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Book review: Janine R. Wedel, *Shadow Elite: How the World's New Power Brokers Undermine Democracy, Government, and the Free Market*

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Janine R Wedel

Shadow Elite: How the World's New Power Brokers Undermine Democracy, Government, and the Free Market

New York: Basic Books, 2009, £17.99 hbk (ISBN: 9780465091065), xv + 283 pp.

Reviewed by: Peggy Watson, *University of Cambridge, UK*

This important new book addresses the qualitatively new system of power and influence that has taken shape in the world over the last 20 years. Janine Wedel charts fundamental developments which have undermined democracy, and which pose an enormous challenge if the new political operators of today are to be effectively called to public account. In her analysis, four dimensions of change have contributed to the present state of affairs. The first is the redesign of government, by which Wedel means the neoliberal changes of the Reagan era which extolled privatization and propagated a narrative of limited government. Contrary to rhetoric, however, government has not in fact shrunk, but is getting bigger as government tasks are contracted out – sometimes to private companies whose sole income is derived from such government contracts. The second is the end of communism. The end of the cold war has changed relations among states, but also between states and markets with new opportunities for the merging of private and state power. Within post-communist countries, the very rich pickings to be made in the course of privatizing assets previously owned by the state mobilized pre-existing networks to move into the arena vacated with the dissolution of authoritarian state power. Post-communist networks drew on informal modes of cooperation which had already become established during state socialism. Wedel draws on Polish sociologist Adam Podgórecki's term 'dirty togetherness' here. The third aspect of change which Wedel highlights is the development of complex technologies such as cable and the internet. Finally, she cites the significance of the rise of 'truthiness'. This refers to the tendency to play with representations, for example via the internet, to present reality in terms of what one would like it to be, rather than as it is. It is truthiness that has led to a situation where professional comedians at times offer a more accurate representation of reality than the news.

The book begins by describing the new breed of political operator that has come to the fore. Wedel calls them *flexians*. Typically these people occupy multiple and overlapping roles. They may simultaneously be academics, government consultants, and represent

business interests. Their activities permeate the boundary between public and private and traverse many institutions. Crucially, there are inherent doubts about where flexians' allegiances lie. An example is the case of General Barry R. McCaffrey who frequently appeared on US news channels as an independent commentator on the Iraq war. While appearing in the guise of an expert – he was a part-time professor at the US Military Academy – in effect he was an unofficial spokesman for the Pentagon. He depended on them for access and information, which was withheld when the views he expressed did not 'toe the line'. At the same time, he had links with business and signed a consultancy contract with a defence company to help them win a lucrative government contract, recommending the supply of their armoured vehicles to the commanding general in Iraq, without mentioning his relationship with the firm.

When flexians work together they form a *flex net*. The mode of operation of both flexians and flex nets involves personalizing bureaucracy, privatizing information while branding conviction, juggling roles and representations, and relaxing rules of bureaucratic accountability and businesses' codes of competition, at the interface of business and state. Using this conceptual framework and applying network analysis, Wedel identifies the constitutive members, and charts the operation, of two specific flex nets. The first is that formed by people associated with Harvard University's Institute for International Development and the Chubais clan. Although the flex net comprised no more than 12 persons, it was influential in the remaking of Russia, taking US government outsourcing to new extremes. Wedel manages to piece together a coherent and revealing picture, showing how the Harvard players acted and how they were ultimately relatively immune from the law. The second flex net that is analyzed is the US neocon core that was in the ascendancy until the end of the Bush reign.

In identifying specific persons and elusive webs of informal relationships, Wedel has not written a book that is asociological, but one that powerfully suggests that a new approach is needed in order to understand politics and policy after the cold war. Old terms like corruption and conspiracy do not fit the bill. Corruption involves conflict of interest, but coincidence of interest is what is at issue now. Nor is it a question of revolving doors, but rather one of no doors at all. Under communism, publics were characterized by deep political skepticism. After the cold war that intensified skepticism is required of us all. I strongly recommend this book.