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“The Handover of Control of the Whole Global Political System”

Recall Robin Diangelo’s remark in the last Nygaard Notes “Quote” of the Week: “Most white people believe that a racist is: 1, an individual; 2, one who holds conscious and aware dislike of people based on race, and; 3, intentionally seeks to be mean to them. Individual, conscious, intentional.”

And so it is with most people’s understanding of corruption: The problem is defined as individual people who accept money or gifts in exchange for doing something. And there’s no doubt that this type of corruption is real! But the larger corruption is the systemic corruption that is hinted at in the Bill Clinton story (also from the last issue) about the obstacles posed to a democratically-elected president whose economic policies are thwarted not by corrupt and evil individuals, but rather by the mundane workings of the global capitalist system.

That is, it’s “the system” at work. However, the nature of the intellectual culture in the U.S. demands that we look for some sort of enemy to blame. Like... Russia! Or Russian oligarchs. Or Russian hackers. Or somebody! But focusing all of our attention on “Russia” distracts us from looking at real threats to democracy posed by systems and structures that transcend national boundaries, and in fact are often home-grown.

I thought it might be good to bring in an outsider’s voice to make my point here. As a bonus, the outsider in this case is not just from some random place. No, I will be citing the words of a former Senator from St. Petersburg. That’s right, Russia! (I hope my quoting of a Russian talking about systemic corruption doesn’t move someone to accuse me of meddling in U.S. domestic affairs!)

The subject of the analysis by the Senator, Yuri Boldyrev, is well summed up in the title of the essay from which the following excerpts are drawn: *Corruption Is a Systemic Characteristic of Post-Soviet Russian Capitalism*. It was published in a journal called *Problems of Economic Transition* in 2012.

After remarking on the tendency to individualize the issue of corruption in Russia, Boldyrev remarks that “It would be good if, in this context, the subject was addressed of raising the shamefully, miserably low legal salaries of medical personnel, teachers, and other public employees, which force them to resort to extortion.” It’s easy to see individual acts of extortion, and it’s easy to blame the people committing those acts. But Boldyrev encourages us to see these as symptoms, to defocus on individuals and think bigger, to consider the social forces that produce the bad behavior.

In the following five excerpts Boldyrev develops the idea of a corruption that is built into the system itself and, while it may manifest in individual criminality, does not originate there. He is talking about his own country, but the lessons should be heard here in the United States as well:

1. *As long as there is a serious conversation about government and political corruption, it has to involve not only banalities such as the “arbitrariness, lack of control, and impunity of the authorities,” the “administrative resource,” the “dependence of legislators and courts on executive authorities,” “bribery, if not outright buying-up, of politicians and political parties by big business intertwined with government agencies,” and so on. It is also becoming necessary to expose the scale of the clandestine process of handover of control of the whole global political system (and hence, national political systems too, including those of countries that are generally recognized as democratic) to a global, worldwide financial oligarchy, a consequence of which, in the final analysis, has been the hopeless indebtedness . . . of sovereign states to a complex and opaque set of financial institutions.*

2. *As a global phenomenon, corruption consists in the almost total control by the international financial oligarchy of key national mass media outlets, the spheres of culture, science (including, of course, social science), and education in various countries, and then* →→→

Greetings,

It's not the Russians. It's not migrants. The biggest threat to democracy resides not outside of our borders, but is found in a global system that cares not about borders, or democracy, or anything that can't be bought and sold. This issue of the Notes attempts to shed a little light on this global system, an awareness of which can be the core around which we build a movement.

Whatever you are doing to shed your own light, I thank you!

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national systems for creating government agencies.

3. *As far as I know, the lobbyists for the 1995 revision of the law [that created the Bank of Russia during the first post-Soviet decade] were not bought in advance, before they came to power, but were brought into line, as they say, when they were already in place, in the federal parliament, that is, it was still possible, at least theoretically, to guard against the temptation of corruption with various measures (including, of course, the threat of harsh sanctions). But it is quite another thing if we have the following vicious circle: the authorities that we elect (parliamentary parties and presidents and governments), first, are ... financially (and hence, in other respects as well) dependent on those who were in no way elected by us and, second, make all possible efforts to steadily increase the Russian state's subordination to principles outside the domestic electoral process.*

4. *...what we have is still the same power, virtually unlimited by anything specifically Russian, of minions (even though they are by formal criteria long-standing political heavyweights) who are very tightly connected with the global financial oligarchy.*

5. *In conclusion, I would like to repeat: the main intrigue is in a manifestation of global corruption such as government and political corruption leading to successive surrender of the country's strategic interests to the international financial oligarchy.*

Do you not agree that all of his points could be made in regard to the United States?

The reason that I'm going on about this oligarchy stuff will, I hope, become clear as you read the next essay. ◆

Money at Work in Three Ways

I've been using the term oligarchy up to now, largely because it's the preferred term of almost all of my sources—from Yuri Boldyrev to CNN to Bernie Sanders. I'll keep using it but, just because I love words, let me interject right up front a little complexity.

Government by the wealthy is called plutocracy. Government by the few is called oligarchy. Government by the wealthy few is sometimes called plutarchy. Aristocracy is a form of government in which power is held by The Nobility, and The Nobility is the term for the group of people belonging to the highest social class in a country, who are also known (collectively) as the aristocracy. One of the wealthy few in an oligarchy is called an oligarch. And one of the wealthy few in a plutocracy is called a plutocrat. But one of the wealthy few in a plutarchy is not called a plutarch, as Plutarch is

the name of a Greek philosopher from about 2,000 years ago.

Now that we've got that all cleared up, I'll just use the term oligarchy, since that's the trendy term right now. But if you want to substitute the term plutarchy for oligarchy as you go, that's fine with me. Aren't words fun!?

Here's a quotation from an article in Salon.com of last November 11th. The article, by Conor Lynch, was headlined, "Paradise Papers Reveal the Rise of a New Class: The Global Oligarchy". Lynch wrote:

The richest 1 percent of the world's population now owns more than half of global wealth, and the eight richest men on the planet have more wealth combined than the ↗↗↗

→→ poorest 3.6 billion people. As the *Paradise Papers* show, these ‘ultra-high-net-worth individuals’ have no intention of spreading the wealth and will do whatever it takes — whether it’s hiding their money offshore or buying political influence — to further their interests.”

(I regret that I have not written about the *Paradise Papers* in *Nygaard Notes*, but if you visit the website of ICIJ—the International Consortium of Investigative Journalists—you can get the story.)

Now, the eight richest men on the planet is what I would call “a small group of people,” as in the definition of oligarchy above. But how do these UHNWI (Ultra-High-Net-Worth Individuals) exercise “control of a country, organization, or institution”? Well, one way is to hog all the money. That’s a crude way of putting it, but it’s a crude process, after all. ICIJ spells out how it works: “Offshore companies, often ‘shells’ with no employees or office space, are also used in complex tax-avoidance structures that drain billions from national treasuries.” That is, by reducing the capacity of nations to use their wealth as may be desired by that nation’s population, the global oligarchs limit democratic responsiveness in the countries where their wealth is based.

A second way is the way spelled out in a remarkable paper put out in 2014 entitled “*Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens.*” That paper, which I summarized in *Nygaard Notes* #554 and 555, looked at how much influence “average citizens” have on the U.S. political process. None, as it turns out. Or, as the authors put it: “Not only do ordinary citizens not have *uniquely* substantial power over policy decisions; they have little or no independent influence on policy at all.” [Emphasis in original.] Instead, say the authors (Martin Gilens of Princeton University and Benjamin Page of Northwestern University), “U.S. policy making is dominated by individuals who have substantial economic resources, i.e. high levels of income and/or wealth...”

The authors were testing four theories that they thought might best summarize who really rules the roost in the U.S. political system. The winning theory is one they call “Economic Elite Domination,” which “argues that U.S. policy making is dominated by individuals who have substantial economic resources, i.e. high levels of income and/or wealth—including, but not limited to, ownership of business firms.”

So the wealthy oligarchs, or plutocrats, shape public policy by withholding their immense private wealth via tax dodges, among other things. And they also use their wealth to directly influence policy by funding the campaigns of chosen politicians and by supplying support for policies that they favor. And, as the Gilens/Page study mentioned above makes clear, their spending is highly effective.

I should say here that the current group of UHNWI is successful in preventing any serious democratic challenge to their power not only due to their immense current wealth. Oh, no, the U.S. political system has, from the beginning, been set up to maintain a wealth-favoring status quo. As I wrote back in 2009 in these pages (NN#422):

The framers of the U.S. Constitution were almost entirely of the property-owning class, and were highly aware of the power that they possessed due to their wealth. One of their primary concerns, therefore, was the limiting of the ability of any power greater than themselves [the federal government being the only one] to restrict what they could do with their power.

And, sure enough, Gilens and Page underline the point in their study, saying “Because of the impediments to majority rule that were deliberately built into the U.S. political system—federalism, separation of powers, bicameralism—together with further impediments due to anti-majoritarian congressional rules and procedures, the system has a substantial status quo bias.”

So we see money at work in three ways: 1. Increasingly-concentrated and internationalized wealth shapes national economies via the accountable-only-to-capital international bond markets; 2. Immense private wealth is withheld from use in service to the public at the national level via tax avoidance, and; 3. Wealthy people get their way at every level below those two levels—state, county, municipal—by virtue of the power accruing from their wealth.

Yet one might be forgiven if, in the current political environment, one believes that the greatest threat to our democracy comes from outside our borders. ♦

The Real Threat to Our Well-Being

The reason I have been talking so much about oligarchy is that I believe people who are worried about Russian meddling or who feel threatened by immigration are not seeing the real threat to a just and peaceful world. The biggest threat to the well-being of the overwhelming majority of people in the United States is unaccountable power held by a wealthy few, a few who do everything in their considerable power to preserve the system that secures that power.

But it's hard to get people excited about anonymous systems of exploitation. It's far easier for leaders to find scapegoats, to find someone to blame for the fear and anxiety generated when people perceive, however dimly, a threat to their identities.

Demagogues feed on fear, a fear of the "other." I'll be talking more about "othering" in a future Nygaard Notes, but for now let me point out that an "us" defined as "Americans" is easily manipulated into fearing a "them" that is defined as "foreign," whether it be scary Russians or scary (dark-skinned) immigrants.

The road to solidarity begins with rejecting the significance of identity based on arbitrary national boundaries, and the racist narrative that goes with it. A future with a place for everyone is possible, but we have to start by moving beyond the thing-oriented system that we call Capitalism. Beyond that is a system of love and solidarity, one where everyone has a place and everyone belongs. But it won't just happen. We'll have to build it together. ♦

“Quote” of the Week: *Arbitrary or Even Silly Boundaries*

This week's "Quote" I draw from a remarkable article called *The Problem of Othering: Towards Inclusiveness and Belonging*, which appeared in the first issue of a journal called OTHERING AND BELONGING published in 2016.

Scholars have long observed a tendency within human societies to organize and collectively define themselves along dimensions of difference and sameness. Studies since the 1950s demonstrate the tendency of people to identify with whom they are grouped, no matter how arbitrary or even silly the group boundaries may be, and to judge members of their own group as superior. Studies dividing students into completely fabricated groups lead to consistently different perceptions of in-group and out-group members.

This issue of Nygaard Notes urges us to resist the call to xenophobic nationalism that is increasingly visible in many white-dominated societies around the globe. Silly boundaries, indeed!

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