



Enhancing Democracy or Strengthening the Emerging Oligarchy: Which Will It Be?

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Occupy Wall Street (OWS) raises the issue of emerging oligarchy, based on wealth inequality, taking control of democracies worldwide through a small global elite composed of the very rich, powerful corporate executives in financial multinationals and other global conglomerates, and their allies in international financial organizations like the International Monetary Fund (IMF), the World Bank, and the Bank of International Settlements (BIS).

To get out from under the domination of these elites, the 99% have to counter the influence of extreme wealth in manipulating perceptions and constructions of social, economic, cultural, and political reality, and electoral processes. Enter new web-based platforms as a possible democratizing force that could provide the ability to defeat manipulation and self-organize without recourse to massive financial resources. But do the new platforms offer a way out of oligarchy and back to democracy or do they just reinforce the emerging oligarchy?

This is the fifth in a series of posts on some of these new web-based platforms and how they relate to this central question of oligarchy vs. democracy. The first, ["A System-Changing Solution for the OWS Movement?"](#) [18], which I co-authored with Nancy Bordier, compared and contrasted two alternatives available to OWS, the [Interactive Voter Choice System](#) [19] and Americans Elect (AE). The second focused on [AE](#) [20]. The third analyzed [No Labels \(NL\)](#) [21], and the fourth covered [Ruck.us](#) [22]. Here, I'll explore in more detail the question of the relationships among AE, No Labels, and Ruck.us, and explicitly consider the possibility of some combination of the three organizations, whether formal or informal, working together to impact the political system. I'll also discuss the likely implications of such a combination for the American body politic.

The Lay of the Land

AE wants to get a candidate on the ballots of all 50 States who is nominated using its Internet-based process without involvement of the major parties. No Labels wants to create a nationwide movement that will place people in office who are committed to bipartisan or non-partisan political and legislative decision making. Ruck.us thinks:

. . . The real question is, why do we need parties at all? The support for an alternative showcased in this poll is real. The energy around Americans Elect, Ruck.us, and other outlets is proof that technology, not parties, is the future of political activism.?

So, all three organizations share a hostility to the party system. They do so because of the ["partisanship"](#) apparently responsible for the "legislative paralysis" that we've seen for a very long time; but also, very plainly, because that paralysis has interfered with passing legislation implementing the current Washington consensus that the growing national debt, and deficit spending are problems that must be solved with a combination of tax reform and austerity in Government spending.

Both Progressives in the Democratic Party, and Tea Partiers among the Republicans are blocking ["the centrist agreement"](#) on governmental austerity that many of the prime movers in back of these three efforts support so strongly. So, at some level, it is likely that these attempts at changing the political process are not being undertaken simply to remove legislative paralysis, and improve the functioning of the US Government. After all, that can ultimately be done by a disgusted public who comes to realize that it must deliver overwhelming majorities for one of the two parties, to give one or the other a chance to legislate their preferred programs without the need for compromise.

However, the people behind these three alternatives don't want ?the people? making that kind of decision. Instead, they want to change the political system so that centrists like themselves will always hold the balance of power to eliminate either ?right? or ?left? solutions in favor of solutions that maintain the economic and political positions of current establishment elites while imposing austerity on others. In order to do that they have to outflank the parties in the short, rather than the long run. That's what organizations like AE and No Labels, and perhaps Ruck.us, as well, are really about, rather than any desire to improve Government or restore democracy.

Looking at the three alternative organizations and their web-based efforts, we can note the following:

-- AE claims that they are not a political party, but a 501 (c)(4) ?social welfare? organization, and in addition, that their national nominating convention will not, by itself, produce a party apparatus that can deliver votes in the general election. However, AE calls itself a party when it applies for ballot lines in States that require organizations applying for them to be political parties. Because of this clear contradiction, Democracy 21 has written to the IRS asking for an investigation of AE and possible denial of its claim to 501 (c)(4) status.

-- AE may be able to accomplish its goal of nominating a centrist candidate with a Petersonian austerity agenda, by using the rules of their closed corporation to manipulate the nomination process at the on-line convention to deliver votes for a centrist. If the Republicans fail to nominate Mitt Romney, for example, he might well be available to AE's delegates as their nominee. Or as many have speculated, AE may be a stalking horse for Michael Bloomberg, who could never win in either the Republican or Democratic primary process, but who can possibly be nominated in AE's process and be simultaneously placed on ballot lines across the country; provided, of course, he hasn't already transformed himself into a latter day Mayor Daley by violently repressing the OWS protestors, while violating their first amendment rights; something he has been doing almost since day one of the protests in New York.

Or as currently seems to be the case, AE board members [23], in violation of corporate by-laws, are pushing boomlets for Jon Huntsman, and/or Buddy Roemer. [24]

-- On the other hand, if AE does succeed in nominating a centrist, that won't automatically mean that he/she will get elected, since AE will have little in the way of a party organization to back the nominee at the time of the nomination. The specific nominee may also have little in the way of a personal organization depending on who is nominated. Romney would have a nationwide organization; but if the convention goes for Bloomberg, David Petraeus, Jon Huntsman, Buddy Roemer, or some other ?centrist,? then perhaps not so much.

-- Now, that's where No Labels comes in. No Labels is building a national organization to influence candidates and office holders to support bi-partisanship and avoid ?extremes? in legislation. Both AE and No Labels have big money behind them. They don't disclose their donors and the amounts they've contributed. But, David Walker, former head of the Peter G. Peterson Foundation, and current head of the Comeback America Initiative is one of the co-founders of No Labels, making it very likely that Peter G. Peterson's money is behind the No Labels effort. In addition, Lady Lynn Forester de Rothschild has been a booster of No Labels and may very well be a major financial backer, while at the same time also being a member of the Board of Advisors of Americans Elect.

[25]

-- No Labels is spending a considerable amount of effort, and, most probably, money, to organize across the country, in every State and among millennials on and off-campus. They're using the negative image of the "do-nothing" parties "gridlocking" Congress, and the myth of a non-partisan, non-ideological orientation, to get people involved in No Labels. They've also announced that they're hiring political operatives in every Congressional District. It is likely that by the time a centrist ticket is delivered by AE in the late spring, a national No Labels organization that can organize and deliver votes will be able to back the AE nominees and also candidates in both parties that back a centrist/austerity agenda.

-- As for coordination between AE and No Labels, in addition to the link provided by de Rothschild, mentioned above, Mark McKinnon, the strategist who formerly served Republicans is a co-founder of No Labels. He is also listed as one of "the leaders" of AE. So, he, too, clearly provides a way of coordinating between the two "bi-partisan" centrist organizations. In addition, there are many other personal interactions among people in the two organizations, as Jim Cook documents [here](#) [26].

-- So, where does Ruck.us fit into this picture? Both the No Labels and AE organizational efforts are targeted on tasks other than building social networks. AE is about nominating a centrist candidate and manipulating the consent of voters who become delegates. No Labels is about aggregating people disgusted with the major parties into a movement and political organizational force that can operate at local, State, and national levels, and influence Representatives, Senators and Presidents to give up what they think are the right solutions to problems in order to enact solutions that involve "shared sacrifice," and fiscal/economic austerity.

-- Both efforts use the Internet to pursue their goals; but they don't organize people through using social media to form group social networks on a continuous day-to-day basis, as Ruck.us does. Social network formation among Millennials was shown to be vital in mobilizing electoral support by the Obama and Dean campaigns. And so, in short, what Ruck.us can offer to the other two efforts is the social networking component of a modern political party -- a component that may be able to create social networks and enable their co-optation by the on-line nominating convention seeking a right-centrist candidate, and the right-centrist movement looking for workers and supporters to staff a political party-like organization that can deliver votes to "bi-partisan" candidates like AE's.

-- And for coordination among AE, No Labels, and Ruck.us, there is, once again, a convenient link provided by the ubiquitous Mark McKinnon. McKinnon, is one of the leading advisors of [Ruck.us](#). [27] In addition, Bradley Tusk, Campaign Manager for Michael Bloomberg, is a booster. Also, one of the early stated [purposes of Ruck.us](#) [28] was to provide a social networking service for third parties. Lastly, Lady de Rothschild already related to both AE and No Labels, has currently [been boosting Ruck.us](#) [29] on twitter.

A Political Troika?

All the pieces are in place for Ruck.us coordination with AE and No labels, to form a troika of organizations that, if they chose to unite, either formally through a merger, or informally through a loosely coupled alliance, can serve either as a functional substitute for a political party, or as an

emerging 3rd major political party itself. AE supplies the candidates and ballot lines, Ruck.us supplies the social networks, and No Labels provides the organizational and much of the funding muscle necessary to deliver the votes. It is the organization that is at the center of the whole effort. It is the organization that can provide a home for Democrats who are corporatist or fiscally conservative, and not progressive; and who can also provide one for Republicans who find tea party market and religious fundamentalism, and social issues positions, either insane or morally distasteful.

So, what these three non- or bi-partisan organizations is likely to do is to either create a formal new third right- centrist party, or, alternatively, at least an informal third force loosely coupled alliance that will empower right-centrist elements in both parties and free them from the influence of tea partiers, progressives, and anti-corporatists alike.

It is likely, in other words, to further enable the triumph of corporatism and the continued emergence of plutocracy on American soil. What it is not likely to do is make the party system, or the Government, any more representative of working and middle class Americans, the 99%, for whom the OWS movement is currently demanding social and economic justice, and restored political primacy in American Democracy.

Even more importantly, what the troika also is not likely to do is to provide a way for people to become politically active through a web-based system in a way that can overcome the iron law of oligarchy, by producing activities that will renew democracy on a continuous basis. On the contrary, the characteristics of the organizations that may comprise the troika are very likely to reinforce the tendencies to oligarchy in the United States.

Since both AE and No Labels are clearly closed oligarchical structures managed from the top-down, and funded in non-transparent ways by wealthy donors and corporations, they will produce mass support only by manipulating and co-opting support from delegates and members. They will not allow their platforms and activities to be generated from the bottom-up by delegates and members, unless those happen to be consistent with the programs of their oligarchies.

One can easily disagree with these views, of course. But for such a disagreement to be credible, I think it has to be based on changes to the by-laws of each organization that prohibit their boards and Executive staff from over-turning majority rule decisions made by the votes of delegates or web site members, and pledge these same Boards and Executive staffs to pledge under penalty of perjury that they will not change these by-laws without a 2/3 vote of members or delegates, and will also be open to personal liability law suits, without corporate indemnification, if they break that pledge. In other words, no one should believe the assertions of either of these two organizations that the will of their participants expressed in votes will be controlling for these organizations, unless there are internal constitutional arrangements preventing the organizational elites from overturning decisions of their members or delegates, or from manipulating these decisions through elite controls of the internal mechanisms of counting the votes on their web platforms.

In short, given the state of our present political system, there can be no question of trusting leaders of organizations with ideological agendas to maintain the internal democracy they are marketing to potential participants in their processes. Their asking people to trust them isn't good enough! They need to demonstrate that trust is not necessary because their institutional

arrangements guarantee that their web-based voting or collective decision processes cannot be overturned, or manipulated, or suddenly and quietly changed by their board or managerial elites.

As for Ruck.us, the capabilities for social networking it provides aren't comprehensive enough to overcome the tendencies toward oligarchy existing in the other two organizations, or in a combination of the three. In fact, to the extent, that Ruck.us does support bottom-up social network formation, it will only expose networks it enables to co-optation by the other two organizations, if it collaborates with them in any way, as Ruck.us moves down the road.

Political Implications

There are two kinds of political implications I want to consider here. First, what is likely to happen to the substance of policy if the Troika is successful in getting a a substantial number of electoral votes for the presidential ticket winning the AE nomination, and also a number of seats in both Houses of Congress for candidates supporting the policy agenda of No Labels. And second, what the implications of troika success are for reinforcing the trend toward oligarchy.

On the substance, I've pointed out that Americans Elect [30] and No Labels [31] are clearly very strongly in favor of what they call fiscal responsibility [32], by which they mean long-term deficit reduction through cutting spending and increasing tax revenues and also substantial reduction in the ratio of the public debt subject to the limit, to GDP. In concrete terms this means cutting spending and entitlement programs intended to benefit the 99%, while cutting tax loopholes and ?broadening the tax base,? which means different things to different people, but which over the history of ?tax reform? since the 1960s has never meant increased pain for the 1%.

Right now, Congress hasn't been able to come to agreement on something like the Simpson/Bowles plan, or the Rivlin/Domenici plan or any of the other ?centrist? proposals [33] aimed at long-term deficit reduction, because the Republicans can't get tax increases on the wealthy through their caucus, while the Democrats are understandably reluctant to betray their constituents for the sake of the abstraction of fiscal responsibility. They might do it, if they can get the Republicans to walk the plank with them, but not otherwise.

The leaders of AE and No Labels (NL) believe that a centrist coalition advocating fiscal responsibility, that says it is non-partisan, led by a president pledged to support fiscal responsibility, not beholden to either of the major parties, would be able to break the logjam in Congress, because that coalition would hold the balance of power in relation to organizing both Houses, and allocating leadership positions and committee chairpersonships.

In return for its votes on these matters, the new ?centrist? coalition is supposed to be able to force the two major parties to abandon what their bases want and to all come to Jesus on fiscal responsibility, and other positions which the AE and NL elites appear to support such as: a moderate foreign policy relying on ?realism,? a ?high-tech? expensive military, active anti-terrorism efforts, and first rate diplomacy; a policy of strong support for Wall Street and the big banks; globalism and free trade; active discouragement of populist political activism from either the tea party or the OWS direction, even if that entails violation of constitutional rights; strong gun controls; and ?fairly liberal? social policies relating to Blacks, Hispanics, Gays, and other disadvantaged groups.

The new coalition, if it could establish itself, would pick up support from "blue dog" Democrats in the Senate and Northeastern and Midwestern "moderate" Republicans, who would then become "non-partisan." The "free spending," anti-Wall Street, "peace-loving," pro-regulation/anti-business, and strong civil liberties, and civil rights progressives, and evangelical Christians, small government, low taxes, anti-wall street, and bellicose right wingers would remain in the Democratic and Republican Parties, ready to be outflanked on all the major issues depending on where the "centrists" come down. So, the expectation here, is that American politics would be dominated by one "centrist" coalition, a virtual, but perhaps never actual, political party, always retaining power, and always capable of getting its own pro- 1% policies through the Congress.

In the beginning, when that "centrist" third force is getting established, it can grow quickly by winning the fiscal responsibility fight. And perhaps also by either getting its presidential candidate elected in a three-way race, or failing that, at least throwing the presidential election into the House of Representatives where those who favor the "centrist" coalition may be able to get its candidate elected, or, at least, to extract major concessions, right off the bat, in return for giving its critical support to the presidential candidate from the major party that is willing to pay for it with the most substantial concessions to its platform.

Will things happen that way? I think it's very hard to say. In a three-way presidential race, a "moderate" pro-Wall Street "centrist" may pull more votes away from a Republican than a Democrat running as a progressive. In state level and local Congressional races, anything can happen, including splitting the moderate vote in such a way that very "right-wing" Republicans are elected. Or in some districts, splitting what otherwise would be the Republican vote, allowing Democratic progressives to win. In short, in different races we may have very different results from having such a third force in the process, including hardening positions in both the major parties facilitating their transformation into "small" government and "big" anti-corporate parties, that may work together to frustrate the pro-corporate, pro-Wall Street legislation favored by the Austerian "centrist", "non-partisan", "non-party" coalition.

Whatever the result of this "non-partisan" course would be, I think we can confidently say that if AE and NL joined with Ruck.us and succeeded in their fiscal responsibility objectives, then the result of the new coalition's insistence on "fiscal responsibility" through long-term pro-cyclical deficit reduction [33] would be disastrous for the economy. And its other policy positions would only reinforce the economic position and dominance of the 1%.

I've examined the reasons why I think we should expect economic collapse from a contractionary long-term fiscal policy in many previous posts. [34] But the basic reason is that when the private sector of one's economy is broken, the only sector that can restore aggregate demand by transferring net financial assets to it by deficit spending is the Federal Government, because it is the only sector that can create new net financial assets to be placed in the private sector. That is an economic fact, not merely a theory.

The "centrist" Austerians [35] leading the way to the new coalition, are, in the main, proposing decreasing public deficits and increased taxation on some part of the private sector. That means either increasing private debt, or increasing private austerity over time, with no hope of real economic recovery and full employment unless there is a big debt bubble. That is not sustainable policy and it will only exacerbate the inequality problems we already have in the US each time a

debt bubble bursts.

Moving now, to the issue of the trend towards or away from oligarchy, what AE, NL, and Ruck.us have in common is their goal of replacing traditional political parties using on-line forms of interaction -- the equivalent of throwing out the baby with the bath water. Democratically-run political parties can and should play a constructive role in democratic political systems in aggregating voters' preferences ? provided voters control the parties, their platforms, and their nominating and electoral processes.

The solution to the problem of oligarchy in political parties and political systems, more generally, is not to apply web technology to abandon them, along with the hard-won reforms introduced by progressives over many years. **Instead, it is to apply web technology to drive those reforms further and to defeat political party oligarchies, open the way for third parties, neutralize the influence of money in politics, and provide for a continuous and much higher level of activism that will overcome the iron law of oligarchy for good.**

Conclusions

AE and No Labels are top-down efforts controlled by a relatively small number of social and political engineers interposing themselves between voters and the nation's electoral processes. If Ruck.us allies or otherwise joins with them, then **the combination of the three, whether formal, or informal, would lead to a corporate-controlled digital infrastructure for the dis-intermediation of political parties and self-government by a small elite ?guiding democracy.? In other words, it will only reinforce the trend toward oligarchy through manipulating the discontents and perspectives of the 99%, and co-opting their energies by directing them toward imaginary problems sustained by myths, stereotypes, and ideologies that don't fit the real world and the real needs of people.**

If we value democracy, then we must stop assuming that if something is web-based and formally participatory, then it is automatically democratic. And we must firmly reject efforts to use our hopes for online democracy, and our willingness to seek it, to be co-opted by the 1% to consolidate their control over our lives. The web is ours! We must occupy it and make it a bulwark of democracy, and not just another means to enslave us for the benefit of the 1%. But how can we do that?

We can do it by working through a web platform that will enable the U.S. electorate to use the collective action power of the Internet to create a new 21st century form of self-government, that cannot be corrupted by special interests or political parties and politicians beholden to these interests. Such a platform must empower voters to bypass the current system and circumvent the institutions that have corrupted it. It must do this by enabling voters **of all persuasions** to build voter-controlled online voting blocs and electoral coalitions that can get control of all the vital processes that determine what the nation's legislative priorities are, who runs for office, who gets elected, and what laws are enacted.

The platform must facilitate these blocs and coalitions working together outside its boundaries, on the ground, prior to elections, to democratize political parties so that their supporters control them rather than special interests. The blocs and coalitions must be able to form alliances with democratically-run parties while supplanting all parties as the driving forces of U.S. Politics, by

providing them with a self-organizing foundation of participation and activism that renews and reinvents democracy and regulates and contains the tendencies for oligarchies to form, little-by-little, every day. In this way, the iron law of oligarchy can finally be overcome and true democratic, self-government can be achieved.

So, where does this leave us? Certainly not with the emergent political troika we see taking shape before us, because fortunately, there is an alternative. That alternative meets the requirements for a platform I just outlined. It is called the Interactive Voter Choice System ^[36] (IVCS) and it is currently in development ^[19]. In my next posts, I'll analyze the social network forming among the elites of AE, No Labels, and Ruck.us in more detail. I'll also discuss the IVCS, and explain why it can put a stop to the emerging oligarchy and instead create an emerging 21st century democracy for the 99%.



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[30] http://www.correntewire.com/americans_elect_and_the_emerging_oligarchy

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[34] <http://www.correntewire.com/blog/letsgetitdone>

[35] <http://watch.bnn.ca/thursday/ShowAllClips/#clip312053>

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