



## **“An Embittered Populace: A New Elite or Dysfunctional Old Elites?”**

**Business and Public Policy Round Table**

**September 14<sup>th</sup>, 2016**

**University Club of St. Paul**

### **Proceedings**

Chair and Facilitator: Stephen B. Young, Global Executive Director, Caux Round Table

Special Guest Speaker: David Lebedoff, Of Counsel, Gray Plant Mooty

Attendees: John Buettner, Nick Conant, Jim Dorsey, Dave Durenberger, Frank Fallon, Bob Geist, John Hasselberg, John Hottinger, Darla Kashian, Guntis Kupers, Don Lee, Malcolm Macdonald, Ron Okenfuss, Chuck Perkins, John Rupp, Peter Sammond, Bonnie Sargent, Doug Seaton, Kathy Sullivan, Kevin Terrell, Jim Van Houten, Harry Walsh, Chris Weyandt

Staff: Jed Ipsen, Erik Sande

On September 14<sup>th</sup>, 2016, the Caux Round Table convened a Business and Public Policy Round Table discussion entitled – “An Embittered Populace: A New Elite or Dysfunctional Old Elites?” The event featured author and lawyer David Lebedoff and his thoughts and ideas around what he coined the “New Elite” and the “Left Behinds.”

The dialogue began with discussion of how and why our society has been segregated into these two groups – the New Elite and the Left Behinds – and the consequences of that segregation. As a result of meritocracy, the rules of political parties have changed so that decisions are made by unelected ‘party officials.’ This, in turn, has led to a growing lack of accountability among our political class – or at the very least, they are not accountable to voters but, rather, unelected party elites. Intensifying the problem are the issues of a fragmented population and gerrymandering.

The Left Behinds are those without the status benefit of high IQ’s and graduation from the top colleges and universities. They are mostly middle and lower class. They are the Donald Trump base. They are the citizens, mostly Caucasian, whom Hillary Clinton referred to as “a basket of deplorables” and whom Barack Obama once slighted when campaigning as “turning to religion and guns” for psycho-social comfort.

The fragmenting of the population has been exacerbated by cable news and social media. When there were only a few sources for news, viewers would, at times, be presented and challenged with ideas that they might not initially agree with. In our current media environment, individuals have self-selected their news sources in such a way as to only be presented with ideas and articles that align with their previously held beliefs.

The issue of gerrymandering is the culmination of unelected officials in power combined with the fragmentation of the population. Indeed, it is the literal essence of fragmenting a population, leading to further silo-ing of individuals. This process can quickly lead to disenfranchised voters due to the reorganizing of districts to ensure safe incumbents.

The New Elite, as a class, are self-defined and are typified by increased accumulation of education. Specifically, "...the difference between the old elite and the new elite is that if you were the son of a Duke, then you had a place, but you didn't think that you were scientifically smarter than other people." New elites have been shown through testing that they are predicted to do better in college and then they do. In the globalized economy, the skills and training that the New Elite acquire through selective admission into the most expensive and prestigious institutions of higher education are highly valued.

The question of whether this current divisiveness that the U.S. is experiencing is different than previous periods, for example the period just before the Civil War, was discussed. While there have always been divisions within the U.S., the internet, social media and cable news enables greater polarization. It was noted that "Elections have become nothing more than a contest to see who is less bad" and that "people in the middle (politically) are finding less places to go."

There was concern that the elite has grown out of touch with the 'average American' and that is leading to a crisis of democracy. The discussion of this point noted that in previous decades – the decades where the elites were presumably more 'in touch' – we had a white, male elite and now the country is undergoing extreme demographic change. Perhaps most cogently, the point of one attendee stating that, "Back in the 50's and 60's, there was white power. It was homogenized for people like us – not really homogenized for the country as a whole."

However, while the topics discussed were, at times, difficult and perhaps disheartening, the round table ended on a high note. Numerous participants brought up the idea that democracy is not broken, it is simply being distorted with money. The capitalist system and democracy are the best systems created to spread opportunity and wealth. We simply have to work to ensure that everyone participates to recognize those opportunities. While there are difficulties presented in our current class-divided populace, we should recognize that many of these same divisions have existed before. Through participation in the system, we can all work to strengthen and repair our political and economic apparatuses. Indeed, "Don't say that democracy has failed because someone pulled the plug, simply plug it back in."