

The Twilight of the Elites

Why We Have Entered the Post-trust Era.

Christopher Hayes

From Time, March 2010

1. In the past decade, nearly every pillar institution in American society – whether its General Motors, Congress, Wall Street, Major League Baseball, the Catholic Church or the mainstream media – has revealed itself to be corrupt, incompetent or both. And at the root of these failures are the people who run these institutions, the bright and industrious minds who occupy the commanding heights of our meritocratic order. In exchange for their power, status and remuneration, they are supposed to make sure everything operates smoothly. But after a cascade of scandals and catastrophes, that implicit social contract lies in ruins, replaced by mass skepticism, contempt and disillusionment.

2. In the wake of the implosion of nearly all sources of American authority, this new decade will have to be about reforming our institutions to reconstitute a more reliable and democratic form of authority. Scholarly research shows a firm correlation between strong institutions, accountable elites and highly functional economies; mistrust and corruption, meanwhile, feed each other in a vicious circle. If our current crisis continues, we risk a long, ugly process of de-development: higher levels of corruption and tax evasion and an increasingly fractured public

sphere, in which both public consensus and reform become all but impossible.

3. For more than 35 years, Gallup has polled Americans about levels of trust in their institution – Congress, banks, Big Business, public schools, etc. In 2008 nearly every single institution was at an all-time low. Banks were trusted by just 32% of the populace, down from more than 50% in 2004. Newspapers were down to 24%, from slightly below 40% at the start of the decade. And Congress was the least trusted institution of all, with only 12% of Americans expressing confidence in it. The mistrust of elites extends to elites themselves. Every year, public-relations guru Richard Edelman conducts a “trust barometer” across 22 countries, in which he surveys only highly educated, high-earning, media-attentive people. In the U.S., these people show extremely low levels of trust in government and businesses alike. Particularly distrusted are the superman CEOs of yore. “Chief-executive trust has just been mired in the mid-to low 20s,” says Edelman. “It started off with Enron and culminates in Citi.”

4. Such figures show that the crisis of authority extends beyond narrow ideological categories: Big Business and unions, Congress and Wall Street, organized religion and science are all viewed with skepticism. So why is it that so much of the country’s leadership in so many different walks of life performed so terribly over this decade? While no single-cause theory can explain such a wide array of institutional failures, there are some themes – in particular, the concentration of

power and the erosion of transparency and accountability – that extend throughout.

5. Few people know this better than Terry McKiernan, 56, the founder of Bishop Accountability. Like nearly all Irish-American boys of his generation, McKiernan was raised in the Roman Catholic Church – altar boy, confirmation, a lifetime of Sundays. His uncle was a priest. When allegations of sexual abuse in the priesthood surfaced in 2002, McKiernan says, “the whole thing honestly hit me kind of hard.” So he quit his job as a management consultant and started Bishop Accountability, which is in the process of procuring more than 3 million pages of records about the Church’s sex-abuse scandal. According to McKiernan, the main institutional characteristics that produced the crisis were the Church’s obsessive secrecy and its hierarchical nature. Those at the top of the pyramid, the bishops were exempt from any corrective accountability from below. This dynamic isn’t unique. “There are various ways in which the Church is a peculiar institution,” McKiernan says. “But,” he adds, “It is also simply an institution in which the rules of power apply and the effects of secrecy apply. I’m not surprised that people doing unexamined things do bad things.”

6. That dynamic has played itself out throughout society. Look at CEO pay. In 1978, according to the Economic Policy Institute, the ratio of average CEO pay to average wage was about 35 to 1. By 2007 it was 275 to 1. Nell Minow, a lawyer and

corporate-governance expert, has for decades waged a one-woman crusade against excessive CEO pay. She windfalls regardless of their company's performance. "It's like going to a racetrack and betting on all the horses, except you're using someone else's money," Minow says. "You know one of them is going to win. As long as you're not paying for the tickets, you're going to come out ahead."

7.Of course, it's not really news that very gifted and talented people can make poor, even colossally catastrophic judgements. But the fact is, a complex society like ours requires many tasks to be performed by experts and elites, and tackling some of the most difficult and urgent problems we face requires repositories of authority that can successfully marshal public consensus.

8.Take the problem of climate change. It's beyond our ability to recognize the imperceptible upward creep of global temperatures, so we must rely on the authority of those who are doing the highly complicated measuring. But at a moment when we desperately need elite and experts to use their social capital to warn the populace of the dangers of catastrophic climate change, skepticism is rising. A comprehensive Pew poll released in October found that only 57% of respondents think there's evidence of warming (down from 71% last year), and just 36% think it's because of human activity (down from 47%). This is the danger of living in a society in which the landscape of authority has been leveled: it's not

there when you actually need it.

9.The elite failure of the past decade should teach us that institutions of all kinds need input from below. The Federal Reserve is home to some of the finest economists and brightest minds in the country, and yet it still managed to miss an \$8 trillion housing bubble and the explosion of the subprime market. If, say, the Federal Reserve Act required several seats on the board of governors to be reserved for consumer advocates – heck, even community organizers – it would have been harder to miss these twin phenomena.

10.If there are heartening countertrends to the past decade of elite failure, they' re the tremendous outpouring of grass-roots activism across the political spectrum and the remarkable surge in institutional innovation, much of it facilitated by the Internet. In less than a decade, Wikipedia has completely overturned the internal logic of the Enlightenment-era encyclopedia by radically democratizing the process of its creation. Farmers' markets have blossomed as a means of challenging and subverting the industrial food-distribution cartel. Charter school have grown for the same reason; local school systems are no longer viewed as transparent and democratic.

11.This, one hopes, is just the beginning. All these new institutions are inspired by a desire to democratize old, big oligarchic hierarchies and devolve power downward

and outward. That' s our best hope in the decade to come. For at the end of the day, it' s the job of citizens to save elites from themselves.