

Structures of Power

Ruling Class, Power Elites, and Democratic Elitism

Introduction

Power Beyond Parliaments

Power in modern societies is not exercised only through elections, courts, or governments. Much of it works quietly through **social structures**—economic inequality, elite networks, institutions, and shared beliefs that shape what people see as normal or possible. This is why political sociology asks a basic question: *In a democracy, who really governs—citizens or elites?*

Different traditions answer differently. **Marxists** point to those who own wealth. **Elite theorists** highlight small leadership groups at the top of institutions. **Democratic elitists** argue that democracy does not remove elites; it only makes them compete. Despite their differences, they agree on one thing: **power is unevenly distributed.**

From Force to Structure

Earlier thinkers saw power mainly as force. **Max Weber** defined it as the ability to impose one's will despite resistance. But modern theory shows that power rarely works through open coercion. More often, it works **structurally**—by shaping rules, institutions, and beliefs so that domination feels natural.

This is clear when we look beyond the state. Governments matter, but so do **markets, corporations, media, and global bodies.** After the **2008**

financial crisis, many governments claimed they had “no alternative” but to rescue banks and cut welfare. Voters did not demand this. Financial markets did. Political economist **Susan Strange** called this the **structural power of markets**—the power to shape choices without giving orders.

How Power Reproduces Itself

Power also lasts because it is built into institutions. Schools reward certain kinds of language and culture. Laws protect inherited property. Bureaucracies favor those with education and connections. Over time, advantage reproduces advantage.

Antonio Gramsci explained this through **hegemony**—rule by consent rather than force. If people come to believe that inequality reflects merit and that competition is natural, power no longer needs to threaten. It simply feels normal.

Visible and Invisible Power

Some power is easy to see—in laws, elections, and policies. But much of it works earlier, by deciding **what is even discussed**. **Steven Lukes** called this the *third dimension of power*: shaping people’s preferences so that certain demands never arise. When poverty is framed only as a skills problem rather than a wealth problem, ideas like redistribution disappear from serious debate.

Michel Foucault pushed this further by showing that power and knowledge are linked. Power does not only repress; it **produces ideas and norms**. When economists treat unemployment as a technical issue instead of a political one, they shape how governments respond. Governance looks neutral—even when it reflects deep social interests.

The Ruling Class

One of the most influential ideas in political theory is that **economic power shapes political power**. This insight comes from the Marxist tradition, which

argues that societies are not governed mainly by laws or ideals, but by those who control material resources. In every system—feudal, capitalist, or industrial—the group that owns wealth tends to shape the rules of society.

Karl Marx and Friedrich Engels captured this in a famous line: *“The ideas of the ruling class are the ruling ideas.”* What they meant was simple—when a class dominates economically, it also dominates politically and culturally. Those who own factories, land, banks, or corporations do not need to sit in parliament to exercise power; their influence is already built into how society works.

How Economic Power Becomes Political Power

In modern capitalist societies, the ruling class is made up of **corporate owners, financiers, and major investors**. Their power operates less through visible command and more through **structures**—laws, markets, and institutions that protect property, profits, and investment.

For example, most modern constitutions strongly defend **private property and contracts**. These rules appear neutral, but they mainly secure the interests of those who already own wealth. As Marx put it sharply, the modern state often acts like *“a committee for managing the common affairs of the bourgeoisie.”* This does not mean governments blindly follow business orders, but that economic elites shape the boundaries of what governments can realistically do.

A clear illustration came after the **2008 global financial crisis**. Banks were rescued with public money across the US and Europe, while welfare spending faced cuts. Studies by the **International Monetary Fund** later admitted that austerity policies increased inequality without restoring growth quickly. Yet governments still chose them—because financial markets held structural power. States feared capital flight more than public anger.

Evidence from Modern Democracies

Research shows that this pattern continues even in democratic systems. A major study by **Martin Gilens and Benjamin Page (2014)** in the United States found that public policy closely follows the preferences of **economic elites**, not ordinary citizens. When elite and mass opinions clash, elites usually win. Democracy exists—but power remains unequal.

Similarly, sociologist **C. Wright Mills** showed how top leaders in business, the military, and politics form a “**power elite**” whose shared backgrounds and interests shape national decisions. This supports the Marxist claim that class power is not accidental; it is **built into the structure of modern society**.

The Structural Nature of Class Power

Ruling-class domination rarely appears as open dictatorship. It works quietly through what seems **normal and inevitable**. If people believe that wealth reflects talent, that markets are natural, and that inequality is unavoidable, then domination feels legitimate.

One of the most important insights of Marxist theory is that ruling-class power is **structural, not conspiratorial**. Elites do not need to meet in secret rooms to control society. Their power works quietly through the **design of economic and political systems** that consistently favor those who own wealth.

Unlike older ideas of domination based on force, modern class power operates mainly through **dependence**. Governments, workers, and even voters depend on those who control capital for jobs, growth, and stability. This gives the ruling class influence without needing constant coercion.

How Control over the Economy Becomes Political Power

The first source of structural power lies in **control over investment and employment**. Business decisions about where to invest, which industries to expand, or which factories to close shape entire regions. When corporations shift production abroad or reduce hiring, governments face unemployment, social unrest, and falling revenues.

Political economist **Charles Lindblom** described this as the “*privileged position of business*.” Even democratic states must keep investors confident, because capital flight can destabilize the economy. This was clearly seen in the **Eurozone debt crisis**, when governments in Greece and Spain cut welfare and wages not because voters demanded it, but because financial markets demanded “confidence.”

Policy Bias in Favour of Capital

Structural power also shows up in **public policy**. Across many countries, we see similar trends: *lower corporate taxes, weaker labor protections, and growing privatization*. These changes often occur regardless of which party is in office.

For example, according to **OECD data**, corporate tax rates in advanced economies fell sharply from the 1980s to the 2010s, even while inequality increased. At the same time, union membership declined and job security weakened. These patterns reflect not popular pressure, but the bargaining strength of capital in a globalized economy where governments compete for investment.

Even welfare states adjust to this reality. Benefits are often designed to **support markets rather than challenge them**—through workfare policies, low social spending, and limited redistribution. As a result, inequality is managed, not transformed.

The State’s Dependence on Capital

Later Marxist scholars described this condition as the **structural dependence of the state on capital**. Governments may want to reduce inequality, but they must also maintain growth, employment, and investor trust. This limits how far reforms can go.

The **2008 global financial crisis** is a powerful example. States spent trillions rescuing banks in the US and Europe, while ordinary citizens faced job losses and welfare cuts. Reports by the **IMF** later admitted that austerity increased hardship without ensuring recovery. Yet governments felt they had no choice—because ***finance had become structurally central to modern economies.***

These outcomes were not simply the result of corruption or bad leaders. They reflected the deeper reality that **capital sits at the heart of economic survival**, giving its owners enormous indirect power.

Gramsci and the Idea of Hegemony

Classical Marxism mainly explained power through **economic control**. But **Antonio Gramsci** added a deeper insight: ruling classes do not rule by force alone. They rule by winning **consent**. He called this process **hegemony**—the ability of dominant groups to make their values and interests appear as the common sense of society.

For Gramsci, power works in two spheres. One is the **state**—the police, courts, and government. The other is **civil society**—schools, media, churches, universities, and culture. When the ideas of the powerful dominate these spaces, people obey not because they are afraid, but because the system feels **natural and legitimate**.

How Consent Replaces Coercion

Hegemony means that domination often looks like agreement. If people believe that success comes only from hard work, that markets are efficient, and that

inequality is unavoidable, then power no longer needs to threaten—it only needs to persuade.

This helps explain why **deep inequality survives in democracies**. Elections are held, parties compete, and freedoms exist. Yet the range of “acceptable” ideas remains narrow. Proposals that challenge big wealth, corporate power, or private ownership are often dismissed as unrealistic or dangerous.

Political scientist **Steven Lukes** later described this as a hidden form of power—shaping what people think is possible before any decision is even made.

Hegemony in the Age of Neoliberalism

Gramsci’s ideas became especially relevant in the late twentieth century with the rise of **neoliberalism**. From the 1980s onward, leaders like **Ronald Reagan** in the US and **Margaret Thatcher** in the UK promoted ideas of market efficiency, privatization, and individual responsibility. These policies spread across very different political systems—from democracies to developing states.

This was not just an economic shift; it was a **cultural transformation**.

Universities taught market logic, media celebrated entrepreneurs, and policy institutions like the **World Bank and IMF** promoted the same ideas globally. Over time, privatization and reduced welfare came to seem not ideological choices, but practical necessities.

Studies by the **OECD** show that during this period, inequality increased sharply in most advanced economies, yet public debate often framed this as the price of growth rather than as a political problem. This is hegemony in action: power shaping not only policies, but the way society understands them.

Democracy with Inequality

Gramsci helps us see why democracy and inequality can exist side by side. People vote, protest, and speak freely—but within limits set by dominant ideas. As long

as market values and elite interests define “common sense,” real alternatives remain marginal.

This is why Gramsci argued that social change requires not only winning elections, but winning the **battle of ideas**. Challenging power means challenging what society takes for granted.

II. Power Elite Theory

While Marxist theory explains power mainly through **economic ownership**, power elite theory shifts the focus to **institutions**. It argues that in modern societies, power is not held by one single class alone, but by a **small group of elites** who occupy top positions in key institutions—government, corporations, the military, and increasingly the media and expert bodies.

In complex modern states, decisions about war, finance, technology, and security are not made by the masses, and often not even by elected representatives alone. They are shaped by people who control **strategic institutions**, even if they do not personally own great wealth.

From Class to Elites: The Core Idea

The most famous statement of this view comes from **C. Wright Mills** in his book ***The Power Elite (1956)***. Studying the United States, Mills showed that real power was concentrated at the top of three major institutions:

- Big corporations
- The political executive
- The military establishment

Together, leaders from these spheres formed what he called the **power elite**—a small group whose decisions affected millions.

Mills argued that these elites were not separate or competing groups. They were closely connected through **elite universities, corporate boards, social clubs, and policy networks**. Over time, they developed similar ways of thinking about national interest, security, and economic growth.

Power without Ownership

Unlike Marx, Mills did not claim that all powerful people were capitalists. A top general, a senior civil servant, and a corporate CEO may come from different backgrounds, but they share something crucial: **institutional command**. They control organizations that shape major outcomes.

For example, decisions about war are influenced not only by elected leaders but also by military chiefs and defence contractors. Studies of the US defence sector show how companies like **Lockheed Martin and Boeing** work closely with the Pentagon, creating what **President Eisenhower** famously warned against as the *military–industrial complex*. This is power exercised through **positions**, not just property.

Evidence from Modern Democracies

Research supports Mills' argument. In many democracies, key policy choices are shaped by small circles of decision-makers. After the **9/11 attacks**, major security decisions in the US and Europe were made by executive leaders, intelligence agencies, and military planners, with limited public debate. Parliament approved these choices, but the agenda was already set by elites.

Similarly, during the **2008 financial crisis**, rescue packages for banks were designed mainly by finance ministries, central banks, and corporate leaders. Ordinary citizens had little influence over these life-changing decisions. Power operated through **institutional concentration**, not mass participation.

Social Unity at the Top

One striking feature of power elites is how **socially similar** they are. Across countries, those who hold top positions in politics, business, the military, and media often come from the same class backgrounds, study in the same elite universities, and move in the same social circles.

C. Wright Mills noticed this in the United States when he showed how leaders from Wall Street, Washington, and the Pentagon shared not only power but also lifestyles and outlooks. Similar patterns appear today in Britain with graduates of **Oxford and Cambridge**, in France with alumni of **ENA**, and in India with top bureaucrats and corporate leaders drawn from a narrow educational elite.

This shared social world reduces conflict at the top. Governments may change, parties may compete, but **elite priorities—economic stability, national security, and market confidence—remain largely the same.**

The Revolving Door of Institutions

Another key feature is **institutional interlock**—the constant movement of individuals between powerful roles. A banker becomes a finance minister, a senior civil servant joins a corporate board, a military officer becomes a defence consultant. This is often called the “**revolving door.**”

After the **2008 financial crisis**, many of the officials who designed banking regulations in the US and Europe later took senior positions in the financial sector. Reports by **Transparency International** and the **OECD** have shown how this blurs the line between regulator and regulated, making tough oversight less likely—even without corruption.

This movement creates a **shared elite culture** across institutions. Business, government, and security agencies may appear separate, but at the top they are deeply connected.

Power to Set the Agenda

Power elites do not only influence decisions—they decide **what is even debated**. By controlling expert committees, policy language, and access to leaders, they shape which ideas appear sensible and which look extreme.

Political scientists **Bachrach and Baratz** called this the power of “**non-decision**.” Issues like strict limits on corporate lobbying, radical wealth taxes, or deep cuts in military spending often enjoy public support. Yet they rarely reach serious policy discussion. They are delayed, reframed, or quietly dropped.

Competition without Real Choice

Power elite theory does not deny conflict. Elites compete—political parties fight elections, corporations rival each other, bureaucracies clash. But this struggle takes place **within narrow limits**.

The public may choose between leaders, but not between radically different systems. Whether centre-left or centre-right governments rule, basic commitments to markets, military strength, and corporate-friendly policies usually remain unchanged.

This explains why many democracies experience **political change without social transformation**.

Power Elites in Today’s World

The dynamics of power elites are clearly visible today.

In **finance**, senior officials often move between central banks, finance ministries, and global institutions like the **IMF** or **World Bank**. These networks shape economic policy across countries, even though they are far removed from voters.

In **security**, defence companies and military leaders form close circles that influence arms purchases and foreign policy. President **Eisenhower’s warning**

about the *military–industrial complex* remains relevant, as global arms spending now exceeds **\$2 trillion** annually, according to SIPRI.

In **media**, a handful of conglomerates dominate information flows. Studies by **Noam Chomsky and Edward Herman** showed how ownership patterns shape news agendas, often favoring elite interests while marginalizing dissenting voices.

During **crises**, elite power becomes even more visible. In the COVID-19 pandemic, major decisions were taken by expert committees, central banks, and international agencies. While expertise was necessary, democratic debate narrowed sharply. Authority shifted from voters to technocrats—deepening the gap between formal democracy and real control.

At the **global level**, forums like the **World Economic Forum** or policy bodies such as the **WTO** and **IMF** operate largely outside popular scrutiny, yet their decisions shape national laws on trade, finance, and development.

III. Democratic Elitism

Democratic elitism begins with a simple observation: the ideal of democracy as **direct rule by the people** does not fit well with the reality of modern mass societies. In small city-states like ancient Athens, citizens could gather and decide together. But in large, complex nations with millions of people, constant popular participation is neither practical nor likely.

Instead of denying this gap, democratic elitists accept it. They argue that **elites are inevitable**. The real democratic challenge is not how to remove elites, but how to **control them through competition and accountability**.

The Problem of Mass Democracy

Early democratic theory imagined citizens as active, informed, and constantly engaged. But modern thinkers saw that most people are busy with work, family, and survival. Political participation is uneven and often limited to elections.

This reality was clearly stated by **Joseph Schumpeter** in ***Capitalism, Socialism and Democracy (1942)***. He rejected the idea of a “common will” guiding politics. For him, democracy is not rule by the people in a strong sense—it is a **method for choosing leaders**. Citizens do not govern; they **select who governs**.

Far from being anti-democratic, Schumpeter believed this made democracy more honest. In complex societies, policymaking requires expertise in economics, security, and administration. Leadership by a few is unavoidable.

How Democratic Elitism Redefines Democracy

Democratic elitism rests on a few simple ideas.

First, **full participation by everyone is unrealistic**. Studies of voter behaviour show that political knowledge is concentrated among a small minority. Research by **Philip Converse** found that many voters lack stable ideological views, yet democracies still function.

Second, **elites are necessary**. Running a modern state requires specialists—ministers, bureaucrats, judges, and experts. Elites do not emerge only because of manipulation; they emerge because of **functional need**.

Third, democracy becomes a system of **competition among elites**. Political parties offer rival leadership teams rather than radically different social systems. Citizens exercise power indirectly by choosing between them.

Finally, elections are seen as tools of **accountability**, not of direct rule. Voters reward or punish leaders after they govern. Democracy works not through constant participation, but through **periodic judgment**.

Democracy as a Procedure

From this view, democracy is defined mainly by **rules of the game**, not by outcomes. What matters is that:

- Elections are free and fair
- Parties compete openly
- Civil liberties exist
- Power can change hands peacefully

This understanding shapes how democracy is measured today. Organizations like **Freedom House** and **V-Dem** often assess democracy mainly by these procedural standards.

Why Democratic Elitism Is Controversial

Despite its realism, democratic elitism has serious critics.

One concern is that it turns citizens into **passive voters**. Participation shrinks to casting a ballot every few years, while real decisions remain in elite hands.

Democracy risks becoming a ritual rather than a living practice.

Another problem is **unequal competition**. Elections may be free, but they are not always fair in substance. Campaigns require huge resources. In the US, for example, elections cost **billions of dollars**.

IV. Comparing the Three Perspectives

Dimension	Ruling Class	Power Elite	Democratic Elitism
Focus	Economic ownership	Institutional leadership	Political competition

View of Democracy	Ideological cover	Limited constraint	Procedural legitimacy
Role of Masses	Subordinate	Marginal	Electorate
Key Mechanism	Class domination	Elite networks	Elite competition

These theories are not mutually exclusive. In practice, modern states often exhibit **class domination, elite concentration, and procedural democracy simultaneously.**