

# OLIGARCHY and DEGROWTH

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## 1 – What is oligarchy ?

Difficulty of the word : at the same time, a sociological content and a concept.

Sociological : oligarchy is the group of the oligarques, that is, the few people in a society who own the main economical, political and mediatic powers. In that sense, oligarchy is oftent confused with the old « bourgeoisie » or « the ruling class ». That is more or less exact, but far not enough to understand the present situation.

As a concept, oligarchy is more rich and useful : the oligarchy is a form of political regime, to be considered by comparison with democracy and dictatorship.

- Democracy describes a political regime where the power belong to all the citizens (« From the people, by the people and for the people »).
- Dictatorship describes a regime where the power belongs to one person.
- Oligarchy describes a regime where the power belongs to few persons. More precisely, a regime where the economic, political and mediatic powers are concentrated in the hands of a few people (« the 1 % »).

In oligarchy, the distinction made in democracy between public affairs (public interest) and private affairs (business) does not exist : the oligarchs, as persons, go back and forth in the different spheres (« revolving doors »), and all the powers are united to achieve the same objective, which is in priority to maintain their collective privileges.

Others differences with democracy are that public opinion is shaped by the media system.

Also, in oligarchy, the procedures of representation are much influenced by the medias, first, and second by the role of money to support candidates selected by the oligarques.

Differences with dictatorship is that a debate may exist among the oligarchy. The regim accepts expression of contrarian views, but only at the margins of the system. This tolerance allows the oligarchy to sustain the idea that democracy is still alive – a tool very useful : one of the key of the success of the oligarchy today is the common belief that we are still in democracy.

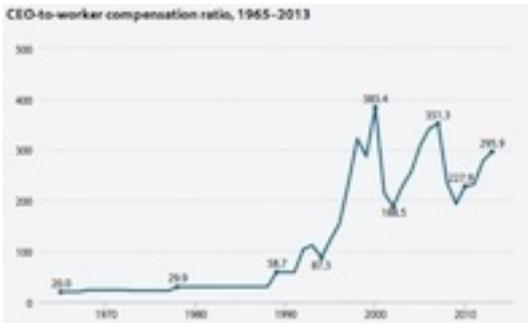
## 2 – Why is the question of oligarchy so relevant today ?

The concept of oligarchy has been forgotten by the political science during the XXe century. During that time, the main question was the confrontation between democracy and totalitarianism (an other word for the regime of dictatorship). For instance, the last important book on oligarchy was the work of the german sociologist Roberto Michels, in... 1911 (*Zur Soziologie des Parteiwesens in der modernen Demokratie. Untersuchungen über die oligarchischen Tendenzen des Gruppenlebens*). I dare to tell that the next one on that explicit topic was mine, one century after : *L'oligarchie ça suffit, vive la démocratie*<sup>2</sup> (Seuil, 2011) (Oligarchy is enough, we need democracy), alas not yet translated<sup>3</sup>. A comparable approach, but without using the concept of oligarchy, is the important book of Colin Crouch, *Post-democracy*<sup>4</sup> (Polity, 2004).

The term was revived by the Russian people when, during the 90', they saw ex-nomenklatura merges with new businessmen to privatize at very low prices (one could tell, steal) the public properties of the Soviet era. People spontaneously began to talk of « oligarchs ». This was a perfect understanding of what was happening.

But in fact, the term began to be coherent with what was happening in the western part of Europe and in the North America. Why ? Because, at it has been now well documented by economists such as Thomas Piketty<sup>5</sup>, the inequality has begun to increase fast after circum1980 (it is not a coincidence that Margaret Thatcher and Ronald Reagan came to the political power at this time). After a period between 1930 and 1980 (limits vary among the countries, but the trend is common) where the hard inequality of the beginning of the century (just before the First world war, 1914...) decreased and went to a relatively (underlined : relatively) low level during the 50'-60'-70' decades, the inequality trend reversed and began to grow again.

Many studies show that. A good example is the ratio between the income of the CEO of the main corporations of the United States and the average income of the workers in that country : at a level of roughly 30-40 during the 50'-60'-70' decades, it then grows to reach the level of more of 300 at the beginning of 2000', since when it stays at this level.



- Source : Lawrence Mishel and Alyssa Davis, « CEO pay continues to rise as typical workers are paid less », *Issue Brief #380*, Economic policy institute, June 12, 2014<sup>6</sup>

### 3 – Why is the oligarchy regime so linked with the growth ?

The main function of the growth became to hide or make insensitive the huge inequality of incomes and heritages which characterizes the European and North-American economies. If the national income grows, the average standard of living improves a little and people is satisfied, not paying attention to the fact that the income of a few part of the population grows much. As soon as the growth tends to zero, the debate about the distribution of the wealth wakes up and the share of the upper-rich comes into an uncomfortable (for them) discussion.

An other reason which makes the growth so needed for the oligarchy is the fact that it helps to pay the public debt. More is important the economic growth, more it makes taxes important for the State, more it makes easier for it to pay the debt. But if growth is low, null or negative, it becomes impossible to reimburse the debt and the economic situation is unmanageable. It is the common situation of many European countries, from Greece to Italy of France. The case of Greece is significant : as the GDP has decreased, the relative weight of debt became heavier in spite of very tough austerity politics.

Of course, this situation is linked to the fact that the debt is not put into question. Not discussed is the fact that a large part of the public debt was produced by the lowering of the taxation of the very rich people and corporations, and not discussed is the fact that an other part of the debt resulted from the public expenses made after the 2008 financial crisis in order to prevent the economic collapse.

In fact, the public debt has been largely created by lowering of the fiscality on rich and corporations, lowering which has been the main tool to increase their income and create inequality.

### 4 – What does this imply to define a strategy of ecological transformation of our societies ?

Program of the needed politics to reverse the dangerous present trend is clear :

- resume power from the banks and from the financial markets ;

- drastically reduce inequality ;

- engage in an ecological economics, whose main principle is to minimize environmental impact of the human activity. No time to develop this now, but it appears that minimize environmental impact imply use of more working effort, so it is part of the answer to the unemployment crisis.

We must have this main objectives as guideline. But at the same time, it is not useful to put a lot of hope in the institutional politics, because the system is locked by oligarches.

One most important objective is to sustain and develop struggles on the ground, in order to block some of the decisions taken by the oligarches, and to develop a spirit of common work and of hope. For example, fight against the airport at Notre Dame des Landes, in France, against coal mining in Germany, against the GMOs in Europe, against shale gas and fracking in Britain, in France or in Poland,... In the near future, it is very important to develop a climate change coalition in order to be present around the climate conference which will take place near Paris in December 2015 (called COP 21).

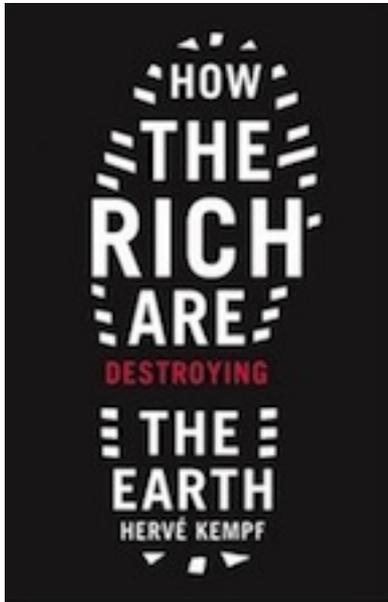
Another important objective, besides the ground struggles, is to stimulate and / or realize all kinds of concrete alternatives such as local currencies, organic agriculture, decentralized energy systems, cooperatives of production, and the proliferous ways of living in an other way than the consuming standard way. The living of alternatives is important for the groups implied themselves, because they emancipate from the capitalist system, and important also to show to the general public, less political conscious, that there are many tools and paths different from the dominant, and that « an other world is possible ».

The movement of transition towns in Britain, the slow food movement in Italy, the Alternatiba movement in France are several examples of such coordinated steps to expand the field of the alternatives.

Then, by a strong movement able to fight destruction of the environment and in the same time to show that there is ecological and humans solutions at the present crisis, it is possible to influence the institutional politics. We can imagine new politics on this basis, where it is the force of the grassroots movement which give birth to representatives expressing the view of the people and not of the rich.

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He published several books of political ecology. One has been translated in English, *How the rich are destroying the earth* ([www.greenbooks.co.uk/Book/10/117/How-the-Rich-are-Destroying-the-Earth.html](http://www.greenbooks.co.uk/Book/10/117/How-the-Rich-are-Destroying-the-Earth.html)).



Among other books, he published in France *L'oligarchie ça suffit, vive la démocratie* (<http://www.seuil.com/livre-9782757832301.htm>).



<sup>1</sup> <http://programme.leipzig.degrowth.org/en/degrowth2014/public/events/235>

<sup>2</sup> <http://www.reporterre.net/spip.php?article125>

<sup>3</sup> But some texts present some of these ideas : In German, « Die Oligarchie – Herausforderung für eine neue globale Politik » ([www.reporterre.net/spip.php?article4042](http://www.reporterre.net/spip.php?article4042)). In English, « From oligarchy to the new challenges of global politics », *Transform*, 2012 (<http://transform-network.net/journal/issue-102012/news/detail/Journal/from-oligarchy-to-the-new-challenge-of-global-politics.html>).

In Spanish : « La autoridad pública está en manos del sistema financiero », *Página 12*, 2013 ([www.pagina12.com.ar/diario/dialogos/21-214082-2013-02-18.html](http://www.pagina12.com.ar/diario/dialogos/21-214082-2013-02-18.html)).

<sup>4</sup> <http://www.polity.co.uk/book.asp?ref=0745633153>

<sup>5</sup> Piketty, Thomas, *Le capital au XXI<sup>e</sup> siècle*, Seuil, 2013.

<sup>6</sup> <http://www.epi.org/files/2014/ceo-pay-continues-to-rise.pdf>