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A Winner Take All System: Inside the Global Money Making Apparatus



Photograph by Nathaniel St. Clair

For some years, the global financial elite has established a money power apparatus that not just increases the elite's wealth but also acts through lobbying and corruption in the field of political elites. Many top right-wing, populist, neoliberal and simply conservative politicians and especially ex-politicians can count themselves among or close to the HNWIs – High-Net-Worth Individual – the rich and even the super-rich.

For most of the rest, any ascent into the money elite is excluded with a handful of exceptions such as, for example, the Bush clan valuing at \$400 million. As an exception to the rule, the Bushs confirm the rule of strict exclusivity. Nonetheless, clans like the Bushs are part of the global money-making apparatus' inner ring that surrounds and protects the

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monetary elite of the global money-making apparatus. At the outer ring, we find technocrats, managers and experts in all kinds of fields. Some of them have been indispensable for the emergence and expansion of the money-making apparatus. This is the managerial and economic elite that has much needed pro-business knowledge and expertise.

Yet, the people of the inner and outer rings are ranked according to their usefulness for the money-making apparatus's economic, managerial and cultural interests. Corporate media make sure, for example, that we accept that an MBA ranks higher than someone with a PhD in art history. They, too, can move up the ranks of being close to the HNWIs but almost never higher than that. Access to the UHNWIs – which make up 0.003% of the world's population or less than 1 in 33,000 – remains closed. Again, exceptions such as the dot.com billionaires confirm the rule. Depending on the counting perspective:

- + the number of members of the managerial elites can go into the millions;
- + the number for the political, top-managerial and corporate elites into the tens of thousands, and
- + the number for the serious money elite goes into the thousands.

However, what is interesting and decisive is that such ranking plays an important role in a winner-takes-all system. First of all, there are the so-called “top hundred” found in virtually all areas. For the European elite's network of money power, the inheritance of position of power remains significant in such rankings. Most studies of global money-making apparatus come to a similar conclusion: there is a sharp distinction in the position of power:

- + capital ownership on the one hand and
- + managers, politicians, technocrats, cultural elites on the other.

The former gets power from a regime of generational inheritance that sustains their position. The latter do not have this. Within the monetary elite in the USA and Europe, the phenomenon of marriage relations “by marriage” still plays a significant role. Yet, such pre-designed family relations to sustain the global money-making apparatus engineered, for example, between the economic and the political elite, remain relatively rare. Still, the tendency to dynasties elite formation according to the aristocratic model remains an essential feature of super wealth.

In several European countries, a bureaucratic elite has influenced elite configuration. In Germany, for example, it played a decisive role in the emergence of the Nazi system. In France, it forms the backbone of the republic in the enarques – an elite school graduate.

Some call France a *Republic of the Mandarins*. Some Enarques have smuggled themselves through elite administrative academies such as the École Nationale d'Administration (ENA). They see themselves as an absolute elite in matters of power and domination.

It is not unreasonable to assume that such a self-image could also be transported into Brussels and the EU's civil service apparatus. However, decisive for understanding the European power elite configuration is the virtually unbridgeable wall between the money elite and the other elites. Neither top managers, top bureaucrats, nor top politicians really have a chance to be integrated into these circles.

It is a bit like the European money elite is living on another planet. Among the 100 wealthiest people in France, there is not one for whom a political career would have tempted. Very few of the French elite have family ties to politicians. Among France's influential politicians, some are relatively wealthy, but none is among the 500 wealthiest people in France. And among the 500 wealthiest entrepreneurs, who primarily represent the wealthiest families, there are no more than a handful of graduates of the Ecole Polytechnique.

This somewhat separates France's capitalist elite from the country's other elites. But that does not mean that the capitalist elite does not rule. On the contrary, France's money aristocracy does not manage, it does not pursue politics, and it does not produce culture. But it let others manage, distribute, invent and think. Yet, a ranking within different service classes remains. First of all, there is a ranking within both elite rings – the inner and the outer ring. This is expressed in respective wealth and income relationships. The highest – as ranked by so-called experts – tend to be the richest. Still, their rank in the inner and outer ring is measured according to their respective functions for the money-making apparatus.

More inside the outer ring but also inside the inner ring, thinking about short-term profit maximization is not a new phenomenon in the corporate world. But it has become a crucial system feature under the competitive pressure of neoliberal globalization.

This neoliberal mechanism leads those individuals and groups that have reached the upper ranks of the global money-making apparatus to realize ever higher payoffs. Simultaneously, the rest falls disproportionately behind. For an authoritarian and hierarchical society, rankings are created in virtually all areas of society. The money-making apparatus demand these rankings. For the global money-making apparatus, such rankings point to the most docile and most useful part of the service proletariat.

The film industry is an illuminating example of how this works. At any given moment, there will be very few actors who can demand millions of dollars to appear in a film. Only very few have a worldwide name that demands such wages. Those in the second rank earn considerably less. The rest of the profession can be found working as waiters or slogging away in cheap commercials and even cheaper movies and TV shows. The income range in the global film industry is extreme. The distribution follows an extraordinary pyramid with a very small top – the sovereign – and a very wide base.

A new sovereign is constituted within the monetary elite. For that, ranking still plays a role for the super-rich of the global money-making apparatus. Forbes Magazine's well-known tables serve this need. In addition to these, some financial data of the European Ultra-HNWIs – about 17,000 people – with financial assets of more than 30 million euros have been reported. However, much of these people remain largely unexplored. Any empirical investigation into the money elite remains difficult. Many think that the actual size of their assets is probably much more significant than what can be determined. Identifiable assets include land, real estate, stock ownership and also racehorses and art. Naturally, researchers do not have access to bank accounts often located in tax havens created explicitly by the inner ring and administrated by the outer ring for the global money-making apparatus. The current top five are Singapore, Switzerland, Nevis, Belize and surprise-surprise Germany (seen as the safest location). Some empires make themselves relatively invisible even through secret accounting methods.

In any case, many individuals of the global money-making apparatus became wealthy through the sale of their companies. In this case, value can be determined with the help of tax experts. Yet, there are also private companies not listed on the stock exchange. It remains very difficult to assess their actual value. Virtually, the same applies to foundations and trusts set up for families.

Overall, far too little is known about the elite of the global money-making apparatus. It can indeed be observed that the wealthy are increasingly tinkering with their public image. Yet, even the super-wealthy of the global money-making apparatus are plagued by fears, longings and hopes – almost as other people do. Some are even subject to the compulsion of earning a living and others to the eternal question of the meaning of life. Beyond that, many self-appointed philanthropists have very quickly learnt that \$10 million for charity are, in fact, mere peanuts given the scale of their wealth.

This follows another question: how are these super-rich family dynasties, nouveaux riches, oligarchs, aristocrats, Mafiosi, etc., interlinked with each other and with the global network of the money-making apparatus? This question can be extended to: can we observe a new form of capitalism based on some sort of *high-tech re-feudalization*? What is special about the habitus of the European monetary elite and its money-making apparatus is indeed a Renaissance of feudal patterns.

The European aristocracy provides the monetary elite and their entourage with socially charged places to frolic. These are essential for social bonding within the upper class. Castles, islands, mansions, exclusive and private areas have also become the space for elite institutions, clubs and closed societies. Some members of the money-making apparatus may even appear in feudal-like garb – on occasions. Whatever the dress code of the super-rich, some of their wealth has been accelerated by the digital revolution. From this technical reservoir, the global money-making apparatus draws the means of symbolic and structural violence. This ranges from the electronic monitoring of workers to today's hi-tech police that looks increasingly like the military.

Historically, the super-rich have learnt since the 1950s how to maintain and increase their influence in an ever more complex world defined by corporate mass media, stock ownership, advertising, PR, mass consumption and, at times, robust middle-class self-confidence. The global money-making apparatus has created new instruments to satisfy their own aspirations. In the 1950s, the ideological camouflage to create, secure and increase wealth was the fight against an invented enemy: communism. Since 2011, the fight is directed against yet another trumped-up enemy: terrorism.

In the last decades, incredible riches have arisen on planet earth. World trade has more than tripled. The world's gross national product has almost doubled. For the first time in the history of humankind, the utopia of universal happiness could be possible. And yet, a brutal re-feudalization is taking place. The global money-making apparatus' new colonialists are multinational corporations. These are appropriating the riches of the world while slowly making the world uninhabitable. Their new crypto-feudal rule is a thousand times more brutal than the aristocratic one at the time of the French Revolution.

To legitimize and increase the power of the global money-making apparatus, global capitalism and corporations, the Washington Consensus has been enforced for decades. Accordingly, complete neo-liberalization must take place worldwide. This means all goods, all capital, and the flow of services in every area of life must be wholly privatized – capitalism's ultimate dream.

It also means that there are no public goods like water anymore. Virtually everything is own by companies and corporations. Even the genes of human beings, animals and plants are taken into corporate possession and patented. Worse, everything is subjected to the principle of profit maximization. In their global quest, corporations use two weapons of mass destruction: hunger and debt. The result is absolutely terrible. This cannibalistic world order of the global money-making apparatus may well mean the end of the values and institutions of Enlightenment under which we have lived up to now.

Potentially, it can also mean the end of most of our fundamental human, philosophical values and human rights. Either the structural violence of the global money-making apparatus is broken, or democracy and human civilization as it is today is handed over to the pathologies of neoliberalism. The global money-making apparatus, as well as modern capitalism, has a profoundly anti-democratic tendency. In its ultimate stage, it may well lead to a version of soft and friendly fascism.

In modern companies, for example, there is democracy at all. Companies and corporations are authoritarian institutions run trough the dictatorship of management. Power is exercised by an ever-smaller number of top managers – the corporate apparatchiks. For some time, democratic political power has been moving into corporate mass media and the financial sphere. Both are part of the global money-making apparatus. Their inner and outer rings make up a new class of managers who know how to deal with the new structures of capitalism run by the global money-making apparatus. These corporate apparatchiks have organized themselves in informal networks.

Such networks give managers, CEOs, corporate apparatchiks, etc., the freedom to do things that would be utterly impossible within the “official” structure of companies and corporations. Flanked by economic-ideological neoliberalism, corporate

Managerialism means that power simply eludes perception – it becomes invisible. Beyond these structures, ordinary citizens no longer have a place in a political sphere that is increasingly run by the global money-making apparatus.

To put it bluntly: conventional political systems – including democracy and voting – are becoming more and more meaningless. These systems have been systematically separated from the sphere of the global money-making apparatus—democracy functions as a side-show that entertains people with clowns like Donald Trump. Unseen behind the facade runs the global money-making apparatus.

Yet, this situation is becoming increasingly precarious for the performance elites and even for its very own corporate apparatchiks. As the money elite of the global money-making

apparatus becomes more and more independent, they begin to operate independently in the truest sense of the word. And they are protected by private police and mercenaries. The super-rich have long ago begun to disassociate themselves from the middle-class, the working class, the working poor and the precariat. They willingly expose the rest of us to the unleashed forces of nature – global warming.

Increasingly, global warming and resource problems (e.g., competition, wars) point to an upcoming global scenario of naked survival struggles. For such a *save-yourself-who-can* world, the sovereign of the global money-making apparatus – just as the feudal lords once – believe themselves to be well equipped. From their perspective and the point of view of resource problems, the Bush-Blair Iraq War was a colossal wealth-generating machine for the British and even more so for American private contractors. Today, these makeup more than 20% of all armed personnel stationed in Iraq. Yet such wars build no longer the core of the global money-making apparatus.

Finally, it is also clear that the super-rich and its global money-making apparatus operates with a kind of grand coalition of servile elites who have forgotten their own interests. They are kept in the hope that serving the super-rich will secure their existence. Set against this is a global strategy that positions emancipatory groups and classes against the super-rich and its global money-making apparatus. For that, we might need to return to the interests and utopias that arise from the present social relations.

Ultimately, however, no one will be able to avoid participating in the coming conflicts. Most likely, these conflicts will take the shape of environmental conflict. Perhaps being clear about our own interest means surviving the destructive environmental forces of capitalism run by the global money-making apparatus.

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