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My New Book

You can now buy my new book on values, *What Makes People Tick: The Three Hidden Worlds of Settlers, Prospectors and Pioneers* (pub Troubador 2011) at <http://www.campaignstrategy.org/threeworlds/> and we will post it to you. Or, wait to get it shortly from Amazon at <http://amzn.to/pjoYgA> where you can already buy it in Kindle format.

For some other books see the end of this article and the piece below.

The 99% Protests: Ball Still In Play

99% and the “Occupy” protests [1] aimed at financial centres have sprung up all across the world. As I’ve noted in these Newsletters before (eg #16), at times like this it is hard to judge the significance of an event – does it denote a deep seated current of change, a storm wave that will leave a lasting impact, or is it only a short term squall sustained by media attention or political squabbling? Right now, plenty of explanations [2] are being offered for these protests in the media and blogosphere and their real significance will only become apparent later.

Yet even if it’s hard to judge the significance right now, maybe we can identify some of the conditions required if the protests are to become significant.

What Might It Take?

To start with the obvious; the protests have grown and spread over the past month (<http://occupywallst.org> says to over 80 countries) and received a deluge of media attention. If they now peter out, or simply hang on, there will be very little effect unless they receive a shot of relevance from an external event. The same probably goes for any descent into violence: support will splinter and dissolve. So they need to grow and sustain themselves.

Most of all though, they need to generate a widely understood idea about why they are happening, and one which is fed by debate, not fractured by it.

This is why it is useful to the ‘project’ of the protests that the agenda is stated only at a minimal level, and expressed largely through actions and emotional connection, rather than through any detailed analysis or prescription. So far the protests have resonated with much wider feelings of dissatisfaction, which themselves range in temperature from anger and despair to mild unease. In addition, the simplifying act of taking their concern to confront the physical doorsteps of the financial sector, has enabled a host of different agendas to be subsumed in a single ‘protest movement’.

An apparent lack of organisation or a ‘clear agenda’ has been bemoaned by some participants and critics but so far it has also helped prevent the protests being pigeon-holed or framed in ways which enable them to be ‘dealt with’ in stereotypical media and political responses. It’s a case where the ball remains in play because nobody can quite see it.

For now the protests are receiving quiet if largely tacit support from the huge number who feel that “something must be done” about all that finance and banking stuff and what lies behind it,

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and “this at least, is something”. As to the active participants and advocates, they are partly fuelled by that classic impetus identified by Harald Zindler as: “the optimism of the action is better than the pessimism of the thought”. Yet that will not last: the protests either need to achieve contagion, in which case participation is reinforced by a growing sense of agency, (“each day it grows so by joining in I can make a bigger difference”); or to start getting ‘results’ (“we are winning, keep going”); or if it begins to achieve effect at a distance, most likely by spreading an idea.

Ironically, the Wall Street protestors need look no further for a demonstration of the political utility of an idea which becomes an organising idea, than their fictional Wall Street archenemy Gordon Gecko. He famously stated: “Greed, for lack of a better word, is good. Greed is right. Greed works. Greed clarifies, cuts through, and captures, the essence of the evolutionary spirit. Greed, in all of its forms; greed for life, for money, for love, knowledge, has marked the upward surge of mankind and greed, you mark my words, will not only save Teldar Paper, but that other malfunctioning corporation called the U.S.A.”

Inequality

The idea most likely to have political ‘legs’ in helping the protests prove the nemesis of Geckoites, is inequality. ‘99%’ is a great rallying call and nascent brand because it is also a proposition, referring as it does to the multitude of studies which show the growing disparity between the 1% richest and the rest. The 1% includes those who engineered, profited from, and mostly still profit from the financial system and policies which led to the crisis and recession. The 99% include the rest who lost out, directly (eg through lost homes, savings or jobs, such as many protesting in America) or indirectly (eg through cuts in public expenditure, such as many protesting in Europe). Of course the apportionment and attribution is in reality much more complex than that but the reason that 99% can ‘work’ is that in reality, it also turns out to be essentially true.

The dynamics of the financial crash hold many important insights for campaigners concerned with issues where risk is important and understanding of risk is central, yet complexity makes it almost impossible for any one individual to assess risk. Decision makers simply did not understand what they were dealing with (think also of climate change, possibly nanotechnologies ?), and politics failed to represent a public interest.

If you’ve not read it, I recommend the illuminating and forensic account of the incompetence of the political-financial system in *Masters of Nothing* [3], by two British Conservative MPs, Matthew Hancock and Madhim Zahawi.

At one level their examination is one of political failure to understand human nature, the “greed, recklessness and irrationality” of the so-called financial ‘Masters of the Universe’. As a consequence even supposedly left-wing politicians like Peter Mandelson embraced ‘greed’ as a force for good, declaring in 1998 that Britain’s Labour Government was “intensely relaxed about people getting filthy rich”.

At another level they highlight the now well-known incompetence of regulators, and indeed of managers within banks, in failing to understand that derivatives multiplied risk (rather than reducing it, as, amazingly, Alan Greenspan apparently thought [4]). At a third, they trace

weaknesses back to the origins of economics as a 'science', noting that it relied almost solely on the assumptions of 'rational choice theory', because its axioms were formed before Wittgenstein came along with his ideas of uncertainty and the unknowability of the mind. In greater detail, they dissect how particular politicians, regulators and institutions heard warnings and ignored them, or placed blind faith in behavioural assumptions that were untested or known to be invalid. The bigger picture though, is that the political classes, supposedly representing the public interest, conspired and colluded to facilitate a system whose beating heart looked very like that of Gordon Gecko. The un-named big idea was Deregulation of Self-Interest.

Deregulation of Self-Interest

The consequence was a massive shift to inequality: a transfer of wealth from the many to the few. At *Business Insider* Henry Blodget has produced a short graph-driven explanation of what happened in the US (<http://read.bi/omdmNq>). The wages of highest earners have spiralled – average US CEO pay is now 350 times that of workers, up from 50 times in 1960 - 1985. Unemployment and corporate profits are soaring at the same time. And since the 1950s, the slice of American economy devoted to wages, has gone down, and down, and down.

Blodget comments of the protests:

So far, the protests seem fuelled by a collective sense that things in our economy are not fair or right. But the protesters have not done a good job of focusing their complaints—and thus have been skewered as malcontents who don't know what they stand for or want.

... Do they have legitimate gripes? ... yes, they have very legitimate gripes.

And if America cannot figure out a way to address these gripes, the country will likely become increasingly "de-stabilized," as sociologists might say. And in that scenario, the current protests will likely be only the beginning.

As Blodget says, in the US, this sort of inequality might be tolerated if the 'American Dream' were sustained. But the likelihood of moving up the economic pecking order is also tumbling. The dream is bust. For America's leaders, these are uncharted waters.

As it happens, inequality has been measured internationally for a long time, so there is a lot of tried and tested political substance behind 'inequality', if the protestors can turn it into a political proposition. It is 'tractable': politicians and media commentators could pick it up and do things with it in a way that they can't with more conceptual complaints about 'how we live' or 'the system'.

And two years ago, a British book *The Spirit Level* [5] by Richard Wilkinson and Kate Pickett, laid out in great detail the wealth of evidence within the US (between States) and internationally, between countries, showing how more unequal societies performed worse than more equal ones, in terms of more or less any measure of social success that you can think of.

Rather like Hancock and Zahawi who can point to specific behavioural phenomena such as the 'bystander effect', 'herd' behaviours and the 'backfire effect' to show how political oversight of finance and the economy fell to pieces, Wilkinson and Pickett are able to go much further than

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pointing to a compelling set of correlations about longevity, physical health, teenage births, drug abuse, mental health, educational achievement, violence and even achieving sustainability. They can reveal the corrosive mechanisms of inequality at the individual level.

To take just one example [6], a 2004 experiment by of all people, economists from the World Bank, showed that low caste Indian boys slightly out performed higher caste boys in a problem solving test. Then, their caste standing was disclosed, and the experiment repeated. This time the lower caste boys did far worse.

The British government of which Mandelson was part, tried to be intensely relaxed about some people becoming filthy rich (which inescapably meant others becoming relatively poorer) and at the same time to mitigate the effects by interventions designed to reduce inequality, such as by giving youngsters a 'better start' in life, or eating more healthily [7]. Unfortunately these failed because they did not reduce economic inequality which was gearing the targets effects they targeted.

The bind for today's governments and politicians is this: capitalism may 'work' but if it increases inequality, it doesn't. That of course is a matter of degree but the coefficient is about trust and hope – both factors themselves affected by inequality. The signs are that we are reaching the limits of tolerance of inequality, even in that most unequal of large developed nations, the USA.

Strategy

A first base target for strategists of 'the protests' could be to pursue demands about inequality in order to make that the 'issue'. Unlike socialism and capitalism or other -isms, inequality has currency on both sides of the left/right divide, especially once it factors in opportunity.

Tactically they need to stay focussed on the banks and the 1% mega-rich. As many polls have shown, although most people are dimly aware that the mega-rich exist, they tend to greatly under-estimate how rich they are, and how many of them there are. Often they only know the mega-rich from celebrity, and quite often they like the celebrities, and so they have forgiveness. The banks on the other hand, "have our money", and bankers are still getting paid huge bonuses. On closer inspection, this problem will turn out to be worse than people thought, not less bad: a sustained talking point This is where the loose threads are and the protestors need to pull on those, and more importantly, to get politicians to start pulling at them.

Politicians present something of a problem. In democracies becoming a politician and holding elected office always brought certain benefits: the 'aphrodisiac' effect noted by Henry Kissinger, fame, power itself, even the opportunity to 'do good' as you saw it. Yet in many countries it has now also become an entry ticket to a world of wealth, and politicians offered positions of greatest power are disproportionately drawn from the very rich. This is especially true in countries like the US and following on behind, the UK, much less so or perhaps not at all in the least unequal countries such as Sweden and Japan. Consequently politicians at or nearing the top of the tree, may be very reluctant to pick up an idea which could dash their own dreams of wealth. You could call it the Inequality Incentive.

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Again, while electorates or citizens in many 'Third World' countries or parts of the former Soviet Union have long come to expect that power and great wealth hand in hand, 'the public' in a country like the UK is largely unaware of this. In Britain for example, since the recession began, great play has been made by the media of criticising public officials who "earn more than the Prime Minister". This makes it sound as if the British Prime Minister is like us, a sort of average person. The pay of British Government Ministers is set at levels which already just bring them into the top 1% of earners but most of them come into office already far richer and far more advantaged than their wages could make them.

In 2010 the UK *Daily Mail* reported [8] that the ruling Conservative-Liberal Democrat government was a 'Coalition of Millionaires'. 23 of the 29 members of the Cabinet for example had assets of over £1m. While his Prime Ministers salary was only £142,000 the Mail wrote of David Cameron:

The PM and his wife both come from wealthy backgrounds and enjoy substantial property assets of their own: their London home has been valued at £2.7million and their constituency house at £1million. Mrs Cameron's work as the creative director of Smythson, the upmarket stationers, earned her a £300,000 bonus. Both are in line to inherit fortunes from their parents: the combined wealth of the Camerons' parents has been put as high as £30million.

This of course would put them in the top part of the top 1% of wealth in the UK.

After leaving office politicians often pick up very high earnings. For instance Tony Blair, a former British Prime Minister, has reportedly earned as much as £2,000 a minute while giving talks, and has made more than £10m, since leaving his role [9]. Hilary and Bill Clinton's income increased from \$358,000 in 2000 while Bill was President, to \$16 million in the year after Bill left office. [10] Clinton's Treasury Secretary Bob Rubin apparently made over \$100m at postmerger Citigroup, after the Clinton Administration supported the side-lining of the Glass-Steagall Act that limited Wall street mergers [11] allowing the merger creating Citigroup. (The current salary of the US Treasury Secretary is \$191,300 per year). As to Peter Mandelson, his latest home cost over £2m.

The point is that many politicians in government in countries like the UK are part of the mega-rich 1% themselves, often way up towards the 0.1%. As reducing inequality actually involves some sort of income redistribution, any policies which seriously reduce inequality are going to bear most on themselves and their rich friends, contemporaries and their children.

In Britain as in America, the ruling political classes are now part of a privileged elite. For example in Britain just 7% of the population attend independent (private sector) schools, which most people cannot afford. Yet 75% of judges received a private education, 70% of finance directors, 45% of top civil servants and 32% of MPs. Of those who gain high office the proportion is far greater: in 2010, 16 Ministers in the new British Cabinet of 29 were privately educated, and 20 had been to the elite universities of Oxford or Cambridge.

The Revolving Door

Many senior civil servants too, have profited from the revolving door, taking positions with commercial companies, most often in sectors they were just recently regulating (see eg <http://political-cleanup.org/?p=2444>; <http://www.bbc.co.uk/news/uk-politics-14193449>)

As economist J K Galbriath noted, of the many things that have been said about redistribution of wealth, one thing is certain, and that is that the rich have invariably been against it. It's a big incentive for the political elite to try and find a different 'solution' to public disquiet.

Part of their problem is the sheer scale of inequality which has now developed, especially since the 1980s. It's hard to hide and reversing it would require significant changes to government policies. It could be done: Wilkinson and Pickett point out that in Britain, relative poverty halved in World War Two thanks to government policies deliberately designed to foster a sense that the burden of effort was being shared fairly. So far, few politicians are proposing really serious changes.

One thing that might help the protestors seed a new politics is that if they zero in on income inequality, rather for example, than blaming 'capitalism', they can avoid a right/left dichotomy. Wilkinson and Pickett show that there are huge state-state differences in equality within the US for example, and between countries, with plenty of examples where right-wing and left-wing systems have produced high or low inequality.

Inequality Fault-Line

The protestors talk about a 'socioecologicomic' crisis and it is true that there is far more to it – global climate pollution for example - than just income distribution inequalities. But that's the potential fault line, and barring wholesale social destabilisation, the audience which matters most is still the political class. The protestors or their interpreters need to find ideas and propositions, probably carried by third parties like commentators, NGOs and academics, are articulated in near-term politics.

Another factor in their favour is that while their demands may at the moment be inchoate, the general critique that there is something fundamentally wrong with the economic system is borne out by everyday experience. This is the opposite of what happened back in the 1990s, where Mr and Mrs Average watched the anti-globalisation 'Battle of Seattle' and wondered, momentarily, what all the fuss was about. 'Things' seemed 'ok': now things definitely don't seem ok.

The 'public' is very nearly onside. Tactically it might do no harm in Britain to point out that the doctrine of Deregulation of Self-Interest, identified in not-so-many-words by commentators ranging from Pat Dade at CDSM (see his blogs on a Golden Dreamer Night Out and who likes riots [12]) to Peter Oborn on 'moral decay' at the top and bottom of society in *The Daily Telegraph* [13] – facilitated not just the financial crisis but the 2011 riots.

Conclusion

If the protests can persist, governing politicians may have to listen. They need to look like they are governing effectively and like to stay on the side of 'public opinion'. Capturing that from them is a darn sight easier than actually changing the system.

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If the media decides to start demanding answers, then instead of protestors who find it hard to say exactly what has to change and where to begin (because nobody quite knows that), it will be the politicians who are in the firing line. Once that dynamic starts, and if governing politicians begin to react, a new organising idea might take hold, which in turn could lead to decades of change in the way that financial-economic-political doctrines were made real by Alan Greenspan, Gordon Brown and others. Deregulation of Self-Interest might be replaced by something else.

If government is to have a role in solving these problems we somehow we have to offer a new incentive to the political classes. We need to remove their Inequality Incentive.

Here's an idea: politicians coming into power could be legally required to accept a leaving pension, index-linked to inflation, on the condition that they had no other income – thereby closing the door on the escalator into the world of the super-rich. And as the super-rich tend to mingle only with each other, the socialising which underpins their more subtle political influence, might be diminished. Corporations would no longer be able to buy in former Prime Ministers and the like as advisers, unless of course the job was so interesting that it was worth doing unpaid. (It's also been suggested that senior officials should face a lifetime ban of accepting money from any industry they once regulated.)

You can imagine the outcry to such a change from the already wealthy and the incipiently wealthy (maybe there would need to be a phasing in period) but there might well be a lot of poorer politicians, or would be politicians, who would accept such a sacrifice in the public interest. Having more poor people in power might not be such a bad idea. The positive incentive for politicians and officials might be gaining a lifetime of trust and respect.

References

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[2] See for example

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[3] Matthew Hancock and Nadhim Zahawi, *Masters of Nothing*, Biteback Publishing, 2011

[4] Alan Greenspan was Chairman of the 'Fed' or Federal Reserve in the US. Apparently he did not realise that derivatives were not like credit default swaps which effectively insured against a debtor defaulting but most often had the opposite effect, building up a linked network of unsecured loans, or uncapitalised insurance - p 68 in Matt Taibbi, *Griftopia*, Spiegel and Grau 2010

[5] Richard Wilkinson and Kate Pickett, *The Spirit Level*, Penguin 2009

[6] p 113 ref 5 op cit

[7] p 239 ref 5 op cit

[8] <http://www.dailymail.co.uk/news/election/article-1280554/The-coalition-millionaires-23-29-member-new-cabinet-worth-1m--Lib-Dems-just-wealthy-Tories.html>

[9] <http://www.guardian.co.uk/politics/2010/jan/25/tony-blair-speaker-landsdowne-partners>

[10] <http://articles.latimes.com/2008/apr/05/nation/na-taxes5>

[11] p 65 Taibbi ref 4 op cit

[12] <http://www.cultdyn.co.uk/ART067736u/GDNightOut.html> and

<http://www.cultdyn.co.uk/ART067736u/Rioting-E&E.html>

[13] <http://blogs.telegraph.co.uk/news/peteroborne/100100708/the-moral-decay-of-our-society-is-as-bad-at-the-top-as-the-bottom/>

BOOKS

Comedy Rules

It may seem odd to recommend a book on comedy to campaigners although an abiding criticism of campaigns and campaigners is that they often seem to lack a sense of humour. Make people laugh and you get liked – and that's a huge step forward in gaining their trust and assistance.

However the main campaign value to be extracted from reading Jonathan Lynn's *Comedy Rules: From the Cambridge Footlights to Yes Prime Minister* (Faber and Faber 2011) is probably Lynn's insights into audiences. As an actor, director and most of all script writer, Lynn understands audience psychology. All too often campaigners spend far too little time thinking about audiences, what they want, what we ask of them, and the impact that an attempt at campaign communication might have on them. The importance old rule 'start from where your audience is, not from where you are', can't be over-stated. Too often, far more effort goes into creating something that pleases the authors and the messengers of a campaign, and not the intended audience. This applies whether one is campaigning face to face, or using online or offline media.

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There are dozens of nuggets of wisdom about audiences in Lynn's book but here's one that comes in list format (point 31 in his 150 'rules' for comedy, in this case talking about theatre audiences):

31. There are days when the audience will always be difficult:

New Year's Eve

Heat waves with no air conditioning

Snowstorms with icy roads and uncertain trains

Hurricanes

Terrorist attacks

Death of Princess Diana

Royal Weddings

Royal Funerals

Declaration of War days, especially futile wars that the public doesn't believe in

And any other day when it is hard for any normal person to enjoy themselves.

The more determined an audience is to enjoy itself, the better. Monday nights can be wonderful. Saturday nights, though generally the fullest houses, are not usually the best. Saturday audiences tend to be people who just wanted to go out somewhere because it's Saturday night; Monday night audiences tend to be people who specifically want to see your show.

Forget the British references and you can probably see how this applies in many contexts and any country. I have to say I cried with laughter reading bits of his book aloud – see the story of the dragon costume on p 25. But even if you don't find that funny, there should be something in here to help make your campaigns more fun and more effective.

This Crazy Time

I've just got time to mention one other book which is a great read on campaigns – Tzeporah Berman's *This Crazy Time: Living Our Environmental Challenge*, published (2011) by Knopf Canada. Written with Mark Leiren-Young, Berman's book is part political campaign journey, part autobiography but if you ever need a book which tells you what it is like to campaign, this has to be one of the best.

Berman's front-line account of how she became involved in the direct-action-led defence of the temperate rainforests in Canada's British Columbia in the 1990s, dominates the first part of the book. It's a classic tale of non-violence met sometimes with violence, across logging road barricades and often across social, values and political divides but it never descends into easy clichés about coffee house environmentalists pitched against evil logging companies.

It charts her own involvement and that of her fellow forest campaigners from naive optimism through tangled relations with the First Nations, to getting to know their opponents, internationalising the campaign with boycotts of pulp and paper products from MacMillan Bloedel, and conversion and redemption stories of individual companies and executives once an accommodation was gradually reached.

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Involving as it does, direct action in North American ancient primary forest, the love of nature and the conflict with logging, individualism and the need to create organisation to make a difference, and even the campaigner becoming a somewhat reluctant celebrity, I was very struck by the similarities between Berman's book and the story of John Muir's campaigns to save the forests of California. Muir effectively started the modern environmental movement and forged the style of campaigning of which Berman pursued around one hundred years later. (There are many books telling John Muir's life story, such as Donald Worster's *A Passion for Nature: the Life of John Muir*, pub OUP, 2008)

Whereas Muir went on to form the Sierra Club, whose more radical members eventually spawned Friends of the Earth and Greenpeace (Muir subsequently quit Sierra as not radical enough), Berman went on to work for Greenpeace and was instrumental in setting up Forest Ethics. The accounts of their 'corporate' target campaigns against companies like Victorias Secret (at the time printing a million lingerie catalogues a day on paper mostly made from old growth forest), and her exploration of negotiation, could be used as case studies for many campaigns involving corporations, consumers and markets.

No two campaigns are the same but Berman's career has spanned the spectrum at least in scale and sophistication, and this should be on any campaigner's bookshelf, and read by students on any course which purports to understand what intense campaigning is really like.

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HOW TO WIN CAMPAIGNS pub April 7 2005 Earthscan by Chris Rose see

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