

## Book review

Journal of Classical Sociology

1–5

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DOI: 10.1177/1468795X18786387

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Alan Shipman, June Edmunds and Bryan S. Turner

*The New Power Elite: Inequality, Politics, and Greed*. London; New York: Anthem Press, 2018. 278 pp. ISBN 9781783087877, \$115.

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There is a well-established folk theory about elites, shared, more or less, by the elites and the non-elite. Here is a quotation of Larry Summers, a member of the elite by any criteria: “There are two kinds of politicians,” he said:

insiders and outsiders. The outsiders prioritize their freedom to speak their version of the truth. The price of their freedom is that they are ignored by the insiders, who make the important decisions. The insiders, for their part, follow a sacrosanct rule: never turn against other insiders and never talk to outsiders about what insiders say or do. Their reward? Access to inside information and a chance, though no guarantee, of influencing powerful people and outcomes.

(quoted in Varoufakis, 2017: 8, 499n1)

Along with this folk theory comes a suspicion that the elite operates according to the ethic Alasdair MacIntyre once described as “the morality of the public-school prefect. Its principal virtues are loyalty to the group and the cultivation of a corresponding feeling that there are really no limits to what you may do to outsiders” (MacIntyre, 1967: 38).

Given the ubiquity of this image of the political world, and the visibility and power of elites, one would think that elites would be a major focus of scholarship and debate as well as teaching, if only to debunk the folk theory. It has not been, and indeed one observes a kind of denial about elites in academic circles, broken only recently not so much by social scientists, but by a social movement, Occupy Wall Street, which popularized the notion that “the 1%” was extracting a massive amount of wealth. Thomas Picketty’s (2013) *Capital in the Twenty-First Century* added to this construction of the problem. But this was about wealth, and never quite grappled with the sociological and political concept of elites.

Why have elites been neglected as a topic? Elite studies have a rich tradition, from Pareto (1966), Mosca ([1896] 1939), and Michels ([1911] 1915) through Mills (1956). Why did it wither? During the late 1950s and 1960s, there was an intense study of community power which was largely focused on elites, and died in a muddle of conflicting

findings and methodological issues (Polsby, 1970: 297–304), and was precluded from resurrection by Human Subjects Committees, whose requirements for informed consent would prohibit any serious direct inquiry into hidden power. National elites, at least in the United States, still received some attention. In the decades after C. Wright Mill's (1956) *Power Elite*, William Domhoff (1975) laboriously charted the personal connections that make up the American elite, and its institutions, such as the Bohemian Grove. His *Who Rules America* (Domhoff, [1967] 2014) is in its seventh edition. And his many other books have examined multiple facets of the problem of elites. There are fascinating studies that document the mentality of elite institutions and their focus or reproduction, such as Jerome Karabel's (2005) *The Chosen: The Hidden History of Admission and Exclusion at Harvard, Yale, and Princeton*. But elite studies never cohered into a field, and Domhoff, for all his prodigious research, remains a one-off. There has been a trickle of work, but the only recent theoretical contribution in sociology is by Murray Milner (2015). Milner does consolidate some of the common themes, notably the idea that elites are composed of different segments that are sometimes not in harmony with the others.

Events, notably the Brexit referendum and electoral victories of “populists” in a number of major developed nations, as well as the aggressive response of the “deep state” to Trump, have now made the issue of elites impossible to ignore. *The New Power Elite: Inequality, Politics, and Greed* (2018), is a welcome attempt to address this new reality in a sophisticated way. It does so by combining economic and political sociological thinking. This is a necessity, for reasons noted by Domhoff (2018)—the increased importance of corporate actors in the elite. Combining elite studies with economics is also now crucial, not merely because of the power of business leaders, but because of the relation between the goals of business and the ideological commitments to globalism and universalism that are shared with the rest of the elite, including, and perhaps especially, the academic elite.

Recognizing this change is important; making theoretical sense of it is much more difficult. Shipman, Edmunds, and Turner (SET) pay their respects to Mill's *Power Elite*, but this is a very different kind of book, and also very different from Domhoff or Milner. They spend little time on identifying elite members and their networks. They largely ignore the personal side of elites—the families, the system of reproducing elites, and so forth. Instead, they construct an account of elite power based on a comparative historical analysis of the problem of elite stability, that is to say, the problem that elites face in staying in control in the face of the fact that they are a tiny minority whose interests, especially interests in the distribution of wealth, are opposed to those of the rest of society. They continue in power because they can ally with other classes, typically the middle class, to create institutions that have the effect of redistributing wealth in ways that benefit the allied class.

This is a radical revision of elite theory, which at the same time provides an account of the new reality of elite power and the problems faced by elites today. It goes far beyond traditional elite theory or class theory, while relying on both. The originality of the theoretical framework comes from its focus on elite strategies in relation to class, and on the problem of elite cohesion. This focus in turn enables SET to make sense of the puzzling new conflicts in relation to elites. These are a result of the fact that the old strategies of class alliance no longer work, together with the new fact of a novel and emerging

kind of elite power held by corporations and bankers: the power to disinvest in whole countries, holding the nominal political leaders hostage. The two facts are connected. The power that economic actors can exert over states severs them from their former class alliances, and sets their former allies against them.

SET discuss these changes in terms of a novel account of elites and their problems. The core problem is elite stability: the risks are elite stagnation through closure and elite factional conflict. These are endemic problems for elites. They are faced with a generic difficulty that is a constant threat to elite cohesion. Different elite factions, like different classes, benefit or are harmed differentially by the redistributive institutional arrangements that are set up to assure the alliance between the elite and a sufficiently large non-elite class to create stability. These alliances need to be maintained and are costly. Maintaining the appropriate balances between elites and their non-elite allies is a difficult task which will also inevitably divide elites themselves.

The historical winner among the possible arrangements has been, until recently at least, an alliance between the elite and the middle class, and especially the upper middle class. What's in it for the middle classes? As SET put it, the elites "make society safe for profit" (209). Stable property rights, protection, and the freedom to do business in a predictable legal environment without onerous taxation is pretty much the formula, or has been. The elite also makes some room for members of this class to enter. The middle classes, in turn, deal with and mollify the lower classes, producing stability.

When this deal works, it is the source of both general stability and economic development. But balance is a problem: the middle classes can get too uppity, and too demanding, and seek forms of distribution that cut into the income of elites. So the relation between the elite and the middle classes is fraught with tension. There is a danger for the elites here: the possible betrayal of the arrangement by the middle class itself, taking the form of an alliance with the lower classes against the elite, or by a faction of the middle classes attempting to force their way into the elite or eject it. While normally the middle classes defuse issues with the lower classes, they can instead foment unrest, with the goal of toppling the elite.

The elite, however, can make this alliance with the lower classes as well, and has more to offer: the wealth of the middle class. There is always the possibility of what in the Obama era in the United States was called an "upstairs downstairs" alliance between the elite or factions of the elite and the lower classes against the interests of the middle classes. That fact helps keep the middle class in line. And this omnipresent possibility of new alliance with the elite produces an odd dynamic in relation to democracy. On the surface, there should be a conflict between elites and democracy. An oligarchy, after all, has to live in fear of being overthrown. But an elite, if it is functioning properly, benefits from democratization, precisely because it provides more alliance possibilities for the elite. It extends the number of people who benefit from the actions of the elite, and who will support it. And it reduces the reliance of the elite on a single class. Democratization enables playing groups off against one another, while retaining elite cohesion.

Elites can retain power only through acquiescence, or legitimation. And there is always the threat of parts of the elite acting in ways—greedily, for example—that undermine elite cohesion. At one point in history, the period covered by Mills' book, there was a potential conflict between the economic elite, that is to say the elite of wealth, and the power elite,

or the political class. SET argue that this was generally a tension in the NATO region after the war. But it has disappeared, and was in any case historically anomalous.

So why are elites in trouble now? Why is there populism in advanced societies? Globalization, meaning the mobility of money and production together with relatively free trade and border-crossing financialization, are enormously beneficial to the elite, producing more inequality and “losers” in formerly closed or favorably situated national markets. It also gives new power to corporations over states. As noted, they can simply walk away and thus place states in a competition to provide favorable terms for the conduct of business. The economic benefits of this to the elite are enormous—far too great to negotiate away, even if there was anyone worth negotiating with. The benefits to nations for retaining production are such that they are unable to resist. But the losses to classes in the countries that are disinvested from are also considerable.

There is, however, a certain fragility to this power. Legitimation depends on offering a simulacrum of justice—whatever that means in context—and thus avoiding protests and counter-movements. But the effect of this new power arrangement is policies which result in stagnation in incomes for the middle class, and in austerity (a consequence of giving tax benefits to corporations), which results in less redistributed income for the bottom 40% of society. One way of avoiding blame is showy acts of philanthropy. Another is for the power elite to deflect blame onto other parts of the elite, such as the wealth elite.

Discontent is, however, easily managed, or at least easily tolerated. A major technique is lowering expectations. The only real threat to elite power is elite factional conflict. Given the sea of discontent, it is possible for an elite faction to ally with a discontented non-elite group. And, if there has been a period of stability in which the practice of managing these conflicts in the interest of the elite has fallen into disuse there are concerns, from the point of view of the elite, over the ability to manage intra-elite conflict. But there are no looming conflicts of this kind. The folk theory of the elite, in short, is true. But the new power elite, global and globalist, is an elite freed of its former bonds to the rest of society. The new bonds are elusive. A key finding of this book is that democracy, which was once a way of holding elites accountable, has become, in the new world of globalization, a means of keeping elites in power by dividing their domestic enemies.

From the point of view of classical sociology, this book is a return to the great themes of the unfairly neglected Gaetano Mosca (for whom Lawrence Summers would have been a stock character), who also focused on elite unity and the problem of balancing openness and solidarity. These are themes that social science neglects at its peril. The flat-footed and superficial responses of sociology to Trump and to the resistance to the overlords of the EU represent a failure of insight and a failure to look in the mirror. This book is a worthy and even-handed corrective, which shows that social theory still has the power to rise above ideology.

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