

## The Capture of Democracy to Impose Marketocracy

*—Why Democracy is a Hoax*

Álvaro J. de Regil

### Introduction

**T**his paper is an excerpt of “Marketocracy and the Capture of People and Planet”, published in June 2021, which provides a holistic assessment of the unsustainable trajectory that humanity has been following since the First Industrial Revolution and the capture of democracy by capitalism.<sup>1</sup>

An innate feature of capitalism has been the endless pursuit of an ethos with the least possible intervention of the state in its unrelenting quest for the reproduction and accumulation of capital, at the expense of all other participants in the economic activity prominently including the planet. Capitalism always demands to be in the driver's seat of the economy. Only when its activities are threatened by communities and nations opposing the expropriation of their natural resources and the imposition of structures that extract the vast majority of the value of labour—the surplus-value—, capitalism demands the intervention of the states; these include their armed forces, to protect the exploits of the owners of the system. This is all the more evident in the global South. Across centuries of imperialism and colonialism, the practice of invasion, conquering, expropriation and exploitation by capitalist enterprises—with the full support of their states—has always been more vicious and predatory in the system's periphery



<sup>1</sup> ↪ Álvaro J. de Regil: [Marketocracy and the Capture of People and Planet – The acceleration of Twenty-First Century Monopoly Capital Fascism through the pandemic and the Great Reset](#) — The Jus Semper Global Alliance, June 2021

than in its core. Labour exploitation and resource depredation also occur systematically in the system's metropolises, albeit under less pernicious and predatory practices. Hence, as the norm, capitalism demands from the state the establishment of a sheer laissez-faire ethos, to leave everything to Adam Smith's naive idea of the market's invisible hand,<sup>2</sup> which, as a demigod, would wisely dispense good fortunes to everyone, allocating the resources in the most efficient fashion, in pursuit of achieving the maximum level of general welfare for the community.<sup>3</sup>

Capitalism demands the ideal conditions for the infinite reproduction and accumulation of capital through the

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consumption of resources, their transformation into goods and services and the renewed and unlimited accumulation of wealth for the owners of the means of production. To materialise this, it requires an unending growth spiral in the consumption of natural resources to catapult, in turn, an unending spiral of growth in the rate of reproduction. Nothing else matters; not in the least the welfare of the communities (capital's markets) that make possible the reproduction and accumulation of wealth, for this is the only quintessential *raison d'être* of capitalism. Capitalism, the epitome expression of selfishness, greed and individualism of the human species, has waged myriad wars on the unrelenting pursuit of its

mantra at the cost of hundreds of millions of people, the destruction of entire nations and the ravage of ecosystems across the planet. It has no limits, and it will never will. Capital on one side and limits, boundaries, maximums and control on the other is an oxymoron. Our planet Earth can be exhausted by capitalism, but there is no remorse, no reckoning on the social, economic, environmental and moral implications of such an unsustainable and destructive system. There is no rational sense of the possibilities that such a system will drive us to our self-annihilation.

We live under an irrational vision of how societies should run our *Oeconomicus*—the management of our home. In

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order to build truly sustainable societies, human activity must be pre-eminently centred on the sustainability of our planet to determine the levels of resource consumption and material welfare that our home can sustain. However, given that capitalism's only *raison d'être* is endless accumulation of wealth per se at the expense of anything else, including prominently the consumption of

resources and human labour, there is a blatant and irreconcilable incompatibility between capitalism and the long-term sustainability of our planet, to which we belong as part of nature and without which we cannot exist. Nonetheless, the system's owners could not care less, and in a display of extreme arrogance and self-delusion, they unrelentingly pursue the maximisation of their wealth. Essentially, their enthrallment to wealth and power obnubilates any possibility of rational thinking. Hence, in their self-interest, they pursue a path that would provide them with the sustainability of their passions, a sort of "sustainable inequality"; albeit any limits to their passions are unacceptable since their greed drives them to have more wealth-power than ever.

<sup>2</sup> ↪ Adam Smith, *An Inquiry Into the Nature and Causes of the Wealth of Nations*, Edwin Cannan, from the fifth ed. (1776; New York: Random House, 1994) p. 485.

<sup>3</sup> ↪ Álvaro J. de Regil: [The Neo-Capitalist Assault: Essay Two of Part I \(The Economics of Reference\) — The Historical Background in the XVIII and XIX Centuries](#), The Jus Semper Global Alliance, April 2001, pp. 2-5.

With the emergence of neoliberalism in the last quarter of the twentieth century, capitalism increased its hold on societies' lives by making so-called liberal democracy a mockery and replacing it with Marketocracy or the dictatorship of the market. This has reached a level where the system's owners—the plutocrats representing much less than the 1% of the world's population—have captured states and made politicians their market agents with the mission to ensure that the public agenda always remains in control of the plutocratic elite. In this way, since the 1990s, capitalism has enjoyed full control of the driver's seat of economic policy and dictates the conditions it regards as ideal for maximising the rate of reproduction and accumulation. To achieve this, it has gradually encroached on the public sphere. It takes over the halls of government, transforming most of the public sphere into a new commodity amenable to the reproduction and accumulation of wealth. This includes the natural resources vital to life and our bodies. This encroachment brings the planet to the brink of planetary tipping points that complete the metabolic rift<sup>4</sup> between our species and the planet. We do not know yet, but this may have already forced us to cross a threshold of no return and placed us on a direct trajectory to destroy life on our planet for all living things, including our species as we know it.

We have past more than a year and a half battling a pandemic that, in the best case, is due to the product of the incursion of capitalist activity in otherwise pristine environments, where traders unknowingly carried out pathogens that were endemic to those ecosystems in search of products demanded by markets emerging for the human consumption of these new products.<sup>5</sup> In the worst case, there is the possibility that those in power provoked this pandemic to advance a very perverse agenda to consolidate the complete submission of humanity to their will in pursuit of life as dictated by a tiny elite of psychopaths. In either case, there is already ample evidence that the global elite of the much less than 1% is taking advantage of the pandemic to accelerate the imposition of a new world order of the 'fourth industrial revolution', through what they call "The Great Reset", prominently advanced by Klaus Schwab, the leader and Executive Chairman of the World Economic Forum at Davos, Switzerland.<sup>6</sup>

The purpose of “Marketocracy and the Capture of People and Planet” is to examine the trajectory that the world has been following since neoliberalism was imposed on humanity half a century ago. Its specific aim is assessing the ulterior

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motivations—and their consequences on humanity and the planet as a whole—of key groups and individuals of the global elite with powerful influence on the world's governments and multilateral institutions. Among these are the Bill & Melinda Gates Foundation, Elon Musk, Jeff Bezos and, last but not least, the World Economic Forum (from now on WEF), and the purpose of its proclaimed “Fourth Industrial Revolution” through “The Great Reset”. I believe that, on the one hand, we are enduring perilous times for life on our

planet, as the direct result of the capitalistic-driven Anthropocene<sup>7</sup> that has put the planet on the brink of crossing a tipping point with dramatic transformations that can become cataclysmic and that threaten the future of all living things. On the other hand, we have a dangerous global elite that has captured our so-called “democratic governments” and unilaterally pretends to impose their agenda, which true intentions are a future they deliberately keep opaque but are

<sup>4</sup> ↪ John Bellamy Foster: Marx's Ecology, Monthly Review Press, New York, 2000, p. 19 (ePub).

<sup>5</sup> ↪ For a detail explanation of the origin of these pathogens see: Rob Wallace, Alex Liebman, Luis Fernando Chaves and Rodrick Wallace: [COVID-19 and Circuits of Capital — New York to China and Back](#), The Jus Semper Global Alliance, August 2020.

<sup>6</sup> ↪ [World Economic Forum](#)

<sup>7</sup> ↪ The anthropocene is a new geological epoch displacing the Holocene epoch of the last 10000 to 12000 years to represent what has been called an “anthropogenic rift” in the history of the planet, see John Bellamy Foster: [The Anthropocene Crisis](#), The Jus Semper Global Alliance, July 2017, p.1.

advancing in the most undemocratic manner. It should be extremely evident that the common citizenry is never asked to participate in the discussions and decisions that the elite pretends to advance and implement on behalf of humanity.

Hence, this is my contribution to raising the questions and finding the answers to critical events that we are witnessing as I write. This should help the common citizenry gain knowledge, take consciousness, and empower themselves to make well-informed decisions that can contribute in turn to organise and put in check the agenda pursued by the global

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elite of the less than one per cent. The current events must make saving our species and our planet the fundamental issue and the overarching and quintessential cornerstone of our effort to transition to a new sustainable paradigm. It cannot be one of many vital issues, but the single element that drives our vision to achieve sustainability that fundamentally determines how we draft our new paradigm. It is in our self-interest to become cognisant about the damning catastrophe that we are facing, stop our numbness and individualism and coalesce to change the current doomed trajectory

and veer to what Paul Burkett calls an eco-revolutionary tipping point. This is the cross-sectoral defensive struggles of ecological, communitarian and urban movements coalescing as an ecological socialist movement against *this system of monopoly-finance capital and its state functionaries*,<sup>8</sup> the tiny elite who thinks it owns our planet.

The “Capture of Democracy to Impose Marketocracy” section debunks the myth that we live in democratic societies. It explains why, instead, what governments regard as democracy is a hoax. We will see that true democracy is an entirely different ethos to the one we are enduring under capitalism. Under the current marketocratic paradigm, instead of a societal edifice designed to procure the welfare of every rank of society—and with special emphasis on the dispossessed—we have a system of alienated, individualistic and disengaged from the public matter consumers. It is a system designed to maximise the shareholder value of the market’s overlords. This is the tiny elite of institutional investors of international financial markets and their corporations in this age of imperial monopoly capital. This is a system imposed at the expense of the vast majority of the world’s population and our home Planet Earth, to which we are only one among many species.

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<sup>8</sup> ↪ Paul Burkett: [An Eco-Revolutionary Tipping Point? — Global Warming, the Two Climate Denials, and the Environmental Proletariat](#), The Jus Semper Global Alliance, April 2020, p. 10..



## The Capture of Democracy to Impose Marketocracy

**T**he fundamental factor that has made possible the complete consolidation of capitalism as the driver of the life of societies worldwide—and since post-WWII as monopoly capitalism—is the fact that the so-called "democratic institutions of society" have been captured through blatant corruption to impose capitalism on every sphere of public life. This has made the idea that societies live in a democratic ethos a myth, a blatant lie. The conventional

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wisdom that unrelentingly "markets" the idea that we, the citizenry, live in democracy is a hoax. What we have is a mockery of representative democracy to impose Marketocracy, the ethos that we have been enduring with increasing costs in the whole spectrum of human rights—civic, political, economic, social, cultural and environmental. Representative democracy is a mockery as well in the material quality of life of all so-called "democratic" societies, for its monstrous levels of inequality, violence, injustice and the

complete unsustainability of life that it dispenses—for all living things, including our species—in our planet. Moreover, the reason is that the inhabitants of our planet are not enjoying a democratic ethos but clearly enduring a marketocratic ethos, a truly totalitarian system. This ethos was consolidated during the Third Industrial Revolution. Hence, before addressing the ongoing Fourth Industrial Revolution, we must explain why we are not genuinely democratic societies.

To debunk the democratic hoax, we need to deconstruct the democratic imposture, which is taken for granted as democracy should be understood. This requires first establishing the current political and economic context in which most nations participating in the global market system are engulfed. Establishing such context inexorably exposes the overwhelming incongruence between established political discourse and the reality endured by societies worldwide. The established political dogma is that the inhabitants of many nations, both in the metropolises of the system and the periphery, already enjoy the benefits of living in a democratic ethos. Such ethos implies that we belong to societies that have struggled to gradually build an agreement, the social contract, determining the rules of harmonious coexistence that the *Demos*, the citizenry, has defined for how all things belonging to the public matter must be conducted.

Nevertheless, the fact is that representative democracy is a nefarious euphemism for the marketocratic system that rules societies across the world. True democracy can only materialise if the public agenda is freely determined and controlled by the people, the *Demos*. To accomplish this, no special interest can interfere in the process through political parties or paid lobbyists. Yet, it is precisely the opposite that prevails with very few exceptions. So-called democratic societies have political systems that the holders of economic power have completely corrupted: the institutional investors of international financial markets (asset management firms, pension funds and investment companies). The largest shareholders of international investment firms and banks with a global presence through financial markets, such as JP Morgan Chase, Goldman Sachs, Morgan Stanley, BNP Paribas, HSBC, Deutsche Bank, Mitsubishi, UBS, Lloyds, Credit Suisse, Axa, Allianz and other public and private pension funds, insurance companies and savings institutions, have been in control of the public matter for a very long time. They have made sure that truly democratic ethos remains theoretical and never materialises.

The oligarchic elites that impose the marketocratic ethos control the public agenda through so-called representative democracy systems embodied by legislative structures. In a genuinely democratic ethos, the *Demos* (the people), whether they are students, independent professionals, small merchants and entrepreneurs, educators, blue or white-

collar workers, farmers, bureaucrats, retired people or homemakers, embody the interests of the vast majority of the ranks of society. They represent 99% of the Demos. If we add the one-per cent elite of owners of capital, whether they are sole owners or shareholders of companies providing goods and services or shareholders of financial institutions, then we have comprised the entire spectrum of the social strata. Yet, this tiny elite of oligarchs comprises what we regard as "the less than one per cent" that has been in full control of the public agenda by controlling the politicians in the legislative, executive, and judicial powers. Moreover, they have implemented a revolving door system that consists of their agents' movement between roles as legislators and regulators or as executives in the economic sectors affected by legislation and regulation. This includes the cadres of lobbyists who can be at times working for a trade group or holding a legislative seat.

The tacit connivance between those who are in control of the public and private arenas has guaranteed that control of the legislative power remains in the hands of "legislators" that, for the most part, represent the interests of the business and political elites and not of the majority of the population. This practice has become the norm in the US in a very conspicuous manner, beginning with the emergence of the military-industrial complex since post-WWII, as earlier noted,<sup>9</sup> and then gradually expanding to most economic sectors. This elite of oligarchs controls the system by creating institutions that enforce through laws the status quo that protects their economic and political preeminence. They try to "trump up" the system to defend their wealth. Using Jeffrey Winters' terminology for oligarchies, civil oligarchies focus on lowering taxes and reducing regulations that protect workers and citizens from corporate malfeasance, precisely the neoliberal mantra that dominates economic policy today.<sup>10</sup> They build "democratic" institutions that legally shield them from judicial actions against their malfeasance. And, as Winters explains, they sustain all of this by political campaign financing and a cadre of professional lobbyists that allow them to exert undue influence over policy. To be sure, this has also gradually become the "new normal" for many decades in many countries to secure control of the regulatory powers of these countries to protect the wealth of their oligarchies.

Hence, through the revolving door system, the marketocratic elite representing barely the less than one per cent actually dictates the public agenda and takes full control of the so-called sovereign states. They decide which items of the public matter get to be addressed and only in the direction that benefits their very private interests. The conflict of interest and moral hazard is evident and results in the capture of the regulatory process and, therefore, of the essence of representative democracy. For the most part, legislators do not work for their constituents but for the very private interests that put them in power. Indeed, it is the economic elites that, by financing the political campaigns of their chosen politicians, get to dictate the public agenda.

Consequently, instead of living in democratic societies, we live in marketocratic societies, for we live under the dictatorship of the market owners. This is a reenactment of the mercantilistic era that, contrary to popular belief, manipulated by neoliberal propaganda, Adam Smith denounced in his "Wealth of Nations" because of the monopolistic nature of the merchant guilds. Smith had a profound dislike for the motives of merchants and monopolists. He viewed them as a sort of guild of oppressive conspirators against the welfare of society: *People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in conspiracy against public, or in some contrivance to raise prices.*<sup>11</sup>

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<sup>9</sup> ↪ "The Military-Industrial Complex; The Farewell Address of Presidente Eisenhower" Basements publications 2006

<sup>10</sup> ↪ According to Winters, the existential motive of all oligarchs is wealth defence. How they respond varies with the threats they confront, including how directly involved they are in supplying the coercion underlying all property claims, and whether they act separately or collectively. These variations yield four types of oligarchy: warring, ruling, sultanistic, and civil. Jeffrey A. Winters: *Oligarchy*, Cambridge University Press, 2011.

<sup>11</sup> ↪ Adam Smith, *An Inquiry Into the Nature and Causes of the Wealth of Nations*, New York: Modern Library, Random House, 1994, p. 148.

Today we endure a refreshment of mercantilism with the global corporations dominating the market.<sup>12</sup> Who are the owners of the market? Namely, the aforementioned institutional investors. The market's owners control their private financial institutions and, as institutional investors, all the transnational corporations and the halls of government. It follows that the agents operating through the revolving door system are actual "market agents" in pursuit of the materialisation of the "public agenda" that was agreed upon by the tiny marketocratic elite. Thus they have made representative democracy a mockery of what it pretends to be, forcing the vast majority of humanity to endure an everlasting toxic marketocratic ethos. Furthermore, this has been taken to the extreme in the last two decades, where "marketocracy" has come to embody the casino-like economy controlled by sheer speculation in investment markets. In this way, in the previous two decades, almost every aspect of life has been securitised for speculation in the stock markets, from mortgages, consumer and commercial loans and insurance to pensions, commodities and a wide array of other assets. This constitutes the extreme marketisation of human life. This is appropriately described as the financialisation of life with the imposition of financialised capitalism. Teitelbaum explains the financialisation of the economy as:

### Financialised capitalism

*the role of finance in the economy's service, intervening in the process of production and consumption (with credits, loans, etc.) was relegated to the new role of finance capital: to produce profits without participating in the productive process. This latter aspect is realised in two ways. One is that institutional investors, pension fund managers, insurance companies, collective investment schemes and investment funds buy shares in industrial, commercial and service companies. Thus, these financial groups become involved in the policy decisions of companies to ensure that their investments produce the expected high returns by imposing short-term strategies on them. The other way in which the role of speculative financial capital grows is that financial groups (investment funds, etc.) invest in speculation (e.g. with so-called derivative financial products) and so do industrial, commercial and service companies with part of their profits, instead of investing in productive investment. Thus, the practice of making profits by creating financial products or acquiring existing ones and speculating with them became widespread.*<sup>13</sup>

Monopoly capital has not only produced the financialisation of the economy and the acceleration of the anthropocentric

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rift with our planet, which is subsumed in the current mode of production and trade but has also produced a great leap in inequality. This is best observed in the commoditisation of human labour with the millions joining the precariat, toiling in an ethos of modern slave work. Foster, Jonna and Clark assert that in the U.S. economy in 2021, *the wealthy are awash in a flood of riches, marked by a booming stock market, while the underlying population exists in a state of relative, and in some*

*cases even absolute, misery and decline...* They further explain that the overall problem is deep-seated in the inner contradictions of monopoly-finance capital. Hence, they argue that it is essential to comprehend the inner workings of today's financialised capitalist system to understand that capitalism has a corrupting and corrosive cash nexus that is

<sup>12</sup> ↪ Álvaro J. de Regil: [The Neo-Capitalist Assault: Essay Two of Part I \(The Economics of Reference\) — The Historical Background in the XVIII and XIX Centuries](#), The Jus Semper Global Alliance, April 2001, pp. 2-5.

<sup>13</sup> ↪ Alejandro Teitelbaum: [The Dictatorship of Financial Capitalism](#) — The Jus Semper Global Alliance, March 2021, p. 5.

spreading to every aspect of human existence.<sup>14</sup> Indeed, greed and power are subsumed at the core of capitalism and constitute its driving force.

Given that in Marketocracy everything is privatised and turned into merchandise, the privatisation of natural resources vital for life, such as water, air and plants, as well as the privatisation of all public goods, such as the key elements of welfare systems (education, healthcare, secured retirement...) are treated as market commodities for sale. They are financed through loans and later securitised for their financialisation through investment market speculation. This is despite being universal human rights. Essentially, the marketocratic ethos is a euphemism for a capitalist ethos, which has in effect supplanted democracy by the “dictatorship of the market”, given that capitalism is utterly incompatible with true democracy. It follows that it is of the utmost importance to comprehend that the usurpation of the democratic ethos was bound to occur, for capitalism cannot coexist with real democracy. In the same way that capitalism and true sustainability are an oxymoron, true democracy and capitalism are too. Making believe that they are compatible is the greatest deception of our time. The argument in favour of the concept of a capitalist democracy or democratic capitalism is unsustainable, for we can hardly find a more direct antagonism between the *raison d’être* of democracy and that of capitalism.

*The usurpation of the democratic ethos was bound to occur, for capitalism cannot coexist with real democracy.*

Democracy has as its only end to produce a tacit agreement for social coexistence with the sole purpose of creating an ethos of welfare for every rank of society, and especially for the dispossessed. Its main attribute—and the purpose of the inherent social contract—is the procurement of equitable welfare. In this way, democracy’s end is to reconcile the public interest (the common good) with the individual interest (the private good) so that the individual’s freedom does not allow the individual to seek his private interest to the detriment of the public interest. As in the old Greek Agora, the purpose of democracy is to serve as the regulating agent of an ethos that truly reconciles the public with the private interest, always with the common good—the general welfare of people—with preeminence over the individual and private good. If the purpose of democracy is not to have a social contract designed to procure an equitable ethos for all ranks of society, then why should we have a social contract that will not benefit all, but only a few and why should we allow an ethos that instead of being designed to serve the *Demos* it serves a tiny oligarchy? It follows that the only democratic ethos is that which delivers an ethos of true social justice by procuring the welfare of every rank of society. If it doesn’t, then it is a hoax.

In stark contrast, capitalism is on the opposite end. Parting from individual freedom, it pursues the individual’s private interest with no regard whatsoever for the impact that such activity has on the welfare of all other participants in the system. There is no further consideration but profit. It is about savage competition, about the supremacy of the mightiest regardless of whether it competes under equal conditions or what the consequences of its stronger position upon all other participants are. This is often euphemistically referred to as the survival of the fittest and akin to Thomas Malthus’ population theory and the eugenic arguments of the natural selection of Herbert Spencer.<sup>15</sup> Fundamental tenets of true democracy such as equality, social justice, welfare and regulation are anathema to capitalism and Marketocracy. The maximisation of wealth in the share of income from the entire economic activity is its only mantra and only moral.

There are two impeccable and the most illustrative examples of the carefully calculated connivance between private interests and politicians to supplant the regulatory instruments of a democratic ethos to impose Marketocracy. One is the

<sup>14</sup> ↪ John Bellamy Foster, R. Jamil Jonna and Brett Clark: [The Contagion of Capital – Financialised Capitalism, COVID-19, and the Great Divide](#) — The Jus Semper Global Alliance, March 2021.

<sup>15</sup> ↪ John Bellamy Foster: *The Ecological Rift*, Monthly Review Press, New York, 2010, p. 688 (ePub).



elimination of the Glass-Steagall Act of 1933. The other is Citizens United versus the Federal Electoral Commission in the U.S. Supreme Court of 2010.

### ➡ Sheer laissez-faire for the financialisation of life

As earlier noted, the Glass-Steagall Act was instituted in direct reaction to the economic and banking practices that produced the 1929 crash and played a fundamental role in the efforts for economic recovery in the U.S. after WWII. But, unfortunately, human greed is unrelenting. In 1980, parts of the Glass-Steagall Act were superseded by the Deregulation and Monetary Control Act. Then, in 1998, the U.S. Congress attempted to regulate the derivatives in Commodity Futures Trading. But, Secretary of the Treasury Rubin, Summers, his deputy, and Greenspan, Chief of the Federal Reserve Bank, adamantly defeated any controls. For their conniving deregulatory manoeuvres, economist Dean Baker —co-founder of the Centre for Economic and Policy Research— regarded them as "the high priesthood of the bubble economy".<sup>16</sup> Subsequently, in 1999, the core of the Glass-Steagall Act was repealed by the U.S. Congress as a culmination of a \$300 million lobbying effort by the banking and financial-services industries. Its worst effect was a cultural change replacing prudent traditional commercial banking practices into a speculative spree seeking to securitise commercial banking. Finally, in 2004, the U.S. Securities and Exchange Commission allowed investment banks to increase their debt to capital ratio from 12:1 to 30:1 or more to enable them to acquire more mortgage-backed securities, inflating the housing bubble in the process.<sup>17</sup> Deliberately, nothing has been done to address the root cause of the problem: the imposition of Marketocracy as the end in itself in the lives of so-called democratic societies.

In the U.S., the Dodd-Frank Reform to protect consumers was passed in 2010.<sup>18</sup> But after much pressure from financial markets, it passed in a rather weakened form. It did not restore the separation of commercial and investment banking to the previous ethos provided by the Glass-Steagall Act. In fact, since 2012, the Dodd-Frank Law has been constitutionally challenged by banks and more than a dozen U.S. states and remained in court proceedings until 2019, when the Supreme Court refused to review the District of Columbia Court of Appeals' decision to dismiss the challenge to its constitutionality.<sup>19</sup> The Volcker Rule —section 619 of the Dodd-Frank Act— that specifically was intended to separate commercial and investment banking was deemed to be ineffective and to need new solutions to adequately regulate proprietary trading. It was argued that in contrast with Glass-Steagall it attempted to regulate actions instead of structures.<sup>20</sup> But it did not make structural changes to separate commercial from investment banking. Already weakened and ineffective, in January 2014, after a lawsuit by community banks over provisions concerning specialised securities, revised final regulations were adopted.<sup>21</sup> However, as could be expected, the Federal Reserve put forward a proposal to roll back some provisions of the rule, specifically rules that limit bank investment in venture capital and securitised loans<sup>22</sup> and the changes were adopted on 25 June 2020.<sup>23</sup> Essentially, the rule was further weakened with more exceptions to allow banks to invest part of their assets in speculators' activities. The U.S. Congress changed the

<sup>16</sup> ↪ Dean Baker, The high priests of the bubble economy. The Guardian, 10 November 2008.

<sup>17</sup> ↪ Joseph Stiglitz, Capitalist Fools, Vanity Fair, January 2009.

<sup>18</sup> ↪ [111th Congress Public Law 203] [From the US Government Printing Office]: <https://www.gpo.gov/fdsys/pkg/STATUTE-124/pdf/STATUTE-124-Pg1376.pdf>

<sup>19</sup> ↪ The Hill, retrieved 31 March 2021. [The Supreme Court refused to review the District of Columbia Circuit's decision to dismiss their challenge to the constitutionality of the CFPB's structure as an "independent" agency](#)

<sup>20</sup> ↪ R. Rex Chatterjee: Dictionaries Fail: The Volcker Rule's Reliance on Definitions Renders it Ineffective and a New Solution is Needed to Adequately Regulate Proprietary Trading: <https://www.gpo.gov/fdsys/pkg/STATUTE-124/pdf/STATUTE-124-Pg1376.pdf>

<sup>21</sup> ↪ Goldstein, Matthew (14 January 2014). "Regulators Ease Volcker Rule Provision on Smaller Banks". *DealBook*. The New York Times.

<sup>22</sup> ↪ Cheung, Brian (January 30, 2020). "Fed to pare back 'Volcker rule' to expand bank investment in venture capital, securitized loans". Yahoo Finance. Retrieved 2020-01-31.

<sup>23</sup> ↪ "Banks Get Easier Volcker Rule and \$40 Billion Break on Swaps". *Bloomberg*. June 25, 2020. Retrieved June 25, 2020.

proprietary trading ban to allow banks to invest in hedge funds and private equity funds, allowing banks to invest 3% of Tier 1 capital into hedge funds and private equity funds.<sup>24</sup> For instance, Bank of America was allowed to invest assets exceeding \$6 billion in one year. It follows that nothing resembling the actual separation of commercial banking from investment banking—as it did during the ethos of the Glass-Steagall Act—, which served for almost 70 years to stop speculating crashes was adopted. Another criticism is that the current rules are too complex to understand. Lord King, former head of the Bank of England, points out that the regulations introduced after the 2008 crash are too complex. He explains that the Prudential Regulation and Financial Conduct Authorities in the U.K. have rulebooks exceeding 10,000 pages, while the Dodd-Frank Act runs to 2,300 pages. In contrast, the Glass-Steagall Act runs to only 37 pages.<sup>25</sup>

In the European Union there is much opposition to the calls to enact a European Glass-Steagall law.<sup>26</sup> Some argue that the idea of structural separation in banking is an old-fashioned, rules-based approach for what should be, under the capital add-ons of Basel III and its Pillar II, a matter of supervisory discretion.<sup>27</sup> They support discretionary measures, the preferred neoliberal do nothing idea, so that nothing truly changes. An EU bank structural reform law was proposed in 2014, which was meant to be Europe's answer to the Volcker Rule. But, under the dictatorship of Marketocracy, the E.U., citing "no foreseeable agreement", scrapped the draft legislation that would have permitted the EBA to order "too big to fail" banks to split off their trading activities.<sup>28</sup>

Indeed, since 2010 governments everywhere have enthusiastically surrendered themselves to adopting the policies demanded by financial markets speculators, which have been materialising in the form of fewer labour rights, fewer social benefits, lower retirement benefits, and other remnants of the quasi defunct Welfare State. The entirely undemocratic policies of the "troika" in Europe and particularly in Greece are emblematic of the sheer power of imposition of the market agents, and the complete contempt for any attempt for the democratic say of the people, in the decisions to be taken on its behalf, which have a paramount weight on their livelihoods.<sup>29</sup> In true democracy, the Demos would demand that such an important issue as the separation in banking would be submitted by governments, after a period of objective information, to a referendum. However, the market agents in the U.S., in the utterly undemocratic European Commission and elsewhere have adamantly operated to stop any attempt for the direct involvement of the Demos in the decision making of the public matter, such as the regulation of the financial sector. Instead, they have unrelentingly consolidated the dictatorship of investors.<sup>30</sup> Yanis Varoufakis, the former Greek finance minister during the brief attempt to build a truly democratic ethos to address Greece's severe crisis, shared with the public a clear example of the blatant disregard for an indeed democratically sanctioned mandate and sovereignty. This happened when Wolfgang Schäuble, Germany's finance minister, told him blatantly that "Elections cannot be allowed to change an economic programme of a member state!"<sup>31</sup>

### ➡ Capital is equated with human beings in the form of corporations

The idea permeating U.S. culture for most of its existence, that companies ought to be regarded as legal persons with individual rights, as if they were natural persons, was finally endorsed by the U.S. Supreme Court ruling in 2010. It

<sup>24</sup> ↪ Taibbi, Matt (August 4, 2010), "Wall Street's Big Win", *Rolling Stone*, retrieved 2010-08-04

<sup>25</sup> ↪ Simon Neville: [Banks face another crash if they do not reform, warns Lord King](#), The Independent, 29 February, 2016.

<sup>26</sup> ↪ Editorial, Page (July 3, 2012). "Restoring trust after Diamond" . Financial Times. Retrieved 15 July 2012. quoting FT Editorial Page.

<sup>27</sup> ↪ Karel Lannoo: [A European Glass Steagall to preserve the single market](#), CEPS Commentary, 24 January 2014.

<sup>28</sup> ↪ Jones, Huw (October 24, 2017). "EU scraps its answer to U.S. Volcker Rule for banks". Reuters. Retrieved October 24, 2017.

<sup>29</sup> ↪ Debt Truth Committee: [Truth Committee on Public Debt](#), Preliminary Report, June 2015.

<sup>30</sup> ↪ Éric Toussaint: [Banks are responsible for the crisis in Greece](#), CADTM, 9 January 201.

<sup>31</sup> ↪ The long read – Yanis Varoufakis: [Why we must save the EU](#), The Guardian, Tuesday 5 April 2016.

stated that corporations have the right to the first amendment, which, otherwise, would be solely part of the Bill of Rights of the citizenry in a political context. In this way, the court equated the persona of corporations to that of citizens so that corporations can exercise their “right” to freedom of speech in political campaigns.<sup>32</sup> With this ruling, the court provided corporations unlimited influence over U.S. elections. Companies can now spend as much as they want to support or oppose individual candidates.<sup>33</sup> The court did not even bother to distinguish between domestic and foreign-owned corporations. Consequently, corporations are now free to financially support the political agendas of their choice and, frequently, of their design. With some variation, the halls of government have been overtaken by corporate power all over the world. Thus, with this kind of political ethos, it would be a complete delusion to expect governments to fulfil their so-called “democratic” mandate by moving forward and developing a strict regulatory framework to control the market and their owners, namely financial market speculators, namely the shareholders of all the major global banks. What has been happening for decades is precisely the opposite of what should occur in a truly democratic ethos: the market has overtaken the public arena and dictates the lives of societies around the world.

### ➡ An untrammelled and undemocratically imposed marketocratic system

Even within the marketocratic logic, the assertion that Marketocracy has captured democracy is an indisputable fact. This becomes completely transparent by posing some questions about how sheer laissez-faire economics has been applied in the world. More than thirty years after demand-side economics was abandoned, no citizens of the “democratic” nations, where the so-called “new economy” of neoliberal globalisation was imposed, have been called to engage in a decision-making process and asked for their duly democratic endorsement of neoliberal economics. If there is any doubt, we should ask ourselves who decided that the so-called neoliberal globalisation was going to be applied in a given State? Were people asked to choose from a variety of economic paradigms—including the entire spectrum of economic policy alternatives, from a wholly deregulated market-driven ethos to a tightly controlled ecosocialist-driven ethos designed to procure the welfare of people and planet and NOT the market—so that governments, in turn, would obey the will of the people? At the very least, were people informed when governments decided to shift from one economic paradigm to another? Were people formally informed—in layman's terms—that in the late 1970s, their nations were beginning to shift from a capitalist demand-side to a capitalist supply-side economic ethos? Were people informed—again in layman's

*Were people informed that the market was going to be placed more than ever above the people and that the primeval responsibility of so-called democratic governments was going to be ignored? The answer to these questions is a consistent and categoric “no” throughout the world.*

and objective terms—that the deregulation and privatisation of entire economic sectors was part of the neoliberal paradigm, and that this means that economic policy would stop supporting the generation of demand—which means put money in the workers' pockets—on behalf of the support of supply—which means put money in the investors' pockets—which is owned by global monopoly capital? Were they

informed that, to this endeavour, the neoliberal mantra calls for the reduction of taxes and the virtual dismantling of the Welfare State? Was it explained to the Demos that, under this ethos, the government's role is greatly diminished and is reduced to act as an agent of the supply side by focusing on monetary and fiscal policy? Were people told that job security was a part of the past and that hundreds of millions worldwide would join the precariat and be deprived of most labour, social and human rights?<sup>34</sup> Have governments explained that the essential value under this ethos is not the welfare of society but the permanent increase of shareholder value by increasing efficiencies and competitiveness at the expense of the welfare of hundreds of millions of families who would lose their livelihoods? Were they informed that the

<sup>32</sup> ➡ United States Supreme Court: [Citizens United v. Federal Election Commission](#), 21 January 2010.

<sup>33</sup> ➡ Robert Barnes and Dan Eggen: [Supreme Court rejects limits on corporate spending on political campaigns](#), The Washington Post, 22 January 2010.

<sup>34</sup> ➡ Guy Standing: *The Precariat: The New Dangerous Class* (Bloomsbury Revelations, 2016).

government's proposal was to shift from an ethos where governments have the crucial role of regulating the economy to harness the natural predatory instincts of the market players in favour of an ethos where the outcome is left up to the forces of the so-called free markets controlled by the institutional investors of international financial markets, who embody global monopoly capital? Did governments fulfil their most fundamental democratic responsibility of procuring the welfare of all ranks of society by explaining to people that there are different ways to apply economic policy and convey an honest picture of the social and economic consequences of sheer market-driven laissez-faire economics? In a participatory fashion, were people asked to select, through an informed referendum, an economic paradigm? In summary, were people informed that the market was going to be placed more than ever above the people and that the primeval responsibility of so-called democratic governments was going to be ignored?

The answer to these questions is a consistent and categoric "no" throughout the world. Instead of calling on the Demos to reconcile the private with the public interest, the high-cost born by humanity and the environment is treated as an externality to the capitalist system. Instead of subordinating the private interest to deliberately design not just economic

*Governments systematically betray representative democracy, and instead of responding to the interests of the people, they are mere agents of the market who overwhelmingly respond to Marketocracy's will.*

but the entire public policy to guarantee the social welfare and the true sustainability of the environment, capitalism was crowned as the supreme ruler of our lives, of all living things and the planet as a whole. Hence, because we endure the autocratic system of capitalism, people have not been told that, in real politics, these decisions are taken in "very private

chambers", in total connivance with the owners of the market and their public agents' very private interests. It is then of fundamental importance to establish that the decisions affecting social, economic and environmental policy are overwhelmingly taken by governments, as the norm, without a duly democratic process. There is no real engagement and no debate between the branches of government and society, and the worst thing is that this norm keeps consolidating.<sup>35</sup> Governments systematically betray representative democracy, and instead of responding to the interests of the people, they are mere agents of the market who overwhelmingly respond to Marketocracy's will, with whom many politicians are in close connivance. Thus, the working agenda of governments moves in the opposite direction of genuine societal demands. In this way, participatory democracy has been almost completely corrupted to its core, including the functioning of key multilateral institutions (Bretton Woods Institutions, UN, OECD...), and only a democratic façade is kept to justify a legitimacy that has rapidly eroded.

Historically, the world has never been under democratic control—in the context of a truly democratic ethos. It has always been under authoritarian regimes covering the whole spectrum of possibilities, from emperors and monarchs to

*Under the current structures, people will never be asked to choose from a broad spectrum of public policies, much less would they be allowed to propose their ideas for structural change, such as transitioning to radically different paradigms designed to serve the people and the planet and not the owners of the capitalist system.*

dictators and "elected" leaders who, for the most part, work in connivance with the elites of their societies. There may be particular spaces of public life where people are asked to decide on an issue, such as in elections or referendums. Yet the drivers' seats of the public agendas have always been in control of the elites and their representatives. Under the current structures, people will never be asked to choose from a broad spectrum of public policies, much less would they be allowed to propose their ideas for structural change, such as transitioning to radically different paradigms designed to

serve the people and the planet and not the owners of the capitalist system. The citizenry may be able to submit

<sup>35</sup> ↪ Françoise Castex. Europe's undemocratic Union. Le Monde Diplomatique, January 2007.



proposals as long as they fall within limits allowed by the system's owners. Every time people are asked to participate, they will do it under the direct influence of the structures of propaganda that the elites have put in place. This is not to say that there could not be an open debate on specific issues. But, consistently, this is allowed as long as it falls within the parameters that control public opinion and the political apparatus that allows the Demos to choose from a previously prescribed set of carefully-controlled options on specific issues.

These structures are carefully designed to accomplish what Edward Herman and Noam Chomsky describe as the manufacturing consent of public opinion through a carefully managed "propaganda model". In this model, its structural factors (financial ownership, funding through advertising, reliance on public relations, FLAK,<sup>36</sup> anti-communism and fear) derive from the fact that the dominant media are firmly embedded in the market-driven economic system.<sup>37</sup> These factors are linked together, reflecting the multileveled capability of influential business and government entities. Accordingly, as elite organisations, the mainstream media commonly frame news and allow debate only within the parameters of elite interests. Clearly, its most powerful factor is what Herman and Chomsky labelled as "anti-communism and fear". They consider—and it is quite evident—that there is almost a religious faith in capitalism in the dominant media to the point that they have internalised this ideology to such an extent that their vision of the world is inextricably linked to the global power of the market institutions. This makes anything other than market options utopian. The result is the production of an ideological package of immense strength.<sup>38</sup> The case of Venezuela and how the dominant media portray it in the U.S. and elsewhere is a classic example of a narrative expressly designed to produce a manufactured consensus in public opinion.<sup>39</sup> Indeed, capitalism is portrayed and normalised as the supreme and benevolent demigod that rules our existence. Thus, the entire journalistic experience—in the corporate media—is produced in the market context as the inextricable and underlying commanding structure of society. This is true both in the Global North and the Global South, where the oligarchies are in total control of the dominant media. Thus, they carefully managed them to produce a manufactured consensus. This allows them to keep themselves in the driver's seat of the public agenda and maintain the dogma that capitalism is the only option, just as Margaret Thatcher insisted in her cynic argument of TINA ("there is no alternative") to impose a totalitarian system.

Summing up, capitalistic globalisation has two distinctive features: first, it is rather evident that its paradigm would never

*Capitalistic globalisation has two distinctive features: first, it is rather evident that it will never generate prosperity and, instead, it has developed tremendous and unsustainable inequalities and environmental destruction; and was not applied democratically, but imposed by the centres of power.*

live up to its claim of generating prosperity and, instead, it has developed tremendous and unsustainable inequalities and environmental destruction everywhere. It is inherently unjust and a self-serving paradigm for the economic and political power centres and their carefully-guarded structures of manufactured consent through their dominant media apparatus. Second, governments did not implement this process democratically; instead, it was imposed by the centres of power in their

economies and, especially, in the periphery. Such an unfair, authoritarian and asymmetric system could have never resulted from a duly democratic endorsement. The very term globalisation is intrinsically anti-democratic, for it opposes

<sup>36</sup> ↪ FLAK is a term developed by Herman and Chomsky to refer to several "filters" that act independently to censor news material for financial or political gain. It is a form to influence media, a sort of soft censorship put in place to benefit private or government interests. Corporations and government are the most influential producers of FLAK, and they have created specific organisations to produce this sort of propaganda to fulfil their interests.

<sup>37</sup> ↪ Edward S. Herman: [The Propaganda Model Revisited](#) — The Jus Semper Global Alliance, November 2020, p. 4.

<sup>38</sup> ↪ *ibidem*, p. 9.

<sup>39</sup> ↪ Ana Felicien, Christina Schiavoni and Licia Romero: [The Politics of Food in Venezuela](#) — The Jus Semper Global Alliance, April 2021.

the concepts of "diversity of choice" and "collective decision-making". Giorgos Kallis sums it up succinctly: *The "free market" is not a natural process; it has been constructed through deliberate governmental intervention. Re-politicisation of the economy will require a hard-fought institutional change to return it to democratic control.*<sup>40</sup> And unless the peoples of the world break the consensus imposed by the system, become conscientious and organise to build a radically different and genuinely sustainable paradigm, we will see the complete consolidation of Marketocracy in the Fourth Industrial Revolution, already well in progress.



### Related links:

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<sup>40</sup> ↩️ Giorgos Kallis: [The Degrowth Alternative](#) — The Jus Semper Global Alliance, April 2019, p. 2.

❖ **About Jus Semper:** The Jus Semper Global Alliance aims to contribute to achieving a sustainable ethos of social justice in the world, where all communities live in truly democratic environments that provide full enjoyment of human rights and sustainable living standards in accordance with human dignity. To accomplish this, it contributes to the liberalisation of the democratic institutions of society that have been captured by the owners of the market. With that purpose, it is devoted to research and analysis to provoke the awareness and critical thinking to generate ideas for a transformative vision to materialise the truly democratic and sustainable paradigm of People and Planet and NOT of the market.

❖ **About the author:** Álvaro J. de Regil is the Project initiator and Executive Director of The Jus Semper Global Alliance since 2003. At a broader level, his work is currently centred on advancing a "people and planet" paradigm. As part of this transformative concept, he is active in the areas of labour rights, business and human rights, no-growth / degrowth / steady-state economics, basic income and the drastic reduction of humanity's environmental footprint on our planet as the only way to achieve real sustainability of life on our home: planet earth. Álvaro is also a founding member and facilitator of the International Living Wage Observatory at La Salle University (Mexico City campus), a contributor to the transformative vision and praxis of the Great Transition Initiative of the Tellus Institute in Boston, Massachusetts and consultant on the underlying causes of immigration with various community organisations in California.



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