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Money talks in America's politics

In the US midterms 2018, American democracy is ever more threatened by lax campaign financing rules

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In an international comparison of democracies, the US is no longer at the head of the class. There are reasons for American democracy's loss in quality. On the one hand, increasing numbers of US citizens are turning their back on political issues or are rebelling against the 'establishment' by supporting populists and demagogues like Donald Trump. It's telling that the billionaire Trump was able to win the confidence of his constituents in this complicated state of affairs, saying that nobody could buy him off because he already had a lot of money. On the other hand, a few persons are using their right of free speech guaranteed by the Supreme Court to, among other things, make lavish campaign donations in order to safeguard their special interests.

'We have the best democracy money can buy.' Americans sometimes respond to critical questions about the Washington political scene with this self-deprecating description. Meanwhile, even liberal-economic media such as *The Economist* no longer shy away from calling the US a plutocracy in which the wealthy exercise political power. On 21 January 2010, the Supreme Court (in the case Citizens United vs. Federal Election Commission) once again ruled against a ceiling on donations because they violate the right of free speech. Consequently, wealthy individuals and businesses are allowed to spend even more money to assert their preferences through the so-called Political Action Committees (PACs).

Casino billionaires Sheldon and Miriam Adelson alone have contributed USD 55 million to defend the majority of Republicans in both houses of Congress in the election on 6 November 2018. But that is just the beginning. Currently the Democrats are in the lead in the chase for donations: in the elections for the 435-member House of Representatives they have secured USD 618 million compared to the Republicans' USD 470 million. And in the race for re-election of one-third of the 100 senate seats it's USD 368 million versus USD 258 million.

Money, money, money

It's highly likely that another record for donations will be broken this time. Steve Bannon says it's all or nothing. Donald Trump's former chief strategist has succeeded in mobilising a group of anonymous donors to prevent the worst: if the Republicans lose their majorities in the House and Senate, even the White House could already be in jeopardy. It could be a hard time for Trump. If a majority in the House initiates impeachment proceedings, Trump could be removed from office by a two-thirds majority of senators present.

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Even if things don't go that far, the President would at least be slowed down, for example, by a parliamentary check on his (foreign) policy. More importantly, Congress could delay his lifetime appointment of judges that would radically change the world power America long after his term of office is over. With the Supreme Court having the last say in campaign funding, Donald Trump can undermine the quality of American democracy all the more. It's because of these important decision-making powers that powerful donors backed Donald Trump's election as president.

In the 'Land of the Free', the privileged classes have always set the tone. Even the wealthy founding fathers, the architects of the US Constitution, safeguarded their possessions through the establishment of constitutional structures, and excluded most of the population from political participation — especially blacks and women. Then, industrialisation culminated in the concentration of economic and political power. Already 100 years ago, in the Gilded Age, the US was in the grip of the 'robber barons'. The power of the trusts, the monopolies of Rockefeller, Carnegie and other industrial giants, were broken only by the Progressive movement (1890–1920). Its goal was to clean up the politics of corruption; economic activities were taxed and regulated.

The winner takes it all

Today, a new progressive movement is needed more than ever. Even now, the US already has a concentration of economic and political power that endangers the functioning of market competition and democracy, especially in the areas of financial services and the oil and gas, defense and IT industries.

Financially strong companies – and the interest groups organised by them – can influence policies and the rules of political debate in their favour in order to preserve their privileges. They are influencing politics in order to extract even more wealth through tax breaks, subsidies, and by softening legal regulations.

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This guaranteed level of minimal regulation will continue to allow US corporations to grow even larger through mergers, to act in concert with others, and to expand their businesses internationally, so as to gain additional economic and political power.

Google: knowing me, knowing you

In the summer of 2015, for example, a holding company called Alphabet was founded. IT industry experts suspect that with this new corporate structure, Google wants to prevent possible regulations by the Federal Communications Commission, in the event that a future government would ever consider the (politically suicidal) idea of regulating internet content such as Gmail, the Google Search function or its mapping service.

But the sheer size of the group, and especially its knowledge of the interests, buying preferences, and habits of its customers, means economic and social power. Like the narrator of a novel or film who, with God-like omniscience, moves his characters around, Google boss Eric Schmidt said, 'We know where you are. We know where you were. We can more or less know what you are thinking right now.' When you are recording people's interests, purchases, and living habits, you might also want to influence them as well.

The mega-corporation's market power — over 90 percent of searches in Europe are via Google — has brought the monopoly control of the European Union to the scene. Under the auspices of its Competition Commissioner Margrethe Vestager, the EU is also serving the American democracy by opposing Google's dominant position.

Louis Brandeis, who supported the progressive movement as a member of the US Supreme Court from 1916 to 1939, was convinced that democracy could not endure when only a few had such a combination of wealth and political power.

Most of his successors today at the Supreme Court are far less concerned in this regard. With their rulings on election campaign financing, they have opened up unlimited opportunities for politically motivated entities to exercise their right to free speech by spending billions of dollars.



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