the gathering of world business leaders: “It matters little to free world industry whether the monetary system is ultimately based on gold, paper or sea shells. It matters a great deal that we have

⁶ The International Chamber of Commerce (ICC) was formed in 1919. In 1945, the US delegation to the ICC adopted a new organization, now known as the US Council for International Business.

a system that will allow fairly wide swings in debt and credit. Trade is expanding and it must have an international monetary system that expands with it” (Jones 1967: F43). Watson’s prescriptions for changing the world monetary system were linked to his perception of an urgent need for a more robust system of multilateral trade liberalization.

Internationalist corporate leaders, unlike protectionists, sought unfettered movement of capital, goods, and services globally – a reliance on market mechanisms. Like their economic conservative counterparts at AEI, they perceived the need to let markets work and this meant restructuring the Bretton Woods monetary arrangements and a transformation of national economic agendas rooted in Keynesianism. Furthermore, and unlike protectionist leaders, the positions among business leaders at the ICC were bolstered by the recent conclusion of the latest GATT tariff reductions worldwide – averaging a reduction of 40 percent among industrial nations’ manufactured goods. These leaders increasingly sought a multilateral market framework unbound from such national prerogatives.

President Johnson was faced with growing balance of payments problems, and pressure on the dollar, both of which incentivized policy-makers to restrict imports and curb outward flows of capital stock in manufacturing investments. This condition was unacceptable to globalizing industries in finance, technology, and diversified manufacturing. Indeed, as much as these efforts helped internationalize and stabilize financial markets, administering fixed exchange rates became increasingly onerous “in the face of huge amounts of private foreign debt and volatile short-term capital movements” (Panitch and Gindin 2013: 130). Increasingly, the free play of the market would be seen as the antidote to the challenges of administering a pegged currency system. Resolving the burden of administering the fixed exchange rates would come – tenuously – when Nixon’s Treasury abandoned the dollar’s link to gold in 1971. But a political fight over trade came first.

At the center of the push against protectionism and toward a “single world market” was the Emergency Committee for American Trade (ECAT), formed after a 1967 meeting between David Rockefeller, IBM’s Arthur Watson, and several US “business leaders . . . concerned that a new worldwide trade war was in the making” (ECAT 2008). Alongside the older organizations associated with the promotion of free trade, especially the National Foreign Trade Council and the US Council for International Business (USCIB), ECAT organized and educated corporate leaders about foreign markets and current policy developments at annual conventions. Officially, the USCIB also served for decades as the official conduit between globally oriented corporate leaders in the US and the ICC. But ECAT was different, and the mandate was strategic and activist. Prominent presidents and chairs of major corporations – George Moore, David Packard, Henry Ford II, H. J. Heinz, and other corporate leaders – joined as cofounders of ECAT (see Table 37.1 for positions and corporations) (Jones 1968: F10; Dreiling and Darves 2016).

TABLE 37.1 *Founding corporate executive members of the Emergency Committee for American Trade, 1967*

ECAT Founder	Corporation	Title
Rockefeller, David	Chase Manhattan Bank	President
Watson, Arthur	IBM	Chairman
Moore, George S.	First National City Bank	Chairman
Hewitt, William A.	Deere & Co.	Chairman
Ingersoll, Robert S.	Borg-Warner Corp.	Chairman
Linen, James	Time, Inc.	President
Packard, David	Hewlett-Packard Co.	Chairman
Peterson, Peter G.	Bell & Howell Co.	President
Peterson, Rudolph A.	Bank of America	President
Powers, Jr., John J.	Chas. Pfizer & Co. Inc.	President
Roche, James M.	General Motors Corp.	Chairman
Taylor, A. Thomas	International Packers, Ltd.	Chairman
Thornton, Charles B.	Litton Industries, Inc.	Chairman
Wilson, Joseph C.	Xerox Corp.	Chairman
Allen, William M.	Boeing	President
Ball, George W.	Lehman Brothers International	Chairman
Blackey, William	Caterpillar Tractor Co.	Chairman
Dean, R. Hal	Ralston Purina Co.	President
Ford II, Henry	Ford Motor Co.	Chairman
Grace, J. Peter	W. R. Grace and Co.	President
Haggerty, Patrick E.	Texas Instruments Inc.	Chairman

Source: Wilcke 1967: 69.

To deal with domestic economic problems, an international agenda was needed. For Nixon's advisers, the "central policy dilemma ... became how to maintain the system of fixed exchange rates that revolved around the dollar without jeopardizing both economic growth and the momentum towards liberalized trade and capital flows" (Panitch and Gindin 2013: 123). To further buttress internationalist corporate interests and manage these policy tensions, President Nixon drew heavily from the network of conservative corporate leaders (Chorev 2007; Domhoff 2006). Alongside other corporate elite from the Committee for Economic Development (CED) and ECAT in the Departments of Commerce and Treasury, President Nixon appointed to the position of Special Trade Representative a CED leader, William Eberle (Dreiling and Darves 2016). In 1970, President Nixon also formed the Williams Commission, a group composed primarily of conservative business leaders tasked with forging

resolutions to both trade and currency exchange issues. On the Commission were executives from nine CED member corporations and several CED trustees. Albert L. Williams, who chaired the commission, was a former President of IBM and at the time of the commission's founding a director on the boards of the Mobil Corporation, General Foods, Eli Lilly, and Citibank. His corporate inner circle status (Useem 1984) was as an asset to initiatives aimed at advancing multilateral trade liberalization (Dreiling and Darves 2016).⁷

By the time the Williams Commission was formed, a group of conservative business leaders, which included ECAT cofounders, assumed an important role in Nixon's administration. The Williams report also had the effect of spurring debates in policy circles, such as the CFR and the CED, which elevated promises of trade liberalization to new heights among large corporations, ECAT, and the older US Council for International Business. By 1973, these efforts crystallized with the mobilization of business groups, including the newly formed Business Roundtable (BRT), and internal efforts by the Nixon administration to open new opportunities for a strategic dialogue about trade in a changing global economy (Cohen, Paul, and Blecker 2003; Chorev 2007). Two ECAT cofounders were also appointed to the commission. Another ECAT cofounder and conservative CED trustee, Pete G. Peterson, was appointed by Nixon in 1971 to be the assistant to the President for International Economic Affairs (and chair of the Council of International Economic Policy). In 1972 he was named Secretary of Commerce and, as such, was the chief executive branch authority presiding over the Special Trade Representative (STR). The fact that Nixon's secretary of commerce was a cofounder of ECAT ensured that the voice of globalizing corporations would be heard in future action on trade. In fact, as lobbying for the 1974 Trade Act began, Peterson proved vital. With his ties to ECAT, the CED, and the CFR, he and others "advocated the amendments exactly to limit the congressional role in trade policy formulation" (Chorev 2007: 70).

On August 15, 1971, the US withdrew its pledge to convert dollars into gold (Destler 2005: 57). Two years later, by early 1973, amidst a spate of reports of a jittery Europe and following years of negotiations, the resulting fiat currency began to float against other major currencies. Just as the program for the liberalization of currency markets unwound, a resolution to the dilemmas for trade policy came forth. The birth of neoliberal globalization as a distinct shift in trajectory had begun. Freeing the monetary system of pegged exchange rates and instituting a floating exchange rate system corresponded to the reordering of US international trade priorities, particularly among the leaders of the MNCs that came to dominate elite class networks at the time.

Chorev's (2007: 102) analysis concludes that the institutional shift in the 1974 Trade Act "allows us to identify the actors who were behind the globalization project: in the United States, this was a tight coalition of top

⁷ The Williams Commission was composed of representatives from 18 large corporations, three academics, and two union representatives.

administration officials and the leading associations representing the largest internationally oriented corporations” whose “goal was ... to allow those protectionist measures that do not disturb the project as a whole.” The Nixon administration, stacked with leaders from the CED and ECAT, created opportunities to not simply influence legislation, but to transform the structure of the state itself. In doing so, an institutional environment more conducive to the pursuit of the globalization project was developed. Shifting trade policy away from Congress and toward the executive branch reflected a political strategy by internationalists to thwart protectionist opponents and consolidate a new form of strategic power within the state (Chorev 2007).⁸ Chorev rightly characterizes trade as “selective protection.” Even the Trade Adjustment Assistance (TAA), supported by the internationalists, was considered an important tactic to secure legislative support for further market opening initiatives and institutional changes that increased the power of the president and the US trade representative. Several industries, for example, lobbied successfully for selective protection in steel, auto, and sugar between the 1970s and early 1990s.

As widely noted by scholars and journalists, it was the early 1970s in particular when “business was learning to spend as a class” (Blythe 2002: 155; see also Akard 1992; Court 2003; Clawson, Neustadt, and Weller 1998; Domhoff 2006, 2013; Edsall 1985; Harvey 2005; Mizruchi 2013; Peschek 1987; Useem 1984). Well-funded think tanks, new corporate advocacy groups, targeted endowments to universities, and other activities characterized a well-documented pushback from corporate America, one that increasingly chimed the chords of deregulation, free trade, and shrinking the welfare state. The American Enterprise Institute (AEI) – a neoliberal think tank – rose to new prominence on the right just as the newly founded BRT shaped a new corporate political center, displacing the moderate-leaning CED as the hub for domestic economic policy discussions.

The creation of the BRT marked an event of historic proportions, analogous to the role of the Business Council, the CED, and the CFR during the interwar years. Rather than adhering to Keynesian strategies of macro-economic regulation, the BRT endures as a tireless advocate of neoliberal strategies of market deregulation domestically, and free trade globally. According to Burris (1992, 2008), the BRT remains the most central policy and lobbying organization in the corporate policy network. The well-documented rightward turn of corporate leaders during this time helped fuse domestic free market conservatives with the more established free trade internationalists – a nexus that ultimately consolidated a dominant corporate class faction uniting the ascendant neoliberal banners of individual liberty, free trade, and deregulation (Gill 1990). Mizruchi (2013: 157) explains how the BRT

⁸ Barnett and Muller wrote a scathing op-ed in the *New York Times*, naming ECAT as a primary antagonist in the gross exit of manufacturing jobs from the US, documented in their 1974 book.

“quickly became a part of the conservative resurgence, backing organizations such as the AEI and committing itself to the primary conservative goals of the period: reducing government regulation of business, limiting the power of unions, and reforming the corporate tax code.”

By 1976, “the Business Roundtable was clearly at the center of the corporate financed policy planning network in terms of interlocking directors” (Domhoff 2013: 214). By the 1980s, the unabashedly supply-side focus of the BRT and its vigorous advocacy for domestic deregulation, corporate tax cuts, and global free trade signaled a class realignment of historic proportions, one unquestionably inflected with neoliberal ideology. Pouring resources into Reagan’s victory in 1980, the CEOs in the BRT led the conservative economic reforms of the era, abandoning Keynesian economics and New Deal policy priorities while aggressively attacking “labor unions, federal social welfare programs, and government regulation of the economy” (Phillips-Fein 2009: xi). Reagan appointed scores of AEI and Heritage Foundation members to his administration. With the AEI rising to prominence among think tanks, the BRT retained its central place in the larger corporate network. By the end of the 1980s, ECAT and BRT, and their member-CEOs, would also emerge at the center of a trade policy network geared toward challenging trade and investment restrictions in the US and abroad.

INSTITUTIONALIZING NEOLIBERAL TRADE: NAFTA, THE WTO, AND BEYOND

McMichael (2005: 58) argues that with “the collapse of the Cold War in 1991, the stage was set for a universal application of liberalization, under the leadership of the US and its G-7 allies.” The crisis in the Soviet Union created political opportunities for accelerating the promotion and experimentation with neoliberal prescriptions already tested in the heavily indebted Global South (e.g., privatization, increased FDI, and restrictions on public sector investments).⁹ As others point out, the adoption of neoliberal economic policies within developing states involved both active coercion by international finance (via the International Monetary Fund’s structural adjustment programs) and by the incorporation of neoliberal technocrats into leading government positions (Babb 2009; Fourcade 2006; Campbell and Pedersen 2001). With the conclusion of NAFTA (1993) and the creation of

⁹ Foreign Direct Investment (FDI) is a measure of capital flows into a country by international economic interests. FDI includes investments by multinational corporations in service or manufacturing sectors in host countries and the purchase of assets (public or private) in host countries. FDI is often used as an indicator for many features of national development, including how much a local economy is penetrated by and dependent on foreign, or outside capital; how attractive a national economy is to foreign business investment; and how competitive a national economy is relative to others in attracting international capital.

the World Trade Organization (WTO) following the conclusion of the GATT Uruguay Round (1986–1994), a robust transnational apparatus to enforce market governance took shape. The possibility for newly “open” markets in Eastern Europe and Russia further consolidated neoliberalism as a global economic modality (Campbell and Pedersen 2001) as efforts intensified in implementing what Robinson (2004) refers to as a “revolution from above.” From the Maastricht Treaty, the Association of Southeast Asian Nations (ASEAN), NAFTA, and the WTO, the liberalization of regional and global markets accelerated in the early 1990s, though with regionally distinct legal and institutional signatures (Duina 2006).

Within the US, a neoliberal corporate coalition successfully advanced the Caribbean Basin Initiative and the US–Canada Free Trade Agreement prior to initiating a multiyear campaign for NAFTA with President George H. W. Bush. Dreiling (2000, 2001) demonstrates that leadership in the pro-NAFTA corporate coalition was predicted by membership in the Business Roundtable, among other factors. This campaign formed a broad business coalition named “USA*NAFTA” that coordinated congressional testimony, press releases, and frequent lobbying.¹⁰ The *Wall Street Journal* announced that “the USA*NAFTA” group was one “set up by . . . members of the Business Roundtable” (Davis 1993: A20). Groups closely affiliated with the roundtable, such as ECAT and the National Foreign Trade Council, testified regularly before Congress and organized hundreds of lobbying sessions involving the CEOs of companies as influential as General Motors and AT&T (Dreiling and Darves 2016). Meeting directly with President Clinton for “regular” briefings by White House officials, BRT members of USA*NAFTA worked closely to select Lee Iacocca (former Chrysler CEO) as the president’s “NAFTA Czar.” These frequent associations with prominent decision-makers stem from the unique structural location afforded to inner circle corporate leaders.

In spite of significant opposition to NAFTA from the left and the right, its passage in 1993 was declared a “realization . . . of David Rockefeller’s original vision when founding the Council of the Americas” [in 1958] (Council of the Americas 1994: 5). Just one year following the passage of NAFTA, the corporate coalition was reorganized and renamed to focus on the successful completion of the Uruguay Rounds of the GATT and the creation of the WTO (see Dreiling 2001). Over the next several years, a neoliberal corporate coalition continued to advance trade liberalization through transnational neoliberal institutions and US trade policy, highlighted by the monumental effort to liberalize trade with China, beginning in 1998.

Figure 37.2 plots a network of the 45 largest ECAT members from 1998. Given their common membership in ECAT, the figure plots the connections of the corporate executives to the Business Roundtable and to the appointed

¹⁰ The Wexler Group and Arthur Anderson & Co. were retained by the USA*NAFTA. Each have a history of providing regular accounting and public relations services to the Business Roundtable.

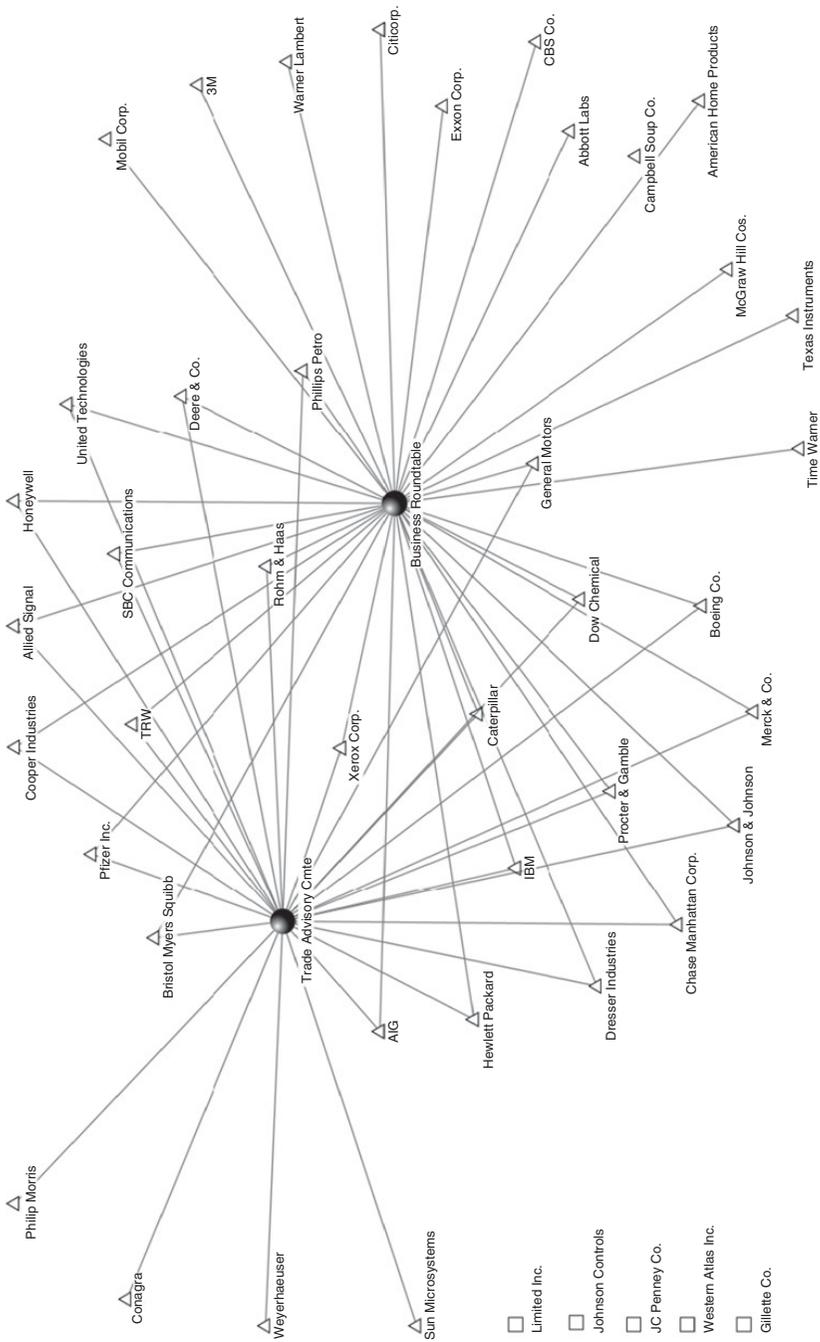


FIGURE 37.2 Overlapping networks of ECAT members in the Business Roundtable and Executive Branch Trade Advisory Committees, 1998
 Source: Author data and analysis. Image drawn with NodeXL (Smith et al. 2010).

advisory posts under the US president on trade policy that were created in the 1974 Trade Act. Figure 37.2 depicts a specific confluence of class and state actors in the making of neoliberal trade policy in the US. All 45 companies in Figure 37.2 are members of ECAT. Those companies in the lower left corner are isolates (denoted by square shapes); that is, they are members of ECAT but did not have a top executive at the Business Roundtable or as appointees to the trade advisory committee system in the US executive branch in 1998. Firms approximately in midsection of the figure share their common membership in ECAT with all firms in the graph, but also have a membership in the Business Roundtable *and* the trade advisory committee system, linking corporate and state institutional spaces via these overlapping memberships. Of the companies affiliated with the trade advisory system, all but four are also Business Roundtable members (in addition to their membership in ECAT).

This simple network heuristic identifies patterns consistent with the expectations of a class cohesion approach to corporate political action (Burriss 1987, 2001, 2005; Domhoff 2006, 2013, 2014; Mizruchi 1992); that is, class-inflected corporate associations facilitate the creation of stable networks between corporate leaders and the state – networks that ultimately yield a concerted field of action responsible for the promotion of neoliberal trade policy and trade institutions.

Consider the class and state dynamics involved in the China Permanent Normal Trade Relations (PNTR) campaign, where a multipronged strategy involving the Clinton White House and leading corporate policy and lobbying organizations was pursued in order to swing votes in congressional districts throughout the country. Despite an energized opposition from the left and the right, the corporate campaign would ultimately outstrip its opponents in what some observers have termed the most expensive lobbying campaign in US history (Woodall et al. 2000). Because PNTR was coupled to China's entry into the WTO, interests among large US corporations were magnified by hopes of market opportunities that an opening of China's economy would harbor (Cohen et al. 2003). Business leaders structured several new organizations for this fight, and many of these leaders relied on extensive connections with current and former government officials. Their campaign was swift and successful, working all faces of the state (Dreiling and Darves 2016).

Normalizing trade with China has been nothing short of a world historical shift in the geography of global manufacturing. Economists from a variety of theoretical persuasions identify trade liberalization with China as the key factor in the dramatic drop in manufacturing employment in the US, plummeting from 17,000,000 in 2000 to 11,500,000 in 2010 (Autor, Dorn, and Hanson 2012). As a share of world manufacturing output (measured in value), the trend put China on track to surpass the US in 2011 and become the world's largest manufacturing economy. Economists estimate that China PNTR and China's entry into the WTO, net other factors, reduced the manufacturing sector in the US by about three million jobs over seven years, with more than the 900,000

manufacturing jobs lost in the first year of the Great Recession (Autor et al. 2012). Liberalized trade and entry of China into the WTO contributed to a watershed drop in US manufacturing employment (Pierce and Schott 2012).

The transformation in global manufacturing associated with China's entry into the WTO revealed the significance of political action, namely, neoliberal trade policy, in shaping the contours of the world *economic* order. Specific forms of corporate collective action and class agency can be observed in these events. For example, we find ECAT leaders testifying that they "can be justly proud of the many accomplishments of US trade policy, including the Tokyo Round Agreement, the Uruguay Round Agreements, the North America Free Trade Agreement, Permanent Normal Trade Relations with China, and the GATT/WTO system itself" (ECAT 2003: 1). ECAT, usually with the Business Roundtable and the USCIB, led every major transformation in US trade policy during the three decades prior. Decades after its founding, ECAT persists as a powerful lobby for a neoliberal trading system. We are thus reminded that economic activity and mobility of capital alone do not lead to the kind of market transformations observed here. Capital mobility hinges on institutional protections. For this reason, class political agency works in concert with state initiatives to construct the institutional frameworks that secure capital mobility through trade and investment. Furthermore, the changes precipitated by this class-state action also generate lasting political consequences.

Challenges to US-led Neoliberal Institutions

Conflict over the implementation of NAFTA continued for several years and was followed by a series of political actions in North America, beginning with the Zapatista mobilization in Chiapas, Mexico, and followed by numerous actions gathering steam at the transnational level (Harvey 1998). These conflicts over NAFTA and the formation of the WTO in 1995 stimulated on the political right anti-immigrant and ethnonationalist reactions and on the political left an expansion of global justice networks that included various movement actors, transnational governance structures, and countermovement networks (Dreiling 2001; Smith 2010). Even as the corporate neoliberal coalition mobilized for PNTR with China, a global justice movement was emerging as well.

The intense and focused mobilization against the 1999 and 2003 ministerial conventions of the World Trade Organization in Seattle, Washington, and in Cancún, Mexico, respectively, exemplified emergent transnational political forces mobilized around transnational neoliberal institutions. Beginning in Seattle, the "neoliberal network" that was led by corporate and political elites from the US and the EU (Smith 2010) faced combined opposition from below by a democratic global justice movement as well as challenges from within the WTO by neoliberal elites of several developing countries (Hopewell 2016).

These conflicts intensified over several years, escalating in Cancún at the WTO's Fifth Ministerial in 2003.¹¹ Instead of a manifesto for international trade liberalization, the 2003 talks collapsed as unified opposition from developing countries surfaced and massive protests occurred in the streets. Over 80 of the poorest WTO member countries along with Brazil and India called on the trade body to develop a more transparent and democratic process so that their voices could be heard (Dreiling and Silvaggio 2009; Hopewell 2016). The situation enabled nations of the Global South to gain negotiation leverage as a bloc against the US and EU.

Frustrated with frictions, and prior to the Cancún ministerial meetings of the WTO, the Business Roundtable explained their hopes for deepening US "leadership" in the world. Their press release "sent a warning that foot-dragging behavior in the WTO can be countered by bilateral and regional negotiating tracks." The press release went on to explain how "the CEOs that comprise the Business Roundtable are increasingly working with companies and business associations in other countries that share our support for the WTO and our aspirations for new and ambitious market-opening initiatives" (Business Roundtable 2003). Corporate neoliberals in the US sought access to markets globally, even as developing countries sought greater access to markets in the EU and US for agricultural, service, and manufacturing exports.

Where Cancún represented a setback for US and European Union hegemony in global trade negotiations, the failure to open negotiations for a Free Trade Area of the Americas (FTAA) in Miami represented a major blow to US designs in the Western Hemisphere. Opposition in Latin America was widespread, and the US walked away from negotiations after failing to get the biggest economies, Brazil and Argentina, to sign on to the agreement. As the US and Canada sought greater market access for services, finance, and intellectual property, the developing countries of the Americas, led by Brazil, rejected the hypocrisy of agriculture subsidies in the US and Canada, raising the same rift that plagued the Doha Rounds of the WTO. Instead, the common market among several South American countries, Mercosur, found opportunities to expand by introducing a formal parliament one year after the failed FTAA talks.

With the passage of China PNTR and China's accession to the WTO, massive amounts of FDI poured into China while exports surged. A world historic economic transition was underway, and this economic context added new pressure on US corporations operating globally to press the US state for more aggressive investor protections for corporate interests in the growing economies of Asia. These efforts encountered resistance by capitalist interests and national governments of the emerging BRICs, whose growth altered the balance of power

¹¹ In 2001, the WTO ministerial meetings were held in Doha, Qatar, launching the Doha Rounds of negotiations that concluded without resolution in 2015. Activists commonly remarked that the "Battle in Seattle" was the reason that the 2001 meetings were held in Doha, where opportunities for protest were severely curtailed.

in the global trading system and the WTO. Though these national governments were not rejecting neoliberal globalization and its institutions, they were attempting to insert themselves, on their terms, and via their respective national power structures, into neoliberal global institutions (Hopewell 2016).

As a result, trade globalization produced new centers of economic power which contributed to a stalemate over the Doha Rounds, leaving frustrated US leaders to increasingly work outside of the WTO and pursue bilateral agreements – consistent with the BRT’s threat in 2000 – and “mega-regional” trade agreements, such as the proposed Transatlantic Trade and Investment Partnership (TTIP) between the US and EU, and a 16-member Trans-Pacific Partnership (TPP). In 2009, some wondered if the presidency of Barack Obama, who urged a renegotiation of NAFTA and other trade deals during his 2008 candidacy, would bring a turn in US trade policy from a neoliberal to a more selectively protective trade agenda. This did not happen. Instead, ECAT, the Business Roundtable, and USCIB consulted directly with President Obama to press neoliberal trade globalization agendas domestically and internationally. By 2011, the former Republican governor of Michigan, John Engler, left his role as Executive Director at the National Association of Manufacturers (NAM) to become president of the Business Roundtable. In that same year, along with the smaller ECAT, they initiated a campaign for a TPP. They wrote a letter to President Obama outlining the desire to move the TPP (which tentatively began under President Bush) to the front of the agenda on trade negotiations and dramatically expand investor protections. Specific concern was expressed about several “agreements between ASEAN and China and ASEAN and India, reflecting the deepening of commercial ties between key emerging-market partners across Asia, which leave the US at risk of being excluded from these vital growth markets” (ECAT 2011: 1). The prospect of the US being excluded from emerging economies rattled corporate and political leaders and motivated the negotiations for the mega-regional agreements, outside of the confines of the WTO.

Hopewell (2016) concludes that US hegemonic decline, coupled with the growing economic power of emerging economies, especially China, has disrupted but not ended the WTO (see also Lachmann 2014). With years of stalled negotiations, what began as the Doha Rounds of the WTO in 2001 ended without resolution (Smith 2010). Analyses of how emergent corporate class networks and state trade-related initiatives shape trade strategies and responses to global institutions, from within the BRICs, presents a promising area for future research (see Fairbrother 2007). As conditions globally (and domestically) continue to erode US hegemony in neoliberal institutions, what do recent political events bode for the neoliberal class project?

CORPORATE CLASS (RE)ALIGNMENTS

Many questions arose following the 2016 Brexit vote and the election of US president Trump. President Trump appointed a quintessential corporate

conservative, inner circle cabinet, including long-time BRT policy committee leader Rex Tillerson to Secretary of State. First as a presidential candidate and then as president, Trump resurrected ethnonationalist and protectionist rhetoric of conservative reactionaries, like Patrick Buchanan, from 25 years earlier. Like Buchanan in the 1990s, Trump blasted NAFTA on economic nationalist and ethnoracist grounds, offering a seemingly hostile and incompatible view to the neoliberal trade system. However, as the *New York Times* reported in May of 2017, the actual priorities around NAFTA renegotiation are less economic populist and much more in line with an agenda pursued by ECAT and BRT for years, with a heavy focus on updates to intellectual property, digital services, and investor protections. As President Trump's US trade representative, Robert Lighthizer put it: "NAFTA was negotiated 25 years ago ... and while our economy and businesses have changed considerably over that period, NAFTA has not" (quoted in Davis 2017). Simultaneously, evidence also points to an interest in significant rollbacks for rules of origin and content provisions for a revised NAFTA. Such an initiative by the US – which has been opposed by Mexico and Canada – could unravel NAFTA. For many observers, it is difficult to discern conflicting policy positions from the politics of the Trump administration.

In general, the parameters for renegotiating NAFTA, which were outlined by the Trump administration in July 2017, do not appear to be protectionist in any significant way. Indeed, the lessons of 2016–2017 require greater effort at discerning between the ethnonationalist *politics* of the right from the more aggressive and even coercive demands for neoliberal policies in the economic sphere, including trade negotiations. The gross inequalities and economic woes spurred by neoliberal globalization are creating persistent crises in political legitimacy for governments. We know that political authoritarianism from the right melds with economic liberalism as a strategy to advance political legitimacy; indeed it is not new (Bruff 2014; Hall 1988). Ultra-conservative corporate elite and the overwhelmingly white conservative base that elected Donald Trump to the presidency did not reject neoliberalism per se, but as Nancy Fraser argues (2017: 2), rallied against "progressive neoliberalism ... an alliance of mainstream currents of new social movements ... on the one side, and high-end 'symbolic' and service-based business sectors (Wall Street, Silicon Valley, and Hollywood [where] progressive forces are effectively joined with the forces of cognitive capitalism, especially financialization.)"

Ultra-conservative elite embraced a political fix to the legitimacy crises of neoliberalism, relying less on consent, namely, markets as efficient or desirable in other ways, and increasingly on coercive and punitive strands of exclusion, racism, misogyny – in short, authoritarianism – to advance neoliberal economic agendas (see Wacquant 2009). Right-wing efforts to address legitimation problems through coercive and punitive policy frameworks also embrace the most extreme ideological elements of economic liberalism, for example, the US Tea Party. Bruff's (2014) conceptualization of "authoritarian neoliberalism"

fits Trumpism and suggests the emergence of an intra-elite contest for political hegemony between two *political* strands of neoliberalism, playing out domestically and globally on the world historical stage. Do the combined pressures of global power shifts (e.g., BRICs) and domestic differences among the corporate rich portend an end to or significant transformation in the neoliberal trading order and the corporate unity that advanced it? Can the forces of authoritarianism and ethno-nationalism upend the neoliberal era?

Mizruchi (2004) argues that the success of the corporate offensive over several decades had a paradoxical effect of undermining the two social forces – labor and the state – that had previously “disciplined the business community and contributed to its longterm focus” (2004: 607). The consequence of fewer checks by labor and the state was a more reckless corporate class. Mizruchi’s book *The Fracturing of the American Corporate Elite* (2013) laments the demise of a moderate segment of corporate elite in the American business class in the decades that followed their 1970s “vigorous counteroffensive.” Those moderates were replaced by short-term, self-interested corporate leaders in several areas of national public policy. Mizruchi is correct in explaining that, unlike in the postwar years, we no longer find broad commitment among America’s corporate elite to, for example, robust public education. The absence of corporate moderation in national policy for health care, tax and fiscal deficits, or the environment may simply mean that among the leadership, priorities have changed (Dreiling and Darves 2016; see also Murray 2017). It could also mean that factional differences have widened. Domhoff (2014) suggests as much, arguing that these orientations are more a function of differences in neoliberal policy convictions between “moderate-conservative and ultra-conservative” factions than symptoms of deep corporate fragmentation. Are we looking at fracturing or widening factionalization? And is there a difference?

In recent decades, corporate political action has been highly unified in a push to liberalize trade and globalize the economy. Mizruchi (2013) did not grapple with this particular empirical issue, with research showing corporate unity on NAFTA and China trade liberalization (Dreiling 2000; Dreiling and Darves 2011, 2016) and an expanding social science literature on transnational corporate board and policy networks (Carroll 2004, 2010; Kentor and Jang 2004; Murray 2017; Murray and Scott 2012; Nollert 2005; Sklair 2001; Staples 2006, 2007, 2012). While evidence shows a relative decline in the board of director network and specifically in the role of banks as central arbiters in the board of director network (Chu and Davis 2016; Davis and Mizruchi 1999; Mizruchi 2013), evidence also shows these board networks transnationalizing (Carroll 2004, 2010; Murray 2017; Murray and Scott 2012). Murray confirms that the “transnational intercorporate network facilitates . . . political unity” in campaign contributions within US congressional races (2017: 1659). Responding directly to the argument by Mizruchi (2013) that welfare retrenchment or polarization on national health care policy indicates an

absence of corporate unity and collective action, Murray (2017: 1060) asserts that his “evidence of persistent unity facilitated by transnational networks necessitates a consideration that these problems may actually be a result of corporate elite influence on behalf of transnational interests, rather than a consequence of a lack of corporate unity.”

Still unresolved, and requiring further analyses, including longitudinal study of transnational and domestic corporate networks, are questions about the future of neoliberal globalization in the post-Trump political universe. Does “authoritarian neoliberalism” offer a legitimation strategy that will hasten the social and ecological crises associated with neoliberal globalization? Are politically liberal neoliberal factions capable of reestablishing hegemony in capitalist democracies? Do factional alignments and disputes among national corporate elite shape transnational affiliations among similarly aligned corporate class factions elsewhere?

CONCLUSION

Beginning with the exploration of the 1934 RTAA, and then the rise and mobilization of a neoliberal coalition of free trade internationalists from the 1970s through the 2000s, this chapter advanced a class agency model of trade liberalization. To grasp this shift in political economy and trade politics, it was argued that the emergence of the 1974 Trade Act helped focus the political activity of large, globalizing corporations toward new structures within the state, facilitating a collaborative, class–state process of institutional change to respond to rising import competition, domestic stagflation, and declining US profitability. Seeking to remove constraints on profits, such as the historically negotiated wage rates in the US (O’Connor 1984) and expand public and environmental regulatory initiatives (Bowles, Gordon, and Weisskopf 1990), these globalizing corporate leaders worked to unite conservatives and moderates around an emerging hegemony of domestic deregulation, tax cuts, privatization, and accelerated trade liberalization (Blythe 2002; Mizruchi 2013). Joined closely to the liberalization of currency markets, the passage of the 1974 Trade Act bridged new expressions of corporate policy activism with existing state projects to reform US trade policy. In doing so, it opened the possibility of fusing an agenda of trade liberalization with the incipient ideology of neoliberalism. Ultimately, it permitted highly organized corporations to forge a neoliberal trade agenda in concert with the state.

With respect to neoliberalization and financialization, the theory of financial control remains relevant (Mintz and Schwartz 1985), and recent evidence suggests that the relations between financial capital and corporate control take form in specific “variations of capitalism” (Scott 1997). Data and analyses have been gathered well into the 2000s, both nationally and transnationally, show growing financial control of large MNCs (Carroll 2010; Heemskerck, Fennema, and Carroll 2016; Murray 2006, 2014; Peetz and Murray 2012; Thacker 2000; Vitali,

Glattfelder, and Battiston 2011; Vitali and Battison 2014). Scott's work with Murray (Murray and Scott 2012) applies his broad network conceptualizations of corporate relations to research on a transnational corporate class. Outside of sociology, but in a similar vein, a group of systems analysts published a groundbreaking study of global corporate ownership, showing that "nearly 4/10 of the control over the economic value of TNCs in the world is held, via a complicated web of ownership relations, by a group of 147 TNCs in the core, which has almost full control over itself" (Vitali et al. 2011: 6). This dense cluster or "super-entity" (Vitali et al. 2011) of corporate ownership is centered within the world's largest financial institutions and produces a social and organizational network that parallels the imagery presented by the Occupy Wall Street movement. Interestingly, many of the postulates raised by Fennema (1982) nearly 30 years earlier are validated by this big data analysis. Indeed, financialization and trade globalization remain linked.

The two proximate conditions identified by Prechel (2000) for business influence – business mobilization and state restructuring to advantage capital within the state apparatus – play out in the trade policy arena over the course of decades. State actors acted to shape the state to facilitate business organization at the same time that corporate elites mobilized to change the conditions for capital accumulation. Certainly struggles occur among factions of business for access to state institutions, as Prechel identifies in his research. This is why Prechel's theory may be applicable for analyses of apparent realignments in corporate class factions circa 2010–2016. Since Brexit and the election of Donald Trump as president of the US, there are strong indications that a faction of far right corporate billionaires, often with wealth rooted in forms of predatory and extractive industries, are willing to challenge the moderate corporate neoliberal coalition – and liberal political institutions as well. Bruff's (2014) depiction of "authoritarian neoliberalism" captures this connection between predatory forms of capital and the fusion of authoritarian politics with neoliberal economics. We should similarly consider how changing corporate class alignments may contribute to (and reflect) the transformations and crises in neoliberalism, with the potential for new forms of state authoritarian neoliberalism rooted in predatory forms of capitalist accumulation.

REFERENCES

- Akard, Patrick J. 1992. "Corporate Mobilization and Political Power: The Transformation of U.S. Economic Policy in the 1970s." *American Sociological Review* 57: 597–615.
- Arrighi, Giovanni. 1994. *The Long Twentieth-Century: Money, Power, and the Origins of Our Times*. London: Verso.
- Autor, David H., David Dorn, and Gordon H. Hanson. 2012. "The China Syndrome: Local Labor Market Effects of Import Competition in the United States." National Bureau of Economic Research Working Paper No. 18054.

- Babb, Sarah L. 2009. *Behind the Development Banks: Washington Politics, World Poverty, and the Wealth of Nations*. Chicago: University of Chicago Press.
- Block, Fred. 1977. *The Origins of International Economic Disorder: A Study of United States International Monetary Policy from World War II to the Present*. Berkeley: University of California Press.
1987. *Revising State Theory: Essays in Politics and Postindustrialism*. Philadelphia: Temple University Press.
- Blythe, Mark. 2002. *Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century*. Cambridge: Cambridge University Press.
- Bourdieu, Pierre. 1999. *Acts of Resistance: Against the Tyranny of the Market*. Translated by Richard Nice. New York: New Press.
- Bowles, Samuel, David M. Gordon, and Thomas E. Weisskopf. 1990. *After the Waste Land: A Democratic Economics for the Year 2000*. Armonk, N.: M. E. Sharpe.
- Bruff, Ian. 2014. "The Rise of Authoritarian Neoliberalism." *Rethinking Marxism* 26(1): 113–129.
- Burris, Val. 1987. "The Political Partisanship of Big Business." *American Sociological Review* 52: 732–744.
1992. "Elite Policy-Planning Networks in the United States." *Research in Politics and Society* 4: 111–134.
2001. "The Two Faces of Capital: Corporations and Individual Capitalists as Political Actors." *American Sociological Review* 66(3): 361–381.
2005. "Interlocking Directorates and Political Cohesion among Corporate Elites." *American Journal of Sociology* 111: 249–283.
2008. "The Interlock Structure of the Policy-Planning Network and the Right Turn in U.S. State Policy." *Research in Political Sociology* 17: 3–42.
- Business Roundtable. 2003. "Top Business Leaders Urge Action on Trade." Press Release, February 23. Washington, D.C.: The Business Roundtable.
- Campbell, John L. and Ove K. Pedersen (eds.). 2001. *The Rise of Neoliberalism and Institutional Analysis*. Princeton, NJ: Princeton University Press.
- Canto, Victor A. 1983. "U.S. Trade Policy: History and Evidence." *CATO Journal* 3: 679–703.
- Carroll, William K. 2004. *Corporate Power in a Globalizing World: A Study in Elite Social Organization*. Don Mills, Ontario: Oxford University Press.
2010. *The Making of a Transnational Capitalist Class: Corporate Power in the Twenty-First Century*. New York: Zed Books.
- Chorev, Nitsan. 2007. *Remaking U.S. Trade Policy: From Protectionism to Globalization*. Ithaca, NY: Cornell University Press.
- Chu, Johan and Gerald F. Davis. 2016. "Who Killed the Inner Circle? The Decline of the American Corporate Interlock Network." *American Journal of Sociology* 122(3): 715–754.
- Clawson, Dan, Alan Neustadt, and Mark Weller. 1998. *Dollars and Votes: How Business Campaign Contributions Subvert Democracy*. Philadelphia: Temple University Press.
- Cohen, Stephen D., Robert A. Blecker, and Peter D. Whitney. 2003. *Fundamentals of US Foreign Trade Policy: Economics, Politics, Laws, and Issues*. Boulder, CO: Westview Press.
- Council of the Americas. 1994. "North American Free Trade: David Rockefeller's Vision Realized." *Spring Newsletter*: 1–5.

- Court, Jamie. 2003. *Corporateering: How Corporate Power Steals Your Personal Freedom—and What You Can Do About It*. New York: Jeremy P. Tarcher/Putnam.
- Davis, Bob. 1993. "Mexico Mounts a Massive Lobbying Campaign to Sell North America Trade Accord in U.S." *Wall Street Journal* 20 (May): A18.
- Davis, Gerald and Mark Mizruchi. 1999. "The Money Center Cannot Hold: Commercial Banks in the U.S. System of Corporate Governance." *Administrative Science Quarterly* 44: 215–239.
- Davis, Julie Hirschfeld. 2017. "Trump Sends Nafta Renegotiation Notice to Congress." *New York Times*, May 18. <https://nyti.ms/2rvy8pJ>
- Destler, I. Mac. 2005. *American Trade Politics*, 4th ed. Washington, D.C.: Institute for International Economics.
- Destler, I. M. and John S. Odell. 1987. *Anti-protection: Changing Forces in United States Trade Politics*. Washington, D.C.: Institute for International Economics.
- Dicken, Peter. 2007. *Global Shift: Mapping the Changing Contours of the World Economy*. New York: Guilford Press.
- Domhoff, G. William. 1990. *The Power Elite and the State: How Policy Is Made in America*. New York: Aldine de Gruyter.
2006. *Who Rules America? Power and Politics and Social Change*. New York: McGraw-Hill.
2013. *The Myth of Liberal Ascendancy: Corporate Dominance from the Great Depression to the Great Recession*. Boulder, CO: Paradigm Publishers.
2014. "Is the Corporate Elite Fractured, or Is There Continuing Corporate Dominance? Two Contrasting Views." *Class, Race and Corporate Power* 3(1).
- Dreiling, Michael C. 2000. "The Class Embeddedness of Corporate Political Action: Leadership in Defense of the NAFTA." *Social Problems* 47: 21–48.
2001. *Solidarity and Contention: The Politics of Security and Sustainability in the NAFTA Conflict*. New York: Garland Publishing.
- Dreiling, Michael C. and Derek Y. Darves. 2011. "Corporations in American Trade Policy: A Network Analysis of Corporate-Dyad Political Action." *American Journal of Sociology* 116(5): 1514–1563.
2016. *Agents of Neoliberal Globalization: Corporate Networks, State Structures, and Trade Policy*. New York: Cambridge University Press.
- Dreiling, Michael C. and Tony Silvaggio. 2009. "NAFTA and Transnational Contention: A Decade of Alliance and Conflict over Neoliberalism" pp. 211–230 in Jeffrey Ayres and Laura MacDonald (eds.) *Contentious Politics in North America: National Protest and Transnational Collaboration under Continental Integration*. New York: Palgrave.
- Duina, Francesco. 2006. *The Social Construction of Free Trade: The European Union, NAFTA, and MERCOSUR*. Princeton, NJ: Princeton University Press.
- Dumenil, Gérard and Dominique Lévy. 2004. *Capital Resurgent: Roots of the Neoliberal Revolution*. Cambridge, MA: Harvard University Press.
2011. *The Crisis of Neoliberalism*. Cambridge, MA: Harvard University Press.
- Edsall, Thomas B. 1985. *The New Politics of Inequality*. New York: W. W. Norton.
- Emergency Committee for American Trade (ECAT). 2003. "Statement of Emergency Committee for American Trade for Subcommittee on Trade House Committee on Ways and Means Hearing on Impact of Steel Section 201 Safeguard on Certain Steel Products," April 9. Washington, D.C.: ECAT.
2008. "About." www.ecattrade.com/admissions

2011. Testimony of Calman Cohen, President of the Emergency Committee for American Trade (ECAT) Before the Subcommittee on Asia and the Pacific of the House Committee on Foreign Affairs, March 31.
- Evans, Peter B. 1995. *Embedded Autonomy: States and Industrial Transformation*. Princeton, NJ: Princeton University Press.
- Fairbrother, Malcolm. 2007. "Making Neoliberalism Possible: The State's Organization of Business Support for NAFTA in Mexico." *Politics & Society* 35(2): 265–300.
2014. "Economists, Capitalists, and the Making of Globalization: North American Free Trade in Comparative-Historical Perspective." *American Journal of Sociology* 119(5): 1324–1379.
- Fennema, Meindert 1982. *International Networks of Banks and Industry*. The Hague: Martinus Nijhoff Publishers.
- Fligstein, Neil. 2001. *The Architecture of Markets: An Economic Sociology of Twenty-First-Century Capitalist Societies*. Princeton, NJ: Princeton University Press.
- Foster, John Bellamy and Fred Magdoff. 2009. *The Great Financial Crisis: Causes and Consequences*. New York: Monthly Review Press.
- Fourcade, Marion. 2006 "The Construction of a Global Profession: The Transnationalization of Economics." *American Journal of Sociology* 112(1): 145–195.
- Fraser, Nancy. 2017. "The End of Progressive Neoliberalism." *Dissent Magazine*, January 2. <https://bit.ly/2F4yLzE>
- Gill, Stephen. 1990. *American Hegemony and the Trilateral Commission*. New York: Cambridge University Press.
- Haggard, Stephan. 1988. "The Institutional Foundations of Hegemony: Explaining the Reciprocal Trade Agreements Act of 1934." *International Organization* 42: 91–119.
- Hall, Stuart. 1988. *Hard Road to Renewal: Thatcherism and the Crisis of the Left*. London: Verso.
- Harvey, David. 1989. *The Condition of Postmodernity: An Enquiry into the Origins of Cultural Change*. Cambridge: Blackwell.
2005. *A Brief History of Neoliberalism*. Oxford: Oxford University Press.
- Harvey, Neil. 1998. *The Chiapas Rebellion: The Struggle for Land and Democracy*. Durham, NC: Duke University Press.
- Heemskerk, Elke, M. Fennema, and William Carroll. 2016. "The Global Corporate Elite after the Financial Crisis: Evidence from the Transnational Network of Interlocking Directorates." *Global Networks* 16: 68–88.
- Hopewell, Kristen. 2016. *Breaking the WTO: How Emerging Powers Disrupted the Neoliberal Project*. Stanford, CA: Stanford University Press.
- Howard, Michael C. and John E. King. 2008. *The Rise of Neoliberalism in Advanced Capitalist Economies: A Materialist Analysis*. New York: Palgrave Macmillan.
- Ikenberry, G. John, David A. Lake, and Michael Mastanduno. 1988. "Approaches to Explaining American Foreign Economic Policy." *International Organization* 42: 1–14.
- Inoue, Hiroko. 2011. "The Rise of Neoliberalism in Advanced Capitalist Economies: A Materialist Analysis." *International Sociology* 26: 237–240.
- Jones, Brendan. 1967. "Monetary Shifts Urged by Watson: Credit Expansion Called for at World Business." *New York Times*, May 20: F43.
1968. "Business Group Seeks Free Trade." *New York Times*, March 17: F10.

- Kentor, Jeffery and Yong Suk Jang. 2004. "Yes, There Is a (Growing) Transnational Business Community." *International Sociology* 19: 355–368.
- Krippner, Greta R. 2005. "The Financialization of the American Economy." *Socio-Economic Review* 3(2): 173–208.
2011. *Capitalizing on Crisis: The Political Origins of the Rise of Finance*. Cambridge, MA: Harvard University Press.
- Lachmann, Richard. 2014. *The United States in Decline*. Political Power and Social Theory, Volume 26. Bradford, UK: Emerald Group Publishing Limited.
- Lindblom, Charles. 1977. *Politics and Markets: The World's Political Economic Systems*. New York: Basic Books.
- Lovett, William A., Alfred E. Eckes, Jr., and Richard L. Brinkman. 1999. *U.S. Trade Policy: History, Theory, and the WTO*. Armonk, NY: M. E. Sharpe.
2012. *Development and Social Change: A Global Perspective*, 5th ed. Los Angeles: SAGE.
- McMichael, Philip. 2005. "Globalization" pp. 587–606 in Thomas Janoski, Robert Alford, Alexander Hicks, and Mildred A. Schwartz (eds.) *The Handbook of Political Sociology: States, Civil Societies, and Globalization*. New York: Cambridge University Press.
- McKeown, Tim J. 1984. "Firms and Tariff Regime Change: Explaining the Demand for Protection." *World Politics* 36: 215–233.
- Milner, Helen. 1988. *Resisting Protectionism: Global Industries and the Politics of International Trade*. Princeton, NJ: Princeton University Press.
- Mintz, Beth and Michael Schwartz. 1985. *The Power Structure of American Business*. Chicago: University of Chicago Press.
- Mirowski, Phillip and Dieter Plehwe (eds.). 2009. *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective*. Cambridge, MA: Harvard University Press.
- Mizruchi, Mark S. 1992. *The Structure of Corporate Political Action: Interfirm Relations and Their Consequences*. Cambridge, MA: Harvard University Press.
2004. "Berle and Means Revisited: The Governance and Power of Large U.S. Corporations." *Theory and Society* 33: 579–617.
2013. *The Fracturing of the American Corporate Elite*. Cambridge, MA: Harvard University Press.
- Mudge, Stephanie Lee. 2008. "What Is Neo-liberalism?" *Socio-Economic Review* 6: 703–731.
- Murray, Georgina and John Scott (eds.). 2012. *Financial Elites and Transnational Business: Who Rules the World?* Cheltenham, UK: Edward Elgar.
- Murray, Joshua. 2014. "Evidence of a Transnational Capitalist Class-for-itself: The Determinants of PAC Activity among Foreign Firms in the Global Fortune 500, 2000–2006." *Global Networks* 14(2): 230–250.
2017. "Interlock Globally, Act Domestically: Corporate Political Unity in the 21st Century 1." *American Journal of Sociology* 122(6): 1617–1663.
- Nollert, Michael. 2005. "Transnational Corporate Ties: A Synopsis of Theories and Empirical Findings." *Journal of World Systems Research* 11: 289–314.
- O'Connor, James. 1984. *Accumulation Crisis*. New York: Blackwell.
- Panitch, Leo and Sam Gindin. 2013. *The Making of Global Capitalism: The Political Economy of American Empire*. New York: Verso.

- Petz, David and Georgina Murray. 2012. "The Financialization of Global Corporate Ownership" pp. 26–53 in Georgina Murray and John Scott (eds.) *Financial Elites and Transnational Business: Who Rules the World?* Cheltenham, UK: Edward Elgar.
- Peschek, Joseph. 1987. *Policy-Planning Organizations: Elite Agenda and America's Rightward Turn*. Philadelphia: Temple University Press.
- Pierce, Justin R. and Peter K. Schott. 2012. "The Surprisingly Swift Decline of U.S. Manufacturing Employment." National Bureau of Economic Research Working Paper No. 18655.
- Phillips-Fein, Kim. 2009. *Invisible Hands: The Making of the Conservative Movement from the New Deal to Reagan*. New York: W. W. Norton.
- Piketty, Thomas and Arthur Goldhammer. 2014. *Capital in the Twenty-first Century*. Cambridge, MA: Belknap Press of Harvard University Press.
- Polanyi, Karl. 2001. *The Great Transformation: The Political and Economic Origins of Our Time*. Boston: Beacon Press. First published in 1944 by Beacon Books.
- Prasad, Monica. 2006. *The Politics of Free Markets: The Rise of Neoliberal Economic Policies in Britain, France, Germany and the United States*. Chicago: University of Chicago Press.
- Prechel, Harland. 2000. *Big Business and the State: Historical Transitions and Corporate Transformations, 1880s–1990s*. Albany: State University of New York Press.
- Quark, Amy. 2011. "Transnational Governance as Contested Institution-Building: China, Merchants, and Contract Rules in the Cotton Trade." *Politics & Society* 39: 3–39.
- Robinson, William. 2004. *A Theory of Global Capitalism: Production, Class, and State in a Transnational World*. Baltimore, MD: Johns Hopkins University Press.
- Rockefeller, David. 1963. "International Monetary Reform and the New York Banking Community" pp. 150–159 in Herbert G. Grubel (ed.) *World Banking Reform: Plans and Issues*. Stanford, CA: Stanford University Press.
- Ruggie, John G. 1998. *Constructing the World Polity: Essays on International Institutionalization*. New York: Routledge.
- Scott, John. 1997. *Corporate Business and Capitalist Classes*. Oxford: Oxford University Press.
- Sklair, Leslie. 2001. *The Transnational Capitalist Class*. Oxford: Blackwell.
- Smith, Jackie. 2010. *Social Movements for Global Democracy*, Themes in Global Social Change. Baltimore, MD: Johns Hopkins University Press.
- Smith, Marc, A. Ceni, N. Milic-Frayling, et al. 2010. NodeXL: A Free and Open Network Overview, Discovery and Exploration Add-in for Excel 2007/2010/2013/2016, from the Social Media Research Foundation. www.smrfoundation.org
- Staples, Clifford L. 2006. "Board Interlocks and the Study of the Transnational Capitalist Class." *Journal of World Systems Research* 12: 309–319.
2007. "Board Globalization in the World's Largest TNCs 1993–2005." *Corporate Governance: An International Journal* 15: 311–321.
2012. "The Business Roundtable and the Transnational Capitalist Class" pp. 100–123 in Georgina Murray and John Scott (eds.) *Financial Elites and Transnational Business: Who Rules the World?* Cheltenham, UK: Edward Elgar.

- Thacker, Strom C. 2000. *Big Business, the State, and Free Trade: Constructing Coalitions in Mexico*. New York: Cambridge University Press.
- Useem, Michael. 1984. *The Inner Circle: Large Corporations and the Rise of Business Political Activity in the U.S. and U.K.* New York: Oxford University Press.
- Vitali Stefania, James B. Glattfelder, and Stefano Battiston. 2011. "The Network of Global Corporate Control." *PLoS ONE* 6(10): e25995. <https://doi.org/10.1371/journal.pone.0025995>
- Vitali, Stefania and Stefano Battiston. 2014. "The Community Structure of the Global Corporate Network." *PLoS ONE* 9(8). <https://doi.org/10.1371/journal.pone.0104655>
- Wacquant, Loïc. 2009. *Punishing the Poor: The Neoliberal Government of Social Insecurity*. Durham, NC: Duke University Press.
- Wilcke, Gerd. 1967. "Watson of I.B.M. Heads Group Opposing Import Quota Moves." *New York Times*, November 16: 69, 78.
- Woodall, Patrick, Lori Wallach, Jessica Roach, and Katie Burnham. 2000. *Purchasing Power: The Corporate-White House Alliance to Pass the China Trade Bill Over the Will of the American People*. Washington, D.C.: Public Citizen.
- Woods, Tim. 2003. "Capitalist Class Relations, the State, and New Deal Foreign Trade Policy." *Critical Sociology* 29: 393-418.
- World Bank. 2017. World Development Indicators. World Bank National Accounts Data, and OECD National Accounts Data Files. <https://bit.ly/2G6NXPo>