



Our Institutions Are Failing As Nation Is Plundered

Technocrats are licking their chops as politicians drive society into failure and chaos because they will ultimately wind up controlling everything in the end, scientifically, of course. A great moral hazard exists in that the Humpty Dumpty of economy and politics is at risk to be given a little push off the wall. □ TN Editor

Our institutional failure reminds me of the phantom legions of Rome's final days.

The mainstream media and its well-paid army of "authorities" / pundits would have us believe the decline in our collective trust in our institutions is the result of fake news, i.e. false narratives and data presented as factual.

If only we could rid ourselves of fake news, all would be well, as our institutions are working just fine.

This mainstream narrative is itself false: our institutions are failing, and the cause isn't fake news or Russian hacking—the cause is insider plundering and collusion, aided and abetted by a decline in transparency and accountability and the institutionalization of incompetence.

In other words, the citizenry's trust in institutions is declining because the failure of institutions is undeniably the fabric of everyday life in America.

When was the last time you heard the top management of a university system take responsibility for the unprecedented rise in the cost of tuition and textbooks? The short answer is "never." The insiders benefiting from the higher-education cartel's relentless exploitation of students and their families act as if the soaring costs are akin to cosmic radiation, a force of nature that they are powerless to control.

The same can be said of every other cartel plundering the nation: healthcare (i.e. sickcare, because profits swell from managing chronic illness, not from advancing health); the Big Pharma cartel; the military-industrial complex; banking; student loans; the governance-lobbying cartels; the war-on-drugs gulag, the FBI and so on in an endless profusion of insiders whose self-serving plunder and gross incompetence rarely generates consequences (such as being fired or indicted) due to an absence of accountability and transparency.

Incompetence has been institutionalized, and is now the accepted norm. Schools fail, municipal agencies fail, oversight agencies fail, state agencies fail, and the public feels powerless to effect any systemic change.

Changing the elected officials who are the citizens' representatives does nothing to rid the system of incompetence or enforce accountability and transparency; the insider elites have wired the system to avoid responsibility and maintain their institutionalized skims regardless of who is in elected office.

Budgets never decline, they only expand. The system is organized to punish frugality and reward incompetence, sweetheart contracts, overtime, and ever higher public spending.

Calls to trim waste are met by gestures of powerlessness: rising costs and institutional failure are presented as the equivalent of gravity: we can't change the system, it's unstoppable.

The general public has largely lost the experience of public-

sector/institutional competence and accountability. As a result, resignation is now the response. So the public dutifully waits in line for hours to renew a drivers license, despite having made an appointment online, to take one common example in California, which likes to pat itself on the back as the tech / progressive capital of the galaxy, if not the universe.

How is it “progressive” to rob the working stiffs who pay all the taxes hours of their life for something that should be routine and quick? Where’s the Big Data and high tech when it actually counts? If citizens had a choice to renew their drivers license at (say) Amazon or the DMV, do you reckon Amazon might not make everyone cool their heels for hours?

The list of gross institutional incompetence is truly endless in America: Universities that can’t offer enough classes so students can graduate from college in four years (oops, you have to pay another rip-off tuition fee for another semester to get those last few classes you need for your worthless diploma); finance departments that can’t track payments (so here’s your bogus late fees that will take hours to challenge), and on and on.

As for sickcare—how about the evidence-free embrace of synthetic heroin as a “safe” and “non-addictive” pain treatment? Skeptics were bulldozed or marginalized, because there was simply too much money to be made by jumping on the Oxy et al. bandwagon.

As Scientific American reported in its June 2018 issue, “Powerful drug-marketing efforts had somehow swamped science.” When a large study was finally done comparing the effectiveness of opioid and non-opioid drugs, “The results, published in March, were eye-opening. Patients given alternative drugs did just as well as those taking opioids in terms of how much pain interfered with their everyday life. In fact they reported slightly less pain and had fewer side effects.”

Yes, many transactions are more complex now than they were 30 years ago. 30 years ago it took less than a day to obtain a building permit for an entire house in the rural county I lived in. Now it takes 3 to 4 months

in the same county to get a permit, which must now be stamped by a licensed architect or engineer (at great expense, of course).

OK, we get it- things are more complex now. But how does a one-day process balloon into a 100-day process at best? We can understand a one-day process becoming a 3 day process, but did the complexity really rise 100-fold?

I think we all know the answer is “no.” The vast majority of the wasted time, effort and cost is the result of unaccountable insider incompetence enabled by a complete lack of accountability and transparency.

Conscientious public servants and institutional insiders are thwarted by incompetent managers, lazy co-workers and institutional bloat designed to increase costs and inefficiencies because higher budgets and inefficiencies boost payrolls and thus power. Organizations within the failing institutions are loathe to surrender their gravy trains, so they resist any change, even those which might have saved the institution from its inevitable collapse.

Our institutional failure reminds me of the phantom legions of Rome’s final days. Legions existed in the bureaucracy, and payrolls were sent to the pay masters, but the Legions were mere fictions-there were no soldiers, and no fighting force; there were only a few insiders skimming their take, confident that accountability and transparency had been irrevocably lost.

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Technocracy In India: Corporate Technocrats Infiltrate Government Structures

The source of Technocrats are corporations: “The hold of corporate power on public policy in India has many other manifestations, from the plunder of public sector banks to the appropriation of land, water, minerals” □ TN Editor

Today, corporate power has not only grown to unprecedented levels, its muscular arms also reach far and wide. Representatives of private businesses sit on all sorts of government committees.

Among other major developments in Indian society and politics during the last twenty-five years or so is the steady growth of corporate power. It is not that corporate interests were devoid of influence earlier – India’s leading business houses, like the Tatas and Birlas, have had a cosy relationship with the government for a long time.

Even Dhirubhai Ambani, the icon of Indian entrepreneurs, made his

fortune on the back of the Licence Raj (e.g. by getting hold of valuable import permits), with a little help from pliable bureaucrats and politicians.

In those days, however, there were some boundaries – real or pretended – between the corporate sector and state policy, and the state sometimes took decisive action (for better or worse) against corporate interests, such as the nationalisation of banks and the coal industry. Further, the concentration of wealth was still at an early stage.

Today, corporate power has not only grown to unprecedented levels, its muscular arms also reach far and wide. Representatives of private businesses sit on all sorts of government committees, oblivious of conflicts of interest.

The Sensex, tensely watched by the Finance Ministry, pronounces instant verdicts on economic policy. State governments are competing to enhance their ranking in terms of the “ease of doing business”. Public-private partnerships give private business wide powers to invade the earlier realm of the public sector with full state support. The magnitude of corporate scams (such as the 2G scam or the coal scam) keeps breaking new records. India’s largest corporate houses are also bankrupting its public-sector banks by saddling them with billions of rupees of “non-performing assets”.

The largest of them all, Reliance (headed by Dhirubhai Ambani’s sons, Mukesh and Anil), has so much power that, as *India Today* once put it, “when they don’t like policy, they change it”. Corporate interests increasingly drive not only the traditional areas of business but also urban planning, academic research, communications, sports, entertainment, the mass media, and much more. India is in danger of becoming a “business-driven society”, as Noam Chomsky aptly describes the United States.

We had a bitter taste of the invasion of public policy by corporate interests in the context of child nutrition programmes, especially school meals and the Integrated Child Development Services (ICDS). With millions of children covered, a contract to supply ready-to-eat food to

them under these programmes, instead of cooked food prepared by local women, can be very lucrative.

India's food industry has not lost sight of this business opportunity, and it has persistently lobbied for the replacement of cooked food with branded products in the midday meal scheme and ICDS. One example is the biscuits industry's attempt, in 2008, to persuade the Ministry of Human Resource Development to replace cooked midday meals with biscuits. That particular attempt was defeated, but there have been many others since, and some of them have succeeded, at the state level if not at the national level.

The hold of corporate power on public policy in India has many other manifestations, from the plunder of public sector banks to the appropriation of land, water, minerals, and (until recently) spectrum at throwaway prices. Another example is technocracy, in the broad sense of an over-influence of technology experts on public policy. Technological innovation, of course, is very important and has often made major contributions to more effective social policies.

For instance, the NREGA's web-based monitoring and information system (MIS) has become a model of pro-active information disclosure for all government programmes in India. Sometimes, however, technology seems to become an end in itself, driven by hidden interests at the expense of the public.

There is a strong element of technocracy in India's unique identity (UID) project, also known as Aadhaar. The project was sold to the public by claiming, firstly, that Aadhaar was a "voluntary facility", and secondly, that its main purpose was to remove corruption from social programmes.

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China Pressuring Foreign Companies To Set Up Communist Party Cells Within Their Factories

Chinese Technocrats are exporting their autocratic dogma by requiring foreign companies to setup Communist Part Cells within their plants and offices. Also, this is obviously an attempt to keep an eye on Chinese citizens who are employed by these companies. Germany is considering pulling out of China completely. □ TN Editor

A trade group has warned that members of the [German](#) business community in China are concerned about a request from the ruling Communist Party to set up cells in their companies - and some may even pull out of the market if the pressure continues.

In a statement released last week, the Delegations of German Industry and Commerce in China - which represents the Association of German Chambers of Industry and Commerce in China - said foreign businesses

faced increasing challenges in the country as the party's influence on their operations grew.

The body said it had received reports about attempts by the party to strengthen its influence on wholly foreign-owned German companies operating in China. There is no legal basis for such companies to promote the party.

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"We do not believe that foreign-invested companies generally should be required to promote the development of any political party within company structures," the statement said. "Should these attempts to influence foreign-invested companies continue, it cannot be ruled out that German companies might retreat from the Chinese market or reconsider investment strategies."

The party has been trying to make inroads into foreign-funded companies since President [Xi Jinping](#) came to power and began pushing to increase its role in all aspects of life in China.

"As far as I know, some foreign-funded companies have been required to offer full pay for at least one party branch member who would deal with the company's party branch issues," said Liu Kaiming, head of the Institute of Contemporary Observation, a think tank based in Shenzhen.

"Operators of foreign firms usually see a Communist Party branch in their company as something set up by staff to help promote goodwill and communication with the party. But now they feel these branches are trying to extend the party's influence within company operations," Liu said.

"Members of these branches often meet and hold activities - it's not a positive influence on staff. So far, the effects have been limited, but many companies are worried about whether this situation will escalate."

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Big Data: Web Of Technocracy Is Rapidly Subverting Governments

Excellent investigative journalism produces some very disturbing links between big data, Eric Schmidt, Robert Mercer and Steve Bannon. There is a thread of Technocracy running through the entire affair, even if it is not fully understood yet. While governments agencies are limited by federal law, privately-owned, offshore corporations are not.

Note: Technocracy.News is not partisan in its pursuit of Technocracy or Technocrats, wherever it may lead. In this case, everything associated with 'Big Data' smacks of Technocracy! □ TN Editor

“The connectivity that is the heart of globalisation can be exploited by states with hostile intent to further their aims.[...] The risks at

stake are profound and represent a fundamental threat to our sovereignty.”

Alex Younger, head of MI6, December, 2016

“It’s not MI6’s job to warn of internal threats. It was a very strange speech. Was it one branch of the intelligence services sending a shot across the bows of another? Or was it pointed at Theresa May’s government? Does she know something she’s not telling us?”

Senior intelligence analyst, April 2017

In June 2013, a young American postgraduate called Sophie was passing through London when she called up the boss of a firm where she’d previously interned. The company, SCL Elections, went on to be bought by Robert Mercer, a secretive hedge fund billionaire, renamed Cambridge Analytica, and achieved a certain notoriety as the data analytics firm that played a role in both Trump and Brexit campaigns. But all of this was still to come. London in 2013 was still basking in the afterglow of the Olympics. Britain had not yet Brexited. The world had not yet turned.

“That was before we became this dark, dystopian data company that gave the world Trump,” a former Cambridge Analytica employee who I’ll call Paul tells me. “It was back when we were still just a psychological warfare firm.”

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Was that really what you called it, I ask him. Psychological warfare? “Totally. That’s what it is. Psyops. Psychological operations - the same methods the military use to effect mass sentiment change. It’s what they mean by winning ‘hearts and minds’. We were just doing it to win elections in the kind of developing countries that don’t have many rules.”

Why would anyone want to intern with a psychological warfare firm, I ask him. And he looks at me like I am mad. “It was like working for MI6. Only it’s MI6 for hire. It was very posh, very English, run by an old Etonian and you got to do some really cool things. Fly all over the world. You were working with the president of Kenya or Ghana or wherever. It’s not like election campaigns in the west. You got to do all sorts of

crazy shit.”

On that day in June 2013, Sophie met up with SCL’s chief executive, Alexander Nix, and gave him the germ of an idea. “She said, ‘You really need to get into data.’ She really drummed it home to Alexander. And she suggested he meet this firm that belonged to someone she knew about through her father.”

Who’s her father?

“Eric Schmidt.”

Eric Schmidt - the chairman of Google?

“Yes. And she suggested Alexander should meet this company called Palantir.”

I had been speaking to former employees of Cambridge Analytica for months and heard dozens of hair-raising stories, but it was still a gobsmacking moment. To anyone concerned about surveillance, Palantir is practically now a trigger word. The data-mining firm has contracts with governments all over the world - including GCHQ and the NSA. It’s owned by Peter Thiel, the billionaire co-founder of eBay and PayPal, who became Silicon Valley’s first vocal supporter of Trump.

In some ways, Eric Schmidt’s daughter showing up to make an introduction to Palantir is just another weird detail in the weirdest story I have ever researched.

A weird but telling detail. Because it goes to the heart of why the story of Cambridge Analytica is one of the most profoundly unsettling of our time. Sophie Schmidt now works for another Silicon Valley megafirm: Uber. And what’s clear is that the power and dominance of the Silicon Valley - Google and [Facebook](#) and a small handful of others - are at the centre of the global tectonic shift we are currently witnessing.

It also reveals a critical and gaping hole in the political debate in Britain. Because what is happening in America and what is happening in Britain are entwined. Brexit and Trump are entwined. The Trump administration’s links to Russia and Britain are entwined. And

Cambridge Analytica is one point of focus through which we can see all these relationships in play; it also reveals the elephant in the room as we hurtle into a general election: Britain tying its future to an America that is being remade - in a radical and alarming way - by Trump.

There are three strands to this story. How the foundations of an authoritarian surveillance state are being laid in the US. How British democracy was subverted through a covert, far-reaching plan of coordination enabled by a US billionaire. And how we are in the midst of a massive land grab for power by billionaires via our data. Data which is being silently amassed, harvested and stored. Whoever owns this data owns the future.

My entry point into this story began, as so many things do, with a late-night Google. Last December, I took an unsettling tumble into a wormhole of [Google autocomplete](#) suggestions that ended with “did the holocaust happen”. And an entire page of results that claimed it didn’t.

Google’s algorithm had been gamed by extremist sites and it was [Jonathan Albright](#), a professor of communications at Elon University, North Carolina, who helped me get to grips with what I was seeing. He was the first person to map and uncover an entire “alt-right” news and information ecosystem and he was the one who first introduced me to Cambridge Analytica.

He called the company a central point in the right’s “propaganda machine”, a line I quoted in reference to its work for the Trump election campaign and the referendum Leave campaign. That led to the [second article](#) featuring Cambridge Analytica - as a central node in the alternative news and information network that I believed Robert Mercer and Steve Bannon, the key Trump aide who is now his chief strategist, were creating. I found evidence suggesting they were on a strategic mission to smash the mainstream media and replace it with one comprising alternative facts, fake history and rightwing propaganda.

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Will Italy's Post-Renzi Government Be Led By A Technocrat?

This article from the elitist London School of Economics and Political Science uses the word “technocrat” and “technocratic” 27 times. In America, the word is rarely used. □ TN Editor

Already before Matteo Renzi had lost his constitutional referendum, media around the world claimed that a ‘government of technocrats’ was the most likely option to follow Renzi in case of electoral defeat. Drawing on their analysis of all technocratic governments appointed in 30 European democracies after 1977, Christopher Wratil and Giulia Pastorella estimate a rather low probability of 12-18% for the next Italian administration to be led by a technocrat. A technocratic government is therefore definitely possible but not as likely as suggested by the media.

On 24th of November, almost two weeks before Italy's constitutional

referendum, [The Economist](#) openly asked Italians to vote 'no' in the referendum in order to 'cobble together a technocratic caretaker government' - an administration largely made-up and led by non-partisan individuals with either business or public sector experience. After the referendum and Renzi's defeat, global news outlets have been filled with the idea of a 'technocratic government' and many argue that it is the most likely option for the next Italian government (e.g. [FT](#), [NYT](#)). But is it really likely considering what we know about the appointment of technocratic governments in general?

Here, we draw on research that we recently conducted, in which we investigate the factors that lead to the appointment of such governments. A government can be called technocrat-led if the prime minister is not a member of any political party nor has she/he held office for any political party before. Mario Monti, the former Italian prime minister, fulfilled these criteria and led Italy's last technocratic government from 2011 to 2013 - in the midst of the euro crisis. In fact, we argue that technocrat-led governments are a very rare phenomenon that only occurs in times of severe political and economic crises, when parties are willing to concede the perks of the prime minister's office in order to avoid being responsible, blamed, and electorally sanctioned for painful reforms and political mess. Analysing more than 400 governments that were appointed across 30 European democracies since 1977, we show that the probability of technocrat-led governments is strongly predicted by *economic recession* and *previous political scandals*, and to some extent by *previous experience with technocratic governments*. In addition, technocratic governments are more likely after cabinet dissolution during the legislative term than following a deadlock in government formation after 'fresh' elections.

How likely is it then that the Italian president Sergio Mattarella will appoint a technocrat as the next Italian prime minister? Let us first consider political scandals. Italy has not experienced any major political scandal during Renzi's administration. This is especially true when comparing Renzi's term to the 1990s when two other technocrat-led governments were appointed in Italy, Ciampi's and Dini's. In the days of "Bribesville" ([Mani Pulite](#)), Italian politics was a synonym for scandalous.

On the other hand, considering the economy, Italy is clearly in dire times with -0.3 per cent real GDP contraction in 2014 and just 0.8 per cent growth in 2015. In fact, Italy's economy is at best stagnating if not in a recession. Another factor that increases the probability of a technocratic government is the fact that only two partisan governments (Letta's and Renzi's) lie in between Monti's government and the potential new government. Empirically, our data shows that technocratic governments tend to follow each other closely in time.

In total, our statistical model calibrated over the period 1977 to 2013 gives the new Italian government between 12-18% predicted probability of becoming technocrat-led, depending on how severe one assesses the economic situation to be. In addition, if we account for uncertainty in our prediction, a technocratic government may be as likely as 30%. Figure 1 shows for all 30 Italian cabinets since 1977 how likely technocratic governments were according to our model. This illustrates that it is about as likely that Renzi will be followed by a technocrat as it was back in 1993 that Amato I was to be followed by a technocrat, which - even though unlikely - indeed happened with Ciampi (who had a probability of about 13% to be a technocrat). Incidentally, Ciampi's appointment likewise followed a referendum which, similarly to the one in question, clearly showed the will of the majority against the ruling political elite.



Republican Success Opens Door To Constitutional Convention

A Constitutional Convention (ConCon) would be the end of America, but few realize it. The first calls for ConCon were made in the 1970s by Henry Kissinger and Zbigniew Brzezinski; need I say more? □ TN Editor
The November election put Republicans in full control of a record number of state legislatures around the country, a level of power that gives the party an unprecedented opportunity: change the U.S. Constitution.

Republicans already control Congress, the White House and more governors' offices than they have in nearly a century. But it's the state legislatures that hold perhaps the greatest promise for lasting change.

The GOP now holds numerical majorities in 33 legislatures, one shy of the two-thirds required to initiate a convention on constitutional amendments. There is no credible talk of using that power for

amendments on hot-button social issues, such as banning abortion or gay marriage. But conservatives have a list of bread-and-butter governing issues they would like to see enshrined in the Constitution.

One, to require a balanced federal budget, is already approaching the level of support that would trigger a convention. Beyond that, a major state-level push is planned during 2017 for a constitutional convention that could also consider amendments to impose term limits on members of Congress and rein in various federal powers.

President-elect Donald Trump has pledged support for an amendment on congressional term limits.

“The possibility of constitutional change is in the air,” said law professor Jeffrey Rosen, president and CEO of the National Constitution Center in Philadelphia, a nonprofit museum that is hosting academic debates and symposiums about the efforts to amend the Constitution.

The U.S. Constitution has been amended 27 times since it was ratified in 1788, and its Article V spells out two ways to propose amendments. By a two-thirds vote of each chamber, the U.S. House and Senate can refer an amendment to the states. Or two-thirds of the state legislatures can request that Congress call a convention of the states.

Both scenarios require three-fourths of the states - or 38 - to ratify an amendment before it takes effect.

If the supporters of a balanced budget amendment succeed, it would be the first time in the nation’s history that states initiated the process. That scenario has become more likely as a result of the November election.

It takes 34 states to trigger a convention for constitutional amendments, meaning a unified Republican push would need the help of only a few Democrats in a single state to reach the mark.

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