

STATE LEADERSHIP

BACKGROUND OF POLITICAL LEADERS 1990-2000

1. Introduction: impressions on the increasing intertwining of states and markets¹

You can read it regularly in the newspapers: a leader of a particular government is presented as knowledgeable on the problems of business, because he/she has worked there. President Bush Jr. of the US was president of his own oil company. The Prime-minister of Thailand in 2003 was a former telecommunications business tycoon, whereas the prime minister of Italy in the early 21st century (Berlusconi) is renowned for his intimate ties with his media company – even during his presidency. It seems relatively easy to reproach these leaders with favoritism for the same companies they came from. But these state leaders get also more closely monitored because of this background by critical voters [see e.g. the newsbox on the first ‘business’ cabinet that President Bush Jr. installed in 2001].

Newsbox

A Cabinet That Looks Like Corporate America **By Molly Ivins**

AUSTIN, Texas - Jim Hightower, an invaluable public citizen, once suggested that politicians be forced to wear the corporate logos of their biggest donors in the fashion of NASCAR race drivers so we'd know who they'd sold out to. Hightower once again has his eye on the shell with the pea under it when it comes to President Bush's Cabinet.

The pundit corps has been swooning over the diversity of Bush's picks - four women, a Cuban-American, two African-Americans, a Japanese-American, a Lebanese-American, a Chinese-American and a Democrat. President Inclusive chooses a Cabinet that looks like America. Just one catch: Every member is a corporate creature. In fact, the corporations have just taken over the government. Why hire lobbyists when your CEOs and board members are running the show? Who's left to lobby?

Until recently, Real President Dick Cheney was CEO of Halliburton Inc., the giant oilfield services firm that has been making money and trading with Iraq, despite the sanctions, through its subsidiaries Dresser-Rand and Ingersoll-Dresser Pump. Courtesy of the Hightower newsletter, here are some of those now running the country:

- ❑ Elaine Chao (Labor): an investment banker and corporate director, former vice president of Bank of America and board member for Northwest Airlines, Dole Food, Clorox and Columbia/HCA Health Care.
- ❑ Norman Mineta (Transportation): corporate VP for Lockheed Martin; also former chairman of the

¹ This research project was conducted by Peter-Willem van Lindenberg and Rob van Tulder. The text was written in 2006 by Rob van Tulder. The data collection process proceeded until 2003.

House Transportation Committee, where his major contributors were the American Trucking Association, Boeing, General Electric, Greyhound, Lockheed, Northwest Airlines, UPS, Union Pacific and United Airlines.

- ❑ Paul O'Neill (Treasury): CEO of Alcoa, the aluminum giant, and previously CEO of International Paper Co., and on the boards of Eastman Kodak and Lucent Technologies.
- ❑ Gale Norton (Interior): formerly with the Mountain States Legal Foundation, an anti-environmental group funded by oil companies. Prominent member of "property rights" groups funded by Boise Cascade, DuPont and Louisiana Pacific; national chairwoman of the Coalition for Republican Environmental Advocates, funded by the American Forest Paper Association, Amoco, ARCO, the Chemical Manufacturers Association and Ford.
- ❑ John Ashcroft (attorney general): sponsor of last year's Senate bill to extend the patent on the super-profitable allergy pill Claritin, owned by the giant pharmaceutical firm Schering-Plough, which gave him \$50,000 for his last Senate campaign. He also got \$1.7 million from oil, chemical and paper companies that were grateful for Ashcroft's opposition to funding environmental enforcement, voting for rollback of clean water protections and letting mining companies dump cyanide and other wastes on public land. As Hightower has observed, if you wonder why these issues didn't come up in his confirmation hearings, consider the state of the Democratic Party and the effects of campaign contributions.
- ❑ Rod Paige (Education): formerly Houston school superintendent, where he promoted corporatization. Food service went to Aramark Inc., payroll to Peoplesoft and accounting to SAP. Last year, he cut an exclusive marketing deal with Coca-Cola to put machines in the school hallways. He also brought in Primed Corp.'s Channel One, the (so-called) "educational channel" that spends two out of every 10 minutes of broadcast time selling M&M/Mars, Pepsico, Reebok and Nintendo.
- ❑ Colin Powell (State): on the board of America Online and was recipient of \$100,000 a speech to a list of corporations too long to believe.
- ❑ Anthony Principi (Veterans Affairs): heir to family-owned real-estate company, also former president of QTC Medical Services Inc.; later with Lockheed Martin and most recently president of the airless technology firm Federal Network.
- ❑ Donald Rumsfeld (Defense): formerly CEO of General Instrument Corp. and drug giant G.D. Searle & Co., also on the boards of Asea Brown Boveri, a huge Swedish engineering firm, and the Rand Corp. Also on the advisory board of Salomon Smith Barney, the Wall Street investment firm.
- ❑ Ann Veneman (Agriculture): lawyer with a firm specializing in representing agribusiness giants and biotech corporations. On board of Calgene Inc., a subsidiary of Monsanto, the first firm to market genetically altered food. Also a participant in the International Policy Council of Agriculture, Food and Trade, a group funded by Monsanto, Cargill, Archer-Daniels-Midland, Kraft and Nestle.
- ❑ Tommy Thompson (Health and Human Services): former governor of Wisconsin whose major contributors were HMOs, hospital chains, nursing homes, clinics, doctors and insurance companies. Phillip Morris gave him \$72,000 in campaign contributions.
- ❑ Spencer Abraham (Energy): one-term senator from Michigan who once sponsored a bill to abolish the Energy Department. Especially active in fight over requiring greater fuel efficiency from SUVs, giving him special brownie points with the energy and auto industries.
- ❑ Mel Martinez (HUD): no corporate connections; formerly the top manager of Orange County, Fla. That's Orlando/Disney World, and if you have visited, you know that ending urban sprawl is not his specialty.

~~~~~  
Visit "Resources for Democracy" at <http://bozeman.bigsky.net/drusha>  
No snowflake in an avalanche feels responsible.  
~~~~~

In other countries, state leaders have also been recruited from civil society. In particular in corporatist countries like the Netherlands and Sweden - but also in developing countries like Brazil - Prime-ministers or Presidents have previously been trade union leaders. This is much less likely in Anglo-Saxon countries. Interestingly, former trade union leaders often get reproached for 'betraying' the interests of their workers, once they become state leaders. But, why would this seem more likely than a former business man 'betraying' the interest of his former constituency?

In other countries civil rights leaders have become presidents (South-Korea, Ukraine, South-Africa) or are brutally barred from effectuating their legal and moral rights (Burma/Myanmar).

The leaders of international organisations have a variety of origins: the secretary of the WTO in 2001 was a former Fiat director. Many presidents of the World Bank had their roots in international (banking) business, but this perhaps better represents the preference of the country that usually provides this presidency (The United States). The President of the European Union in 2004 (Mr. Prodi) was a former University Professor, then became director of the largest state conglomerate in Italy (IRI), after which he became prime-minister of Italy and finally moved to Brussels – after which he moved back to Italy again. In a way he stayed in government and the public sector all his life, although with substantial extra knowledge on the private sector because of his directorship of a state company. The first president of the European Central Bank (Duisenberg) started at the university, became minister of finance, then president of the Dutch Central Bank before he moved to Frankfurt. So he had a career that was completely dedicated to the ‘public cause’.

2. Country selection

This research project wanted to consider the educational and societal background (parts of the society they have been working in) of ‘heads of states’. In most countries ‘heads of state’ are either monarchs, presidents or prime ministers. All countries with 300.000 or more inhabitants were included in the research. This resulted in a total of 175 countries. Profiles of the state leaders were drawn for the years 1990, 1995 and 2000. As a consequence of the creation and dissolving of countries during this period, not every country could analyzed for each of these three years. Because state leaders themselves get ousted as well, we looked at the career and background of state leaders that were in function throughout most of the three benchmark years. The career background of the state leaders was divided in 6 main categories. The six main categories are:

- State;
- Market;
- Civil society;
- State/Civil society (Hybrid A);
- State/market (Hybrid B);
- Market / Civil Society (Hybrid C);

These main categories were subdivided into 27 categories (see separate file on ‘methodology’). For each of the benchmark years (1990-1995-2000), it has been calculated how long the acting state leader in his/her career has been active in any of the six societal spheres (see appendix for basic analysis scheme).

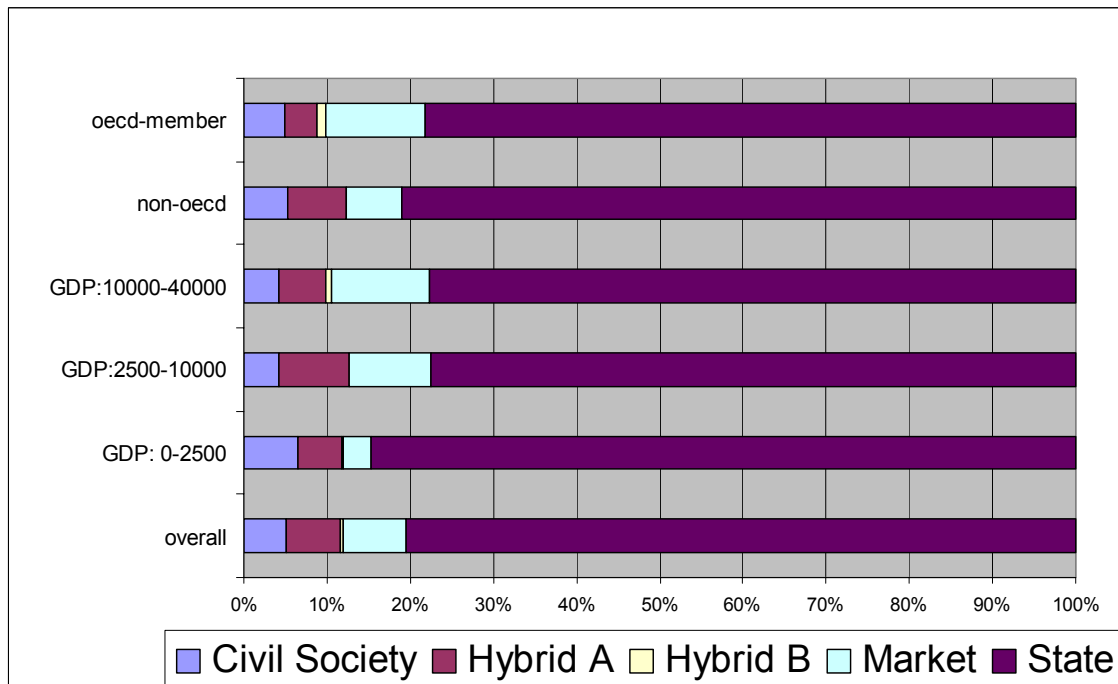
3. First results

Schemes 1 – 3 specify the first results of the research project for the years 1990-1995-2000. Most state leaders over the 1990-2000 period spent the largest part of their professional career in state or state-related organisations. So in most countries, the political leaders still represent a ‘breed of their own’ being recruited from political parties, parliament and other organisations related to the political and state process (for instance the judiciary system). During the decade, this share only marginally decreased.

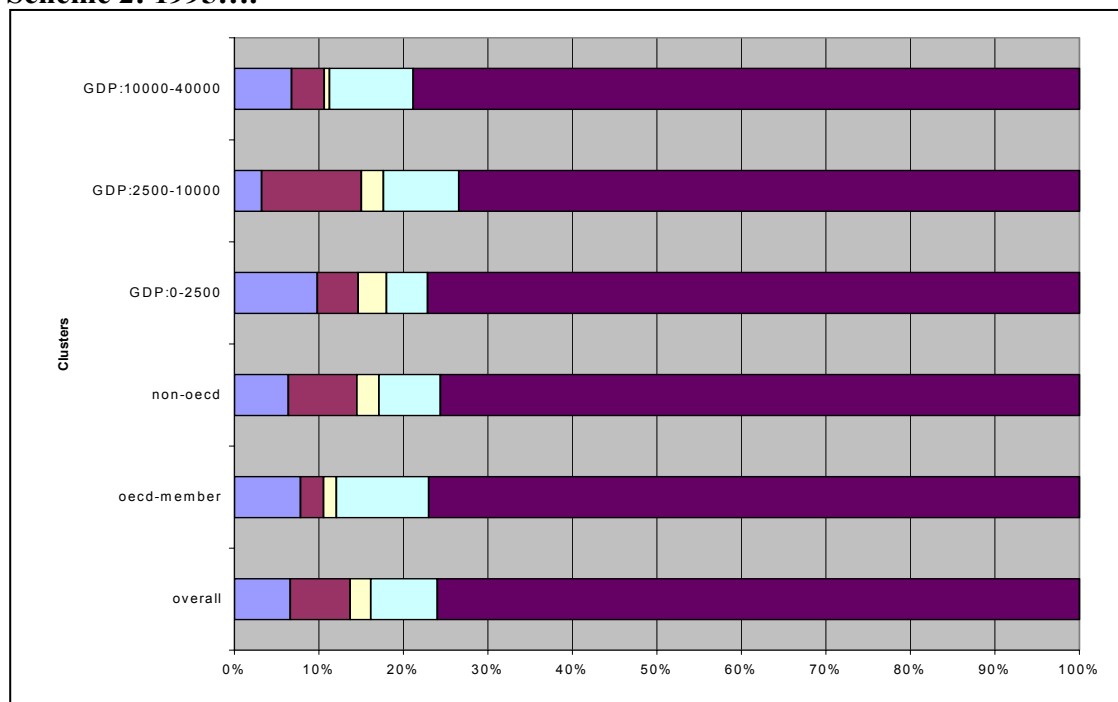
We could not find any state leader with a history in the interface between civil society and market – the farthest away also from the state sphere in the societal triangle. But this result might point to a weakness in the indicators that measure these activities. Further classification and research is needed here.

Whereas OECD member countries (with the highest GDP per capita) share the largest number of state leaders with a background in business, the poorest countries in general share the largest number of state leaders with a civil society background.

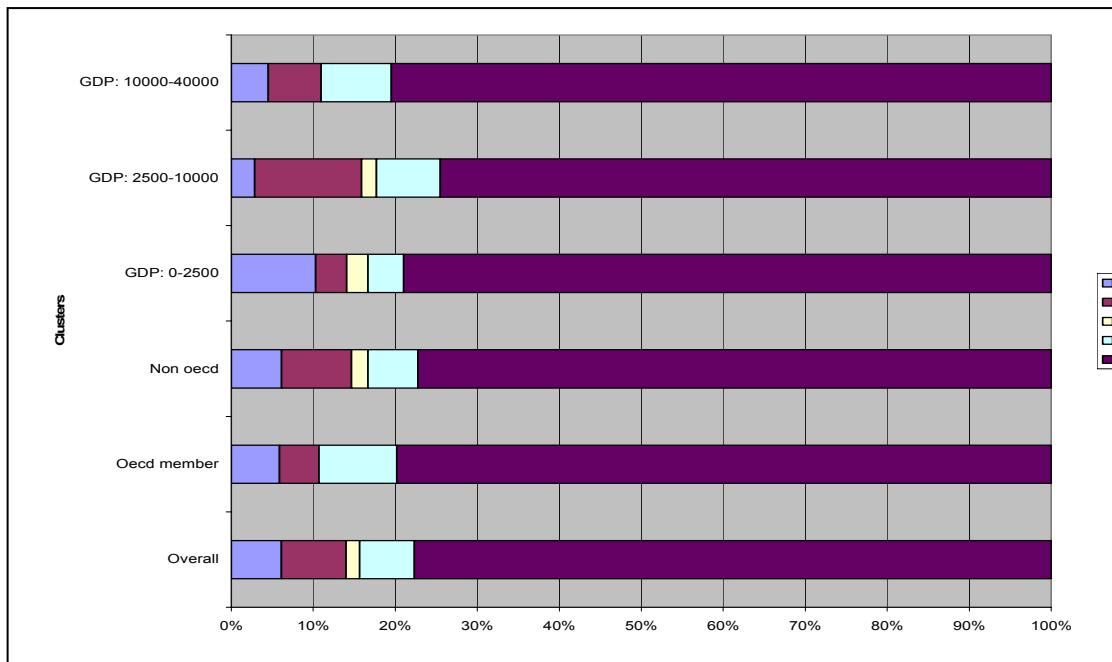
Scheme 1 - 1990: origins of state leaders



Scheme 2: 1995....



Scheme 3: 2000.....



The Origin of World Leaders

Country Name, Year(s)

Country Name:	
Function of country leader:	
1989	
1990	
1991	
1992	
1993	
1994	
1995	
1996	
1997	
1998	
1999	
2000	
2001	

Remarks:

Education:

Maximum educational background:

- No schooling
- Secondary schooling
- Higher education
- University degree in:

Technical

Law

- Economics
- Management
- Other, namely:

Other, namely:

Maximum education took place in:

- Home country
- Other country, namely:

Remarks:

General information

Country name:

Analysis for the year:

First & last name president/prime-minister

Date of birth:

Function:

Remarks:

Background

Category	% of time in each category
----------	----------------------------

1. STATE:

Of which:

- 1.1 Central/local/regional government
- 1.2 Civil servants
- 1.3 Army
- 1.4 Judiciary
- 1.5 Political parties/parliament
- 1.6 international organisation
- 1.7 Ambassadorship
- 1.8 Other state, namely:.....

2. MARKET

Of which:

- 2.1 Core company, home based
- 2.2 Core company, host based
- 2.3 SME, home based
- 2.4 SME, host based
- 2.5 Other market, namely:.....

3. CIV. SOCIETY

Of which:

- 3.1 Guerilla movement (against state)
- 3.2 Trade union
- 3.3 Civil rights movements
- 3.4 Religious activities
- 3.5 Single-issue group
- 3.6 Other Civil Society, namely:.....

4. HYBRID A: STATE / CIV.SOCIETY

Of which:

- 4.1 Hospital
- 4.2 Lecturer non-university
- 4.3 University (working at, except business schools)
- 4.4 ZBOs in insurance and the like, eg: GAK, CITSV, IRS
- 4.5 Other, namely:.....

5. HYBRID B: STATE/MARKET

Of which:

- 5.1 State owned enterprise
- 5.2 University: business schools
- 5.3 ZBOs for the market sector: anti-trust organisation (Nma, OPTA, FCC, FED)
- 5.4 Other, namely:.....

6. HYBRID C: MARKET / CIV.SOCIETY

Of which:

- 6.1 Cooperatives
- 6.2 Family business
- 6.3 Other, namely:.....

Where (name one of the codes above) did this person start his/her career?

Where (name one of the codes above) did this person come from just before (s)he became president/prime-minister?

Remarks;