Janine Wedel: Who Is Really in Charge?

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Public policy professor **Janine Wedel** has been a pioneer in applying anthropological insights to topics that are typically the terrain of political scientists and economists. In her new book, *Shadow Elite: How the World's New Power Brokers Undermine Democracy, Government, and the Free Market* (Basic Books, 2010), she details a new system of power and influence and a new type of power broker who debuted in the late 20th and early 21st centuries. She explores the ways in which these movers and shakers (whom she calls "flexians") brandish power and influence, and more easily elude democratic process and free-market competition than their forebears. *Shadow Elite* was Book of the Month in January for the *Huffington Post.* Wedel now has a featured column on the topic that appears every Thursday in that news outlet.

How did you get into this area of study?

I had spent my career working in Eastern Europe. In a twisted sort of way, examining Eastern Europe up close—through its transformations away from communism over the past quarter century—has turned out to be excellent preparation for making sense of what is happening in the United States today.

My book *The Private Poland* (Facts on File, 1986) looked at how people living under communism survived amid scarcity and distrust of the state and how the most agile among them thrived. *The Unplanned Society* (Columbia University Press, 1992) and *Collision and Collusion: The Strange Case of Western Aid to Eastern Europe* (St. Martin's Press, 2001) considered how the informal practices were honed under communism—such as enlisting one's network to work around the rules and using one's government job to benefit the network rather than the public—helped shape the systems that emerged after it fell.

As communism collapsed, I saw firsthand what happens when a centrally planned state that had owned virtually all the property, companies, and wealth breaks down. The networks and the indigenous practices that had operated under the surface spring into action. I watched longstanding networks of elites—energetic, well-placed, and sometimes, ethically challenged—rise to fill leadership vacuums and shift the direction of government, business, and the media. At times, they reaped the spoils of previously state-owned wealth.

Then you began looking at the United States?

Governance and policymaking in the United States today are not altogether dissimilar [to that of post-communist Eastern Europe]. Here a new era of blurred boundaries is marked by a great upsurge in contracting out crucial federal government functions. A little known fact is that three-quarters of the people working for the federal government are employed directly by private companies. Not only are there more contractors than there are civil servants, but think tanks and quasi-government organizations and advisory boards play ever-greater roles in governing.

With so much more governing outside the federal government today, it is perhaps not surprising that the networks I charted in transitional Eastern Europe do not look altogether different from those at the pinnacle of influence in the United States. The way that government and business now interlock in the United States, notably in the wake of Wall Street's meltdown, resembles the tangle of self-interested government-business clans and other such informal networks that earlier emerged in Eastern Europe. In both cases, operators at the top challenge governments' rules of accountability and businesses' codes of competition, ultimately answering only to each other. In both cases, it's hard to get more efficient, because inside information and power are confined to a very few actors who trust each other. And, because only the players have the information, they can brand it for everyone else's consumption without anyone being able to challenge them. Their maneuverings are largely beyond the reach of traditional monitors. Gone are the messy disagreements and competing interests of the democratic process.