

Oligarchs and Plutocrats

by Bill Herbst

*Version 1.6 (posted on 24 October 2017)
© 2017 by the author, all rights reserved*

Oligarchy and *Plutocracy* are words with overlapping but separate definitions. Both refer to units of social organization — typically governments, but also corporations and other organizations or institutions — that are controlled and run by elites, but the two words differ in the type and category of those elites. Plutocracy is government by the *wealthy* and refers to an entire class of persons — those at the top of the economic pyramid. Oligarchy is government by the *few*, whether or not those elites are wealthy or achieve the exclusivity of their power and status from some other means — nobility, education, religion, military conquest, etc.

From its beginnings, civilization has been built around either Oligarchy or Plutocracy, and sometimes both. That has always been the case and continues to be so today. Whether we speak of Russian Oligarchs (more about them in a bit), Arab Emigrate Oligarchs, or American Oligarchs hardly matters. Only the forms and styles are different; the essence is the same. They are the people who run things.

The labeling of the type of government legally instituted by a particular state varies — monarchy, representative democracy, and dictatorship are common examples — but the end result is invariably similar. Governments everywhere around the globe are commanded by relatively small, elite groups. The ruling groups usually represent and support the wealthiest class, and even if the elites are not themselves wealthy to begin with, they usually end up wealthy because of the opportunities their positions afford and/or the tendency toward corruption that is so much a part of human nature. Lord Acton's famous quote that "*Power corrupts, and absolute power corrupts absolutely*" can be amended to include the nearly inevitable acquisition of great wealth for the powerful.

I suppose we could find exceptional examples throughout history (or in the present, for that matter) of Oligarchs — meaning people in the small group of ruling elites — who were not wealthy to begin with and did not take advantage of their privileged position to become wealthy, but those instances are rare. In general, Oligarchs and Plutocrats overlap: Oligarchs nearly always morph into Plutocrats. The privileged few who exercise a disproportionate amount of power and influence tend to either be wealthy or become wealthy.

In the current narratives in the mainstream media, the word Oligarch is almost always linked to Russia, as in "Russian Oligarchs." After the fall of the Soviet Union, the Russian economy — what was left of it — was divvied up and purchased for mere kopeks on the ruble (the Russian equivalent of pennies on the dollar) mainly by a select group of well-connected criminals. Those individuals have gotten filthy rich from their opportunism — Russia now has more than its share of billionaires, most of whom are within Putin's favored circle. As a group, they became the Russian Oligarchy/Plutocracy.

What we don't hear in the mainstream media, however, is that America may not be as different as we think. While America has certain democratic traditions and institutions that Russia doesn't have (and never did), nonetheless we Americans have our own Oligarchic elites that go back a long way. That group has worked very successfully to consolidate its power. Particularly since the beginning of the 21st century, we refer to the Oligarchy/Plutocracy that sets policy in our nation as "*the 1%*," with the rest of us grouped into "*the 99%*." That designation isn't technically correct, however. The most powerful and ultra-wealthy who run the show actually comprise a much smaller percentage of the population — only the top 1/10th of 1%.

These individuals and groups tend to be dynastic in nature, especially in America, where inherited family wealth is the single most significant indicator of one's future prospects toward membership in the ruling elites. Do true Horatio Alger stories still exist about individuals who lifted themselves by their bootstraps out of obscurity, poverty, or otherwise humble beginnings to achieve through sustained hard work not only success, but also great power? No doubt, but those stories are probably few and far between.

All too often, wealth and power are typically amassed in some nefarious fashion that involves taking advantage of others, then the ill-gotten gains are handed down from one family generation to the next. Peel away the superficial respectability and posturing of any uber-wealthy family, and skullduggery is likely to have played a significant role in building the fortune. Making sure that the image of propriety is installed and maintained is an integral part of any wealth dynasty. First steal, then later cover up and obfuscate the evidence of theft by continually reinforced narratives of presumed virtue. A sad fact of human nature is that we are too often not merely willing, but downright eager to lie our asses off to protect whatever we've gained. Most families have skeletons in their closets. Dynastic families of great wealth are no exception, and their dark secrets usually include revelations about how the families' fortunes were amassed.

The same is true of powerful corporations, which, along with dynastic families, comprise the very core of the American plutocracy. The largest corporations in our country are multinational in scope and wield immense power and influence over almost every aspect of our society, not merely through decisions about

policy, but also via control of the narratives that shape public opinion and debate.

Apparently, the only value that truly matters in America is financial wealth. Other values are given considerable lip service in advertising and public relations, but the bottom line seems to be “the bottom line” — how much money one makes or has. Everything else gets in line behind that singular fact. For as far back as we care to look, the human world has been designed primarily by and for the wealthy. That’s simply the way civilization works.

In fairness, however, human beings who care very deeply about others can be found most everywhere, often in settings where their presence is an unexpected but welcome surprise. Such people are devoted and committed to the work of love and compassion, and they do so day-in and day-out, in whatever ways their talents, skills, resources, and positions allow. And that includes a fair number of individuals who are well-off. As a social and economic class, however, the wealthy are not much concerned about the rest of us, if at all. They experience life in an altogether separate, rarified realm. Their thoughts and feelings of superiority are shaped and reinforced by agreement with other members of the same club.

I accept that commerce is the very life-blood of human society. We don’t live in communities because we love our neighbors. Especially in the modern civilization of the past century, where so much of farming and rural life have been converted into industrial agri-business, we congregate in cities for two obvious reasons: Cities are the locus of employment and jobs, and living in cities makes goods and services much easier to obtain. (One might think that internet commerce with quick shipping would make possible to some extent a reversal of that trend, but online commerce is both a very recent development and quite fragile for a number of reasons, any of which could derail it in the decades ahead.) So, I’m not lamenting or railing against the importance we assign to business. To me, that’s simply a fact of life. Civilization is all about wealth, and wealth comes from business.

Business can be humane or inhumane. Those who toil to earn their daily bread can be treated with respect or disdain. We’ve grappled with that divide throughout the entire history of civilization. Apart from what one receives financially through a job or career, meaningful work is a blessing that enhances dignity. Meaningless work may pay a wage, but it’s hardly fulfilling. Making labor more reverent and fulfilling is not always easy, since so many tasks are unpleasant, menial, or deadening. Even in that worst case, however, the camaraderie of work shared toward a common goal can be life-affirming. Such a sense of belonging may seem idealistic, especially in an age dominated by predatory capitalism, but it has immense practical benefits for society and remains a worthy goal.

I do wonder, however, what will happen to the billions of people who, for any number of reasons, are not suited to pursue ambition through entrepreneurship or by climbing the corporate ladder, nor likely to end up successful financially? I'm not talking about ne'er-do-wells or those who are psychologically damaged, just normal people who comprise the working class and hope to create a reasonably good life for themselves and their families. How will the world treat those people? Increasingly, civilization (especially in America) seems to care about them less and less.

Throughout the history of civilization, humanity has moved through periods and pockets of great kindness and cooperation juxtaposed against other times and places of unspeakable cruelty and violence. The sense of the human family periodically swells in inclusion or shrinks in exclusivity. I admit to feeling worried that the Plutocratic Oligarchies that run societies in this critical century will focus mainly on rewards for the few who are privileged and be all-too-willing to throw everyone else under the bus.

I'm aware that "collective family" has become a theme in my writing, a consistent thread woven through many of my commentaries. In part, that's because my own life-journey has arrived at a point where that concern is meaningful, but, at another level, it's because of what's happened in America over my lifetime. The focus we Americans place on narrowly-defined family is clear and has a long history. In our public discourse, however, we tend to focus not on belonging, but on "freedom" tied to individual initiative. It's as if independence and singularity are social sacraments in this country. That serves us well, however, only if those qualities are balanced with the affinity of kinship. Are we separate or together? Right now, we're very separate. Moving toward togetherness in the years ahead may not be easy, but it's absolutely necessary.

The rich and powerful will always exist among us. And, by using their resources and power, they will tend to rule. Oligarchs and Plutocrats are likely to remain in charge, and, to a large extent, a category unto themselves, distinctly unlike everyone else, all of whom they tend to see as beneath them (if they see us at all). As I noted above, that's not to suggest that all wealthy or powerful people are insensitive to the broader, more diverse distribution of collective humanity. A well-known quote by Franklin D. Roosevelt, who came from inherited family wealth and social privilege, sums up nicely my own perspective, which is much more a hope than a certainty, almost like dreaming of a world that would be gentler than the actual one we inhabit:

"The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."