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**Corporate Standards of the Finance Oligarchy**

(Threats to Positive Global Transformations)

The current proliferation of ideological, political, economic and social conflicts has raised serious doubts about the sustainability of the modern world order. Ever-growing feelings of injustice accompany the growing inequality in world development and seem to prevent any possible positive global transformation. Under these conditions, there is a serious need for dramatic changes within relations of civilizations, states and individuals.

The article aims to offer a new approach to the role of the so-called finance oligarchy and its relationship towards society and state in the context of a deep systemic instability. It will address this group’s main characteristics and aims, with a reference to the results of different research projects undertaken recently under the auspices of the World Public Forum (WPF) “Dialogue of Civilizations”.

In an already chaotic world, the current widespread crisis once again raised important questions about state-society relations, and specifically the quality and limits of a state management, justice and predictability. There are at least two conflicting approaches on these matters - those of neoliberals and statists. The neoliberal approach suggests that the state has to be limited in its functions. Its proponents argue that a civil society that operates through self-regulating organizations in the context of developed democracy and individual freedom does not need the state’s guardianship (read: de facto control). On the other side, there are the advocates of the “strong state power.” They reasonably point out towards the fact that, especially in the absence of developed democratic institutions, sharp reduction of state functions leads to the growth of social and economic inequities, tensions and even more instability.

Both of these approaches, being ideal models, are far from reality: neither total state control nor complete non-inference in the processes of economic and social development is possible. If maintaining order is an organic function of state power - as we mentioned above - and an unalienable factor of any kind of public management than we can extrapolate that in the future this function will not disappear, but will become a prerogative, even an instrument, of the coming “global state”. This “state” may allow itself to interfere or not to interfere into national states, to take over the right to abolish national institutions.

In other words, the current transformations visible in massive protest movements in different regions and countries are the reaction to what my colleague, political scientist Adrian Pabst, calls“collusion between Big Government and Big Business.”[[1]](#footnote-1) This collusion leads to the formation of a certain system that privatizes profits, nationalizes losses, and imposes increased risks on society. This system has worsened the previously existing uneven distribution of incomes and property and has increased poverty in developing countries and emerging markets.

Within this system, a specific social stratum that we term “transnational finance oligarchy” aims to manage not only social groups and communities, but also states, regions and societies, with neglect of both state sovereignty and any “domestic” civilizational or cultural specifics.

However, this social stratum has one weakness: there are the financial markets themselves and then there is state ownership of money. No one can be the true owner of a financial system except the state whose marks of distinction are present on any bill or coin.

Let me elaborate on the nature of above phenomena. Transnational Corporation of the finance oligarchy has certain characteristics. First is its international, global character. In my opinion, it is a mistake to put all the responsibility for the global systemic crisis of 2008 (started as a financial crisis which grew into a financial-economic one and is now regarded by many specialists as a systemic crisis) solely on the US administration as many media do. In such a case, the responsibility of the US state system is overly exaggerated.

Meanwhile, over the last decades of the twentieth century, the financial community has concentrated in its hands the supercritical mass of the world's wealth and, above all, financial capital. Global migration of a real economy in form of capital and productive assets being moved from one country to another, from one continent to another is happening according to specific plans and exclusively in the interests of the financial oligarchy. That trend has profound consequences in the most massive impoverishment of “the middle class” in the western countries since the days of the Great Depression, in the growth of social tensions, and in numerous interethnic conflicts.

The financial oligarchy has monopolized the right to truth in modern economics in order to establish the inviolability of neoliberal concepts. My colleague, Craig Calhoun says:

“…how could neoclassical and some other versions of economics persist so long in models based on representative rational actors, smooth curves, and anticipations of unproblematic long-term growth? And were traders and managers on Wall Street really convinced by all the hype about new capacities to manage risk, or did they actually know the crash was coming but get taken in by the notion that they were so smart they could time getting out better than most did? Certainly one feature of the bubble years was drawing an array of the brightest students at top universities to work in investment banking, enculturating them in a world of playing late-night poker games, celebrating risk, denigrating risk management and regulation, and perpetuating the satisfying notion that they were not only brainy enough to deserve absurd fortunes for minimally productive activity but bright enough to know when to get out of the Ponzi scheme.”[[2]](#footnote-2)

Global financial oligarchy has almost completely appropriated the control over information-management systems (traditional mass-media, internet, special and social networks) that have started to lose their status as of harmless information storage and became rather bold instrument of the capital justification of its actions.

That quasi-stratum has usurped the channels of virtual capital flows the same way as Britain once seized the control over world trade routes. Nowadays, financial operations could be unpredictably suspended or done with a lightning speed to create an “empty added value”.

Throughout the XIX-XX centuries, that financial social stratum tried to consolidate under its overt or covert control the state systems of developed and many developing countries, except for the states that proclaimed an alternative social orientation: the USSR, China, other countries of the socialist camp, and a number of traditionalist regimes of the East.

We can, with a certain degree of confidence, outline the main aims of the financial oligarchy. First and foremost is to achieve the total and unconditional victory of “consumerism”. To a considerable degree, such a world already exists. In this world, the slogan “consumerism is an engine of the economic development” became a slogan for a global manipulation of public consciousness, under which even the smallest seeds of spirituality, of historic traditions, national culture and identity are rooted out to open the way for global financial commercialism.

All categories of citizens, from teenagers to elderly people, have become the targets of aggressive consumerism. Even kids are becoming an active resource for the growth of consumerism. Such an all-out impact on consumers creating a path towards the process of global commercialization (financialization) of the global society . As one of the authors of the “Possible Futures Series”, professor of anthropology at New York City University David Harvey says, it is the radical financialization that has helped the capitalist economy to survive which has become the reason of a deep crisis

 In people’s minds, basic values, including those defined by a human social nature, are replaced by surrogates, suitable for manipulation. The sacredness of human life, the importance of traditions for development, the value of a family and continuity of generations, the holiness of motherhood, the recognition of a man as a social creature, the importance of real freedom have been replaced - by media – with a secondary issues related mainly to market.

To the list of these phenomena we should also add the propaganda of unlimited individualism and disregard to the interests of others. As such, it does not matter whether we are speaking about the interest of a neighbor that lives down the street or about the interests of people that live in Iraq, Libya, Egypt, Algeria, Tunisia, Syria, Israel, countries of Africa or Latin America, Russia, India or China. A sound example of this is the NATO aggression against Iraq. The pretext to start a war was that Iraq possessed weapons of mass destruction that could threaten western society and mankind as a whole. However, even after the George Bush Administration and Tony Blair’s Government officially admitted the faked pretext behind the armed intervention, this did not result in any kind of morally obligating response from Americans and Europeans. Neither does the general public know anything about the demands to bring to justice the lying statesmen responsible for the death of thousands of their own citizens and Iraqis.

Being atomized by the propaganda of unlimited individualism, Western society is prone to accept any “message” under the pretext of protecting “common human values” that belong exclusively to the Anglo-Saxon civilization.

With all the well-known and widely spread judgments about such values ​​ as individual freedom, competition, freedom of choice, etc., global society has prescribed a practice that allows it to maintain such a social management that, above all, helps to achieve the goals of protecting its own foundations. One of the founders of the WPF “Dialogue of Civilizations”, Jagdish Kapur named it an “armament protected consumerism.”[[3]](#footnote-3)

Thus, given the double-standards practice occupied by those creating the global values, one of the most effective ways to suppress “global nonconformity” is the creation of manageable economic crises that nowadays have replaced the spontaneous ones of earlier capitalism characterized by a free market competition and repeated overproduction. A point that made as well Nancy Fraser , by saying that , state policy that “corrects” the market mistakes is a certain form of dominance. [[4]](#footnote-4) To overcome the destructive tendencies, Fraser underlines, it is not enough to just re-embed markets with social relations and needs; it has to be done in way that would formulate anew the “norms that gain social support.” [[5]](#footnote-5)

Nowadays, it is timely to reassess the Bretton Woods Agreements and re-try to made the global finances to be more transparent and predictable. In practice, and the most recent financial-economic meltdown illustrates that this decision has resulted in the creation of the sole center for the emission of a reserve currency. That fact provided the above-mentioned financial stratum with indisputable advantages to format the world according to its own templates and process of subordination of national economies.

 Their economic relations could only be compared to the ones of period of an early colonization, when treasures of the developing countries were swapped for “the glass beads” of the western world. My colleague from Turkey, sociologist Caglar Keyder points out that it is does not matter how much the middle class of rich countries suffers; the burdens created by globalization, inequality, exploitation and crises fall, to a greater extent, on the shoulders of the poorest part of a mankind. [[6]](#footnote-6)

Another example of the financial oligarchy activity is the usurpation of the right to implement globally the policy of so-called “environment protection.” Indeed, there is no need in doctor degree to realize the consequences of the man’s impact on Nature. Ozone holes, diseases caused by pollution, water shortages, natural disasters and technogenic catastrophes – all of these does threaten the mankind’s existence.

What are the recommendations given to cope with these problems? Those are the reduction of harmful emissions into the atmosphere, employment of energy-saving technologies and technologies based on renewable sources of energy, widespread campaign against the use of the nuclear power plants, etc. It would seem that both public and governments of the developed countries have realized the disastrousness of violence over Nature. However, why did the U.S. refuse to join the Kyoto Protocol on limiting harmful emissions from the industrial production into the atmosphere? How will developing countries solve the problems of their development, in particular, of an energy gap? The answer would be to employ modern expensive technologies to be bought from the West on the Western credits. As a result, it will support the western development and deepen the dependence of the developing world bringing one more instrument of powerful manipulation.

Thus, no matter whether it is protection of environment or of common human values, by means of war or peace it will be the goals of those who dominate – of the “ financial oligarchy headed by the USA, in general, and of the corporation of bankers, in particular. Corporation of the finance oligarchy absolutely does not care about “local” population and “local states” . They do not accept cultural or civilizational difference. On the contrary, they try to prevent (or even crush) any possible spiritual or social-economic opposition, be it in Iraq or Iran, Libya or Syria, Russia or Cuba, etc. The corporation (oligarchy) even loses its interest to needs of its own middle class – the guarantor of the consumption system. Recently stable western society is now also becoming “a risk zone” and a sphere of instability and uncertainty.

Under such conditions, even the idea of the dialogue of civilizations is considered as a dangerous challenge for financial oligarchy. The finance oligarchy opposes the multitude of languages, the poly-cultures, the traditional civilizations and the quest for adequate models of development by bringing chaos, confrontations, armed conflicts, and turning world asunder by prejudices and fears of the onset of peace; that made the world much easier to manipulate and control. To overcome this pattern, to bring qualitative positive transformations, it is extremely important to understand the necessity in a more humane and plural society, to bring into every house the ideas of respect towards the Other, to realize the equality of different civilizations, their cultural and spiritual heritage, and their right to choose their own path of development and life.

1. Adrian Pabst, in: in *The Deepening Crisis*, eds. Craig Calhoun and Georgi Derluguian, Possible Futures Series: v.1, (New York: New York University Press, 2011): 158. [↑](#footnote-ref-1)
2. Craig Calhoun, “Introduction: From the Current Crisis to Possible Futures” in *Business as Usual: The Roots of the Global Financial Meltdown*, eds. Craig Calhoun and Georgi Derluguian, Possible Futures Series: v.1, (New York: New York University Press, 2011): 27-28. [↑](#footnote-ref-2)
3. [↑](#footnote-ref-3)
4. Nancy Fraser, “Marketization, Social Protection, Emancipation, Toward a Neo-Polanyian Conception of Capitalist Crisis” in *Business as Usual: The Roots of the Global Financial Meltdown*, eds. Craig Calhoun and Georgi Derluguian, Possible Futures Series: v.1, (New York: New York University Press, 2011): 137-159. [↑](#footnote-ref-4)
5. Ibid. [↑](#footnote-ref-5)
6. Caglar Keyder, “Crisis, Underconsumptiom, and Social policy” in *Business as Usual: The Roots of the Global Financial Meltdown*, eds. Craig Calhoun and Georgi Derluguian, Possible Futures Series: v.1, (New York: New York University Press, 2011): 159-185. [↑](#footnote-ref-6)