

# THE ELITES CLING TO THEIR JOBS

After the job numbers on Friday showed that we continue to tread water on job creation, Chris Hayes tweeted,

Dirty secret about the jobs crisis: A lot of the policy elite in both parties don't think there's much to be done.

I asked him whether that was because of political reasons—that they couldn't pass anything through Congress—or because of ideological ones, because “they think this is structural or there's no possible room for maneuver.” He responded,

not political reasons. a lot of people buy the structural story and Reinhart-Rogoff post crisis account

(Here's a Paul Krugman post on Reinhart-Rogoff for background and a critique.)

Though he did retweet Dan Froomkin's point that “Policymakers have tons of ways to create jobs, many just aren't possible w/o crushing GOP obstruction.” “Oy. Time to get a new set of elites,” I said the guy who had written the book on such matters.

Twilight of the Elites

I've been meaning to post on Hayes' Twilight of the Elite since I read it months and months ago. I agree with Freddie DeBoer that the book feels kluged together. Unlike DeBoer, I thought Hayes' description of the many failures of the elite its best part: the Catholic Church pedophile scandal, the Katrina response, our failed and permanent wars, the financial crisis. Hayes' indictment of the elite is a concise proof that our elites really aren't worthy of their name.

The rest of the book maps out both what Hayes

understands our current elite to be, the reasons for its failures—which Hayes argues is the decline of the educational meritocracy put in place last century, and a proposal to reverse that trend and so, Hayes hopes, to return our elite what he sees as its proper function.

It's in his conception of the elite where I disagree with Hayes. First, he assumes our elite is primarily based on intelligence.

Of all the status obsessions that pre-occupy our elites, none is quite so prominent as the obsession with smartness. Intelligence is the core value of the meritocracy, one which stretches back to the earliest years of standardized testing, when the modern-day SAT descended from early IQ tests. To call a member of the elite “brilliant” is to pay that person the highest compliment.

In his critique of Hayes, DeBoer unpacks several of the problems why we shouldn't use intelligence as a measure of meritocracy generally (and I'll follow up on this in a later post).

Educational outcomes are dictated by a vast number of factors uncontrollable by students, parents, or educators, and the lines are never as bright as “took a test prep class/didn't.” If it's anything like the SAT and most other standardized tests, the Hunter exam is undermined by sociocultural factors that condition our metrics for intelligence.

At its most basic, the logic of “meritocracy” is ironclad: putting the most qualified, best equipped people into the positions of the greatest responsibility and import.

DeBoer's talking about why shouldn't use education. But I'm not even sure we do, except

as a stand-in for a kind of cultural indoctrination (which is sort of what DeBoer is saying).

Our elites aren't so smart

Among the symptoms of the failure of the elite Hayes offers, after all, are steroids in baseball, the Sandusky scandal, and the financial crisis. The importance of athletic failures should make it clear that book-smart people aren't our only elites. And while many of the people responsible for the financial crisis came through elite schools (though I can attest that even weak students at those elite schools got great offers from the banker industry, because they were culturally appropriate, which was more important than academic success), a lot didn't.

Indeed, I'd like to suggest that the consummate elite—the guy wielding more power in our society than anyone else—is Sheldon Adelson. He's a working class CCNY dropout who succeeded by making massive bets and also by using all means—with lots of dollar signs attached—to influence elites around the world. Any conception of the elite that doesn't account for the way Sheldon Adelson can single-handedly play one of the most significant roles in the so-called democracy of two countries is a misunderstanding of what traits our society values. The smart people? They're just the servants of the ballsy gamblers who rode a string of luck and ruthlessness to power.

And Adelson is a perfect example of our current elite for the way that he really isn't "ours" anymore. His is the consummate American success story, but he doesn't live here and he seems just as interested in "us" for the power it gives Israel as anything else. America—particularly its politics—has become just his plaything.

That's the biggest problem I had with the book. The elite who run this country no longer identify as the American elite. Rather, they

have become the global oligarchs borrowing the military might and reserve currency of the US to build their power. And their interests have to do with retaining the supremacy of those things rather than in the sustainability of “the nation” itself. Thus, it’s not in the least surprising that they’re not delivering on sustainability.

In a piece called “Revolt of the Elite,” former Republican Congressional staffer Mike Lofgren (he’s the guy who described how TeaParty Congressmen were a “casebook in lunacy” last year, and who has just come out with a new book on the failure of our parties) offers one of the best explanations I’ve seen of how the rich—our elite—have seceded from our nation.

The super-rich have seceded from America even as their grip on its control mechanisms has tightened.

[snip]

The objective of the predatory super-rich and their political handmaidens is to discredit and destroy the traditional nation state and auction its resources to themselves. Those super-rich, in turn, aim to create a “tollbooth” economy, whereby more and more of our highways, bridges, libraries, parks, and beaches are possessed by private oligarchs who will extract a toll from the rest of us. Was this the vision of the Founders? Was this why they believed governments were instituted among men—that the very sinews of the state should be possessed by the wealthy in the same manner that kingdoms of the Old World were the personal property of the monarch?

[snip]

But in globalized postmodern America, what if this whole vision about where order, stability, and a tolerable framework for governance come from, and

who threatens those values, is inverted?

(Note, Lofgren's consummate elite is Blackstone CEO Stephen Schwarzman, whose public school to Yale to Harvard Business matches Hayes' education-based notion of an elite much more than Adelson.)

This is the problem with both Hayes' remedy—reinjecting a meritocracy of smarts into our elites—and with David Brooks'—returning to the era of noblesse oblige. These elites have been chosen for their adherence to an ideology that sees the rest of society as a profit center, not as an obligation. The very logic—both the ideology and the process—of our elite selection embraces an ideology that advocates against fostering society. So we would need to do far more than tinkering with the meritocracy or noblesse oblige to turn these people into elites that could credibly lead society again.

Lofgren calls this ideology (at least the more extreme Republican half of it) the “absolutist twin of Marxism.”

GOP proponents of globalized vulture capitalism, such as Grover Norquist, Dick Armey, Phil Gramm, and Lawrence Kudlow, extolled the offshoring and financialization process as an unalloyed benefit. They were quick to denounce as socialism any attempt to mitigate its impact on society. Yet their ideology is nothing more than an upside-down utopianism, an absolutist twin of Marxism. If millions of people's interests get damaged in the process of implementing their ideology, it is a necessary outcome of scientific laws of economics that must never be tampered with, just as Lenin believed that his version of materialist laws were final and inexorable.

Which brings me back to where this post started: with the policy elites looking at 8.1% unemployment in a world where fewer and fewer people are in the job market and declaring there's nothing they can do.

How do we know the free market?

One of Hayes' most interesting chapters, "Who Knows?" traces what he says is a crisis in knowledge that arises out of the decline in trust and the proliferation of knowledge.

Which brings us to the most destructive effect of the fail decade. The cascade of elite failure has discredited not only elites and our central institutions, but the very mental habits we use to form our beliefs about the world. At the same time, the Internet has produced an unprecedented amount of information to sort through and radically expanded the arduous task of figured out just whom to trust.

Together, the discrediting of our old sources of authority and the exponential proliferation of new ones has almost completely annihilated our social ability to reach consensus on just what the facts of the matter are.

He goes on to trace how we "know" things, discussing consensus, proximity, good faith. It's rather telling that it appears in a book that argues that intellectual achievement are the basis for our elite.

I enjoyed the chapter, but I didn't get it. First, it's entirely unclear who is included among the "we" here? He and I, who are elites, albeit with some distance on elite consensus? Or is it a generic person, whose scope of critical knowledge differs greatly from Hayes' and I, who pride ourselves, rightly or wrongly, on a certain expertise about the way the world works, but who may have far less competence on issues of daily life and certain professions than most

people? That is, is Hayes saying he's bewildered by this cognitive state of affairs, or is he suggesting—without much concrete evidence—that others are, and are because of the crisis in authority and proliferation of information?

After all, if the “we” there is me and Hayes, then it says we should throw out the entire concept of elite education; if he and I can't figure out how to assess information, then our entire elite education is for shit. But I don't think that's what he's talking about. Rather, I think he's bemoaning that the true elite have invested a lot of money into inventing ideologies that compete directly with what science and self interest ought to produce. But it's not at all clear this has anything to do with what the general populace knows or think they know.

He describes the stakes of this by looking at climate change.

The most important social project we must undertake in the wake of the Fail Decade is reconstructing our institutions so that we once again feel comfortable trusting them. Because without the social cohesion that trusted institutions provide, we cannot produce the level of consensus necessary to confront our greatest challenges. I believe the most important of these is climate change. Public opinion in the United States is nowhere near where it would have to be to produce the kinds of dramatic policy changes we must make if we are to cap carbon at a level scientists say is sustainable.

[snip]

The fundamental problem is that too many Americans simply don't trust the various forms of scientific and elite authority through which information about the threat of climate change is transmitted.

In actuality, even when Hayes wrote this, there was a fairly high degree of consensus about climate change, and after Fat Al Gore summer in the interim, the numbers have climbed significantly. That is, there's plenty of consensus about climate change, everywhere except where it counts, among the DC policy elite who have been heavily incented not to believe in climate change. So while my meat farmer—who has taken to showing me the metastasizing drought map on her iPad every week—has a growing expertise in how to feed her cows and chickens without grass to graze them on, the people who can apply expertise at a broader level to solving climate change have an artificially stunted belief in climate change. Elites like the Koch brothers, you see, have an incentive to keep it that way.

And those elites—people whom Hayes and I both know, the people he's telling this dirty little secret about with respect to the jobs crisis—are no longer bound by public opinion. So long as the Kochs and the Adelsons continue to pay enough to win the grudging support of 31% of eligible voters, they're not bound by public opinion. So while people in my poverty simulation had widespread consensus about how to end the poverty of these individual simulated families—things that would make it possible to send 17 year olds to college rather than work a shit job to sustain the family—we were more likely to find assistance from churches than from the government. And while polling consistently shows almost unanimous support for manufacturing and very high levels of support for an industrial policy, that is one of the things that (the purchased cognitive beliefs about Solynda has made sure) is outside acceptable discourse.

And this operates at a more macro level—it is baked right into the elite selection process Hayes writes about. As Yves Smith lays out at length in Econned, the "science" of economics has been affirmatively built to foster the ideology of the global elites, whose interest



has become divorced from the country. So to the extent that an elite has "expertise" in economics, she has expertise in a belief that has been wired not to sustain the country, but to help the global oligarchs.

I'm going to continue this with a discussion of the "consensus" about how to fix our economy that crossed both the RNC and DNC. But as we discuss what the policy elites have planned for our recovery, it's important to ask whether they're "our" elites or those paid by the global oligarchs.