

# Downside UP

A Voice of Contemporary Political Economy, Volume IX, Issue 7: November/December 2009  
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## **Corruption & Flawed Democracy: The Making of Perverse Government**

Newsflash, everyone: when it comes to corruption and democracy, Afghanistan is not the only country with a big, entrenched problem. US officials frequently comment on the status of democracy and corruption in other countries but miss the mote in our own eye. A lot depends upon the definitions of corruption and democracy.

By focusing on bribery, nepotism, and cronyism, the classic forms of corruption, the United States underplays the roles which influence peddling, lobbying, and campaign contributions play in corrupting US politics. Similarly, by defining democracy in procedural terms – free elections and civil rights -- the United States makes claim to a world leadership which ignores serious inequalities in access to US political power.

The result of the interplay of corruption and flawed democracy is perversely degraded government to which both Democrats and Republicans contribute.

### **Corruption**

Led by late 19<sup>th</sup> and early 20<sup>th</sup> century Progressives of various stripes in both parties, it is fair to say that the United States in large measure cleaned up the kind of corruption characterized by bribes, payoffs, and job-dispensing political machines. Politicians today rarely get paid directly by a contractor for a state or federal contract. Ordinary people don't have to bribe public officials to get a license or receive a government service. Aside from a small number of openly political appointments at the top of government, most government jobs are now subject to civil service requirements of fairness and non-discrimination.

Unfortunately, while money still oils the system, a more insidious corruption has replaced its ancient forms. Almost the only people who get elected to Congress for the first time without enormous amounts of campaign contributions are themselves very wealthy. Otherwise, politicians depend for election and reelection on contributors with expectations of "access" and votes favorable to the contributors' interests. The more a politician grows in power over time, the more money rolls in and the more access the contributors get. With all that money behind them, more than 90% of incumbents who seek reelection are reelected.

The struggle over health care "reform" reflects this pattern. The health care industry has poured hundreds of millions of dollars into lobbying and campaign contributions to block measures which would reduce profits. *Business Week* and *The Washington Post Weekly* report regularly on not only the health care war but the "business war against tax reform" and the Chamber of Commerce "war" on carbon-reduction legislation. These and many other battles put private profit ahead of the public interest. Often lobbyists actually write the legislation.

Every public opinion poll affirms that Americans have an extremely low opinion of Congress, about as low as their opinion of personal injury attorneys. But they vote again and again for their own Congressman or Senator who brings home the bacon for their state or local district. In Eastern Oregon, Republican state legislators and our Congressman will piously and passionately rage about wasteful government spending but offer them a water project for ranchers and farmers and pork is only what other people take.

Democrats generally put more emphasis on broad social concerns like health care and the environment but even liberal Democrats follow the money. Senator Chuck Schumer of New York will rail about corporate excess 'til the cows come home but when it comes to Wall Street, it's mostly just words. Special interests rule – and let's be clear here, we are not talking about the Sierra Club, the League of Women Voters, or even unions with their depleted financial resources. Politics in this country is mostly an intra-class struggle among the very rich. Even when right-wing Republicans or President Obama collect unprecedented small contributions, these account for but a modest percentage of the money flowing through the system.

### **Democracy**

The United States is right about corruption affecting the quality of democracy but totally blind to the idea that systemic corruption in the United States is even more harmful to democracy – and economic efficiency -- than the kind of daily two-bit corruption which pervades many third world and developing countries – and some developed ones too.

For every reform that Congress passes, lobbyists seem to sneak in a new loophole. Most recently, the McCain-Feingold bill allowed for "Leadership" PAC's (Political Action Committees) which have become slush funds for personal (e.g. golfing vacations) as well as political use by members of Congress. For Corporate America, the profit from subsidies and tax breaks far exceeds the cost of lobbying and campaign contributions – the latter are just business expenses for getting the former.

I would go so far as to say that most of what is happening in the US economy is a product of politically-inspired subsidies and tax breaks, right down to the local level. Most new businesses in your town are probably subsidized with tax breaks from an "economic development district." States shamelessly battle each other with tax breaks to lure new factories. I have to laugh – lest I cry -- when our local paper parrots the state wheat farmers organization cliché of the struggling independent farmer and two paragraphs later references wheat's annual five billion dollar federal subsidy. (In Pendleton, the wealthiest people in town are wheat farmers.)

Supreme Court decisions protecting campaign contributions as a form of free speech don't help and Constitutionally-mandated inequality of representation doesn't either. The Senate's equal representation for each state, regardless of population, is part of the "Great Compromise" which made the Constitution of 1789 possible, but never have the faults of that historic document been more obvious. Low-population states receive a wildly disproportionate amount of federal dollars (New York subsidizes Wyoming). In the on-going debate on health reform, Democrats from low-population states and Republicans heavily concentrated in the same states have blocked significant reform, even the rather moderate "public option." (Richard Nixon included a public option in his proposal for national health insurance almost 40 years ago.)

Since votes in the Electoral College which decides the presidency are based on the number of Senators and Representatives, the Senate inequality is extended to the Presidency. The sad fact is that these provisions – and other “checks and balances” – make the US Constitution, so revolutionary in the 18<sup>th</sup> century, anachronistic in the 21<sup>st</sup> .

### **A Government of Perversity**

The Founders built checks and balances into the Constitution to prevent rapid change, to stymie what they called “the mob” and we would call democracy. In combination with the corrupting effects of money, “stalemate” is likely and unintended consequences inevitable, even with single-party control of the Presidency and Congress.

With neither party able to push through any well-defined, philosophically consistent, program, each has opted again and again for a mish-mash of inconsistent programs which actually expand the size and cost of government while doing a worse job. Supposedly anti-“Big Government” Republicans, worried about the popularity of Democratic initiatives in education, pushed through the hugely bureaucratic “No Child Left Behind.” So too they passed a horribly complicated and expensive prescription drug program full of “donuts” and forbidding the government from using its leverage to lower drug prices.

In turn, the Democrats should be uniting around straight-forward programs to tax carbon and create single payer health insurance. Instead they are creating a hugely complex system of subsidies not just for alternative energy (wind, solar, geothermal, etc.) but to pay the coal industry to cut emissions that should never have been allowed in the first place. At the same time, to get health care for all Americans, Democrats are having to placate privileged private Medicare patients, wealthy medical specialists, the medical equipment industry, the drug industry, and the so-called health insurance industry -- for all of whom more money for the same inept system is just great. In both cases, liberal alternatives require less bureaucracy and cost less money but they don't pass.

Our 21<sup>st</sup> century “Great Compromise” is pork for (almost) everyone, especially the rich. Greased with lobbying and stuffed with campaign contributions, our political system is neither clean nor democratic. We don't make choices. We don't cut one program to increase another. We keep them both, good and bad, mixed together in a great smelly heap of government gone awry.

**Ronald Woodbury** is the writer, publisher, editor, and general flunkey for all of *Downside Up*. While publication benefits from the editorial advice of his wife, one of his daughters, and occasional other pre-publication readers, they will, for their own privacy and sanity, remain anonymous.

Woodbury has B.A., M.A., and Ph.D. degrees in history, economics, and international affairs from Amherst College and Columbia University. In addition to many professional articles, he has published a column, also called “Downside Up,” in the Lacey, WA, *Leader*. After a 36-year career as a teacher and administrator at six different colleges and universities, he retired with his wife to St. Augustine, Florida, and has recently moved to Pendleton, OR. He has two daughters, one a physician and one an anthropologist/writer, and six grandchildren.

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