Rebellion against the Elites may be Just Around the Corner

These days we’re witnessing more and more articles published both by leftist and independent media sources as well as larger sites that state that global inequality is “out of control” owed to the inherent injustice of modern economies allowing billionaires to accumulate huge fortunes at the expense of the rest of society.

Just recently, Oxfam International, an international organization monitoring inequality, released ahead of the World Economic Forum in Davos a report that directly questions the effectiveness of existing capitalist systems, while emphasizing that the gap between the rich and the poor is increasingly incapable of being bridged. The attention of the international community is drawn to the fact that no more than 2,153 billionaires have more wealth than 4.6 billion people, which makes the notorious 1% of the richest people in the world twice as rich as some 6.9 billion. Moreover, the number of billionaires has doubled over the past decade. Oxfam believes that the capitalist system is inefficient, as it allows monopolies to flourish and contributes to the concentration of wealth in the hands of a few. The 63-pages long report emphasizes that world leaders are not trying hard enough to close the growing gap between the rich and the poor, giving way to widespread “elitophobia.”

It is noteworthy that the report was published against the backdrop of an ongoing discussion, including one in the United States, on whether billionaires benefit society in any way.

Today, everyone understands that the rapidly increasing number of billionaires can be largely attributed to the detrimental effects of the globalized market economy. The salaries of many senior executives, who may also be receiving them in the form of stocks, have shown a steady growth, while the incomes of ordinary citizens have not increased or have even decreased in some cases. Thus, breakthroughs in economic development play into the hands
of only a tiny minority of the population, while the majority is only getting poorer, which indicates that the elites have overtaken the mechanism of wealth generation within any given economy. The price of neoliberalism turned out to be extremely high in terms of increasing inequality and can lead to the redistribution of wealth among the players, as international economy and trade find themselves in new, completely uncertain conditions, the French Atlantico notes.

Moreover, this happens against the backdrop of declines of entire sectors of the economy in many countries that profess neoliberalism. Growth, on the other hand, is only observed in the richest countries, while poor regions of the world are only getting poorer. Such a model of profits in spite of the depletion of natural resources, makes one wonder if this enrichment has been achieved at the expense of others...

According to a paper titled Elite Capture of Foreign Aid : Evidence from Offshore Bank Accounts that was presented to the World Bank as early as in November 2019 but has only just appeared the other day after a scandal in the Western media, countries that receive international aide are not getting richer. According to the study, after monitoring the data on loan transfers issued by the World Bank to some two dozen mostly dependant countries, it becomes obvious that once a loan is received money starts pouring out from those nations and into offshore zones. Analysts have come to the conclusion that the most plausible explanation of this phenomenon is that a part of the aid is being stolen immediately by the rich and powerful. In struggling countries some 7.5% of the funds are siphoned on average, in those desperately poor - up to 15%.

Hence, everywhere there is a decline in faith in the existing democratic institutions, because people in many countries of the world are convinced: all the benefits of prosperity go to a select few. This is precisely what British sociologists from the Cambridge University say, as they found out after conducting a large-scale survey that 57% of the world’s inhabitants have no faith in existing government institutions. This distrust reached especially alarming levels in the US, Great Britain, France and many other developed states. According to Roberto Foa, a Cambridge University Lecturer on politics and public policy, the level of dissatisfaction with democratic political institutions has been growing rapidly in recent years, reaching its peak in both the developed world and all across the developing world. According to various analysts, this phenomenon has led to the emergence of populist parties and movements offering undemocratic solutions to a long list of economic and political problems. In particular, sociologists explain the victories of Donald Trump, Boris Johnson and Brexit supporters by the growing frustration of the Western public.

If, as soon as possible, workers are not provided with economic benefits for their labour and the world trade system is not reformed, the political and business elites may be taken down one day by an anti-elite rebellion, notes Foreign Policy. The publication notes that in recent months, protests have flared up around the globe: from Catalonia and Hong Kong, where they demand the right for self-determination, to Algeria, Chile and Ecuador, where people are unhappy with social inequality. Many activists are calling for a fundamental reformation of the system of world governance. The publication presents the results of a study of the level of public confidence in government institutions conducted by the Edelman Trust Barometer in 28 countries, which are consistent with the research of the University of Cambridge. Results of this study indicate that less than 20% of the world population trusts the elite, while 73% advocate reforming the current system of global capitalism.

In recent years, the dynamics of elitophobia has increased remarkably, due to many factors. Among the leading reasons is the inability of the political and financial elite of the most powerful Western states to properly manage difficult economic and social processes, while being unable to present a convincing long-term development strategy. Therefore, the sensational statements of Foreign Policy and various research groups of sociologists and economists about the approach of an “anti-elite rebellion” are hardly a surprise.

Vladimir Odintsov, expert politologist, exclusively for the online magazine ‘New Eastern Outlook’. 