Elite Capture

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No government is immune from failure. There are many types of government failure, but one of the most significant is when a government fails to deliver its most fundamental promise: to ensure that the collective group's interests are fulfilled. What leads to this government failure is often a phenomenon known as "elite capture." Elite capture is a form of corruption when the "elite," the subgroup of people with power over and access to crucial resources, make decisions that benefit themselves at the expense of the larger group's interests. The elite, hence, "captures" resources and interests. This essay will examine elite capture in identity politics, sociopolitical movements, and government systems.

Elite capture is first visible in identity politics. This point may be counterintuitive. Identity politics relates to the justified political movements and campaigns pushing for greater societal equality. It is difficult to imagine how politicians and the elite can use identity politics for their interests. In 1957, the African American sociologist E. Franklin Frazier released his study of the U.S. Black middle class. Frazier accused the Black elite of using arguments for Black economic equality as camouflage to cover their actual intention of advancing their economic interests. For example, in 1900, Booker T. Washington, the primary leader of the contemporary Black elite, established the National Negro Business League. Many African American business owners and entrepreneurs enthusiastically joined. They bought into the claim that this organization would be critical in their effort to eradicate White racism in business and build a Black economy. However, it soon turned out that a Black economy was not a serious possibility, as the African American business did not have economic potential.

Why did the "myth of a Black economy" survive? Frazier argued that the small group of Black bourgeoisie pushed the idea forward. Some wanted to enjoy a monopoly of the African American economic market, and others craved to join the White-dominated firms by displaying knowledge of the African American market. Whatever the purpose was, the Black elite disguised their actual intentions with the lofty claim that establishing organizations such as the National Negro Business League would strengthen the call for racial equality. This example showcases the existence of elite capture in identity politics.

Elite capture can also proliferate in sociopolitical movements. During the 2011 Arab Spring, protesters called for establishing democratic governments. Several regime changes occurred in Tunisia, Yemen, Libya, and Egypt. However, while the new political elites that replaced previous governments promised reforms, they only desired to consolidate their power through different means. Consider Egypt. During the 2011 uprising in Egypt, widespread protests led to the

ousting of President Hosni Mubarak, who had been in power for nearly 30 years. The protesters demanded political reforms, an end to corruption, and socioeconomic justice.

Mohamed Morsi, a member of the Muslim Brotherhood, won the presidential election in 2012. His presidency was marred by accusations of his forces focusing on consolidating their power and advancing their agenda rather than genuinely addressing the revolution's demands. Like many authoritarian leaders, Morsi issued a series of decrees in 2012 that significantly expanded his powers. His political allies, drafting a highly contentious constitution, dominated the Constituent Assembly the same year. The writing of the Constitution did not ensure adequate representation and input from various segments of society. The case of Egypt suggests that sociopolitical movements could ultimately lead individuals to rise to power. Quoting the views of some political philosophers, revolutions can be ineffective because they only replace one malfunctioning or totalitarian regime with another.

Finally, elite capture is a phenomenon that exists in the fundamentals of political systems. Some might first associate elite capture with authoritarian, highly centralized states. To cling to power and advance their interests, politicians often utilize different disguises to coax the public. However, elite capture is also prevalent in decentralized political systems. By yielding power to smaller units and groups, it is more difficult for a central authority to monitor the behavior of these groups. For instance, the U.S., while scattering political power across its three branches, is not immune from this phenomenon. U.S. politics is an iron triangle formed by Congress, the bureaucracy, and different interest groups. Congress funds and supports the bureaucracy; the bureaucracy loosely regulates and provides special favors to the interest groups; the interest groups lend electoral support to Congress.

In this system, there can be elite capture in almost every relationship. One infamous example is the influence of the financial industry on Congress leading up to the 2008 financial crisis. Some critics have argued that the close relationship between Wall Street lobbyists or bankers, one powerful interest group, and lawmakers led to the enacting of deregulatory policies. These policies served the interests of financial institutions as they could implement riskier practices. But such an advancement of elite interest was a moral hazard, causing Congress to neglect the public's well-being. As a result, banks collapsed, and financial mayhem ensued, endangering the livelihood of many Americans and other countries' citizens. This example demonstrates the severe ramifications of elite capture. When the elite attempt to prioritize their interests, they usually approach certain branches of the government to utilize their power. This action can "blind" the government, as officials are still people who may not resist the temptation of wealth and other benefits. The lack of a central authority also makes it harder for other branches of the government to detect and legislate such behaviors. When the government becomes incompetent and is swayed by interest groups, its citizens bear the brunt of their incompetence.

Eliminating elite capture is particularly arduous. Like any other corruption, it is difficult to gauge how deeply it runs in a particular government. Additionally, the root cause of elite capture is strongly related to human nature and the inability to effectively put a leash on its greedy and selfish side. The problem is quite comparable to the issue of negative externalities in economics. While governments may impose taxes and regulations to forcefully prompt individuals to decrease the production or consumption of a good that leads to external costs, these policies often fail to tackle the motives that incentivize people to produce or consume these demerit goods. In the long run, undesirable actions persist.

In the case of elite capture, governments may attempt to stamp out graft with an iron fist. But brute force is rarely a viable long-term solution for such a phenomenon that may be invisible under surveilling eyes. Governments should take a hybrid approach. On the one hand, they must set up institutions and mechanisms to check the power of local governments or branches of the central government. The separation of powers is still effective, even though it does have its share of flaws. On the other hand, governments should focus on promoting economic and social equity. Underlying socioeconomic disparities contribute to elite capture, calling for policies strengthening social safety nets and reducing income inequality. Positive solutions like these deserve greater attention. Elite capture is an "evil" parasite in political, economic, and social structures. But punishing "evil" alone rarely eradicates evil. Building a safe, dynamic, and equitable society is a more crucial prerequisite for eradicating evil.