

Janine R. Wedel, *Shadow Elite: How the World's New Power Brokers Undermine Democracy, Government, and the Free Market*. New York: Basic Books, 2009
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The public is vulnerable because of the greater potential for players who are supposed guardians of official information and public policy to further their rather than the public interest, and to do so unnoticed.

The rise of shadow elite warrants revisiting age-old thinking on corruption. [...] This is corruption at its most basic—a violation of public trust. Flexians and flex nets pursue the ends of their own ideological masters, which often contradict the other masters they supposedly serve.

J. Wedel (2009)

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Although not rendered in these terms, the phenomenon under investigation by Janine R. Wedel's book—"today's shadow elite"—can be seen as a case study of a shift in the direction of embedding between the generic domains of "government" and "shadow government." In other words, Wedel (2009) analyzes the structure of opportunity, the dynamics and implications of embedding of government by the institutions and actors it contracted in American, Polish and Russian social settings. The novelty and therefore "scandal" of the phenomenon rises from the fact that the government no longer imposes its goals on the shadow government, such as the consultants, executives, contractors, agencies etc., that it helped bring about in the first place. Yet, the contractors influence and change the goal-seeking behavior of the government as such. Following the work of embeddedness theorists,¹ I depict this process as a shift in the direction of embedding. In Wedel's book, it is conceptualized as transition from government to governance. "Governance" refers to "rule by a combination of bureaucratic and market entities"—i.e. the privatization of power (Wedel 2009: 77).

"Shadow elite" is a generic term denoting individual influencers and networks of power brokers that have the quality of "[b]eing in, but not of, an organization" (Wedel 2009: 1). This is characterized by flexibility and truthiness. The former element

¹ For embeddedness and embedding see Granovetter (1985); Portes (2000, 2010); Pike, Lagendijk and Vale (2000).

pertains to the lack of loyalty to institutions and the ability to gain autonomy, influence and have immunity from prosecution via mechanisms of “performance of overlapping roles.” The latter concept indicates the general tendency of politics as entertainment. This means that the presentation of facts gains pre-eminence over their actual content. The evolution of politicians—their credibility—becomes a matter of performance in the media. Wedel (2009) analyzes instances of the phenomenon of shadow elite by looking at “flexians and flex nets” in the United States (the “Neocon core,” the “Iran-Contra affair” and the decision to go to war in Iraq), at “institutional nomads” in Poland (the “elusive, yet real, group of institutional nomads” known as “Ordynacka” and the related scandal dubbed “Rywingate”) and by looking at “clans” in Russia (the Chubais-Harvard flex net and the subsequent affairs regarding privatization in Russia).

The body of knowledge at work here is impressive. Atypical for sociological and anthropological studies of scandals, which are usually built on press releases, the insight is supplemented by observation, interviews with relevant actors and sometimes even key players, and through interpretations of local scholars by following and studying the dynamics of these networks. This methodological peculiarity might stem from the fact that Wedel’s intention was not to bring an input to the study of scandals and affairs. Still, sooner or later in the narrative, scandal or affair emerges as a common point in the case studies under review. The commentary on flexians’ resistance to shaming and public expression of disapproval also surfaces at this point. The reemergence of actors in key positions of power, points to occurrences of scandal with no sanctions.

Yet, ending in legal sanctions is not the sole criteria for intensity of scandals, there is also the issue of distinguishing between scandal and law as social control. The closure of the network of flexians is indeed facilitating and effecting the reinsertion of transgressors in the political game and the apparent institutional amnesia regarding their culpability. Still, this closure also effects suspicion by association regarding the flex nets, and not only the flexians involved in the scandals per se. This mechanism of scandal has been regarded by Ari Adut (2008: 24–31) in terms of “associative contamination” and related to “aggravating elements.”

With reference to Adut (2008: 25), I would argue that the presence of the combination “of guilt by suspicion and guilt by association” throughout the book is an element that certainly does not give justice to the richness of information and the insight into the processes presented. Yet, it should be also stated that the combination does not necessarily undermine the author’s further treatment of the phenomena. Furthermore, there are also instances when Wedel (2009) seems to distance herself and depict the scandal mechanism of “associative contamination,” without elaborating further. The most telling example is the final discussion of “accountability in the age of flex nets.” Here, the author introduces the Ehron scandal, which describes irregular accounting procedures and touches upon the impact of auditing scandals on the authority of auditing institutions (Wedel 2009: 196).

I have advanced these insights from a scandal perspective in order to explain why the author depicts this “new phenomenon” mainly in vocabulary pertaining to

“corruption.” The point is not to deconstruct Wedel’s insight in the case studies introduced. It is however to indicate that while the analysis of several affairs might illuminate new phenomena—as Wedel’s inquiry certainly does—there is also the danger in reproducing the logic of different scandal mechanisms by the study of this specific empirical material.

Irrespective of dynamics and consequences of scandals, the exploration of flexians’ resistance to shaming is revelatory of the phenomenon of the dis-embedding of shadow government from the domain of the government. In other words, the resistance to shaming might be less suggesting of the intensity of scandal and more of the dynamics of dis-embedding of the domain of shadow government from the domain of the government. It thus explores the evolution in the direction of the embedding of the government domain by the domain of the shadow government. In this respect, embeddedness and scandal theorists will certainly benefit from Wedel’s (2009) examination of interplay of “conflict of interest” and “coincidence of interest.” The author traces these two mechanisms to uncover interdependency between the fields of government and shadow government.

To the extent that the Chubais-Harvard players were vulnerable to sanction from legal and media quarters, it was almost invariably due to their alleged conflicts of interest, not the coincidences of interest they structured for themselves as they fused official and private power. Yet it is precisely their coincidences of interest that afforded them vast power of influence, beyond the input of citizens and the reach of monitors. Today it seems that their coincidences of interest, and the new forms of governing that they escort, have ricocheted back to the United States (Wedel 2009: 146).

As stated above, the author puts forward an anatomy of scandals of privatization of power without this being her manifest intention. Furthermore, I have also tried to show that from the point of embeddedness theory, Wedel’s book might be seen as a case study of shifts in the direction of embedding through the relation between the generic domains of government and shadow government. By the same token, the study could also be framed as an exercise in the social network analysis of the privatization of power. Here, we see how Wedel puts forward a monograph of networking on the basis of case-studies of three institutions: flexians and flex nets, institutional nomadic groups and clans in United States, Poland and Russia respectively. Additionally, the analysis of performance of overlapping roles, and of patterns of exerting influence, brings fresh input to classical mertonian themes (see Merton 1968). The monograph of power brokers could also be joined as a case study in “brokerage and closure” within the more integrated theory of social capital and organization studies (see Burt: 2003). Eventually, the “transnational togetherness” of flexians and flex nets and their weaving of economic base through “juggling of roles and representations,” (Wedel 2009: 129–133) tackles theoretical treatments and conceptualizations for interest in economic anthropology and economic geography (see Pike, Legendijk and Vale 2000).

In conclusion, I believe it to be the merit of the book to the discussion on privatization of power by bringing in such rich empirical material accompanied by punctual and pertinent interpretations, in order for all of the above named fields to feel inspired to bring in their own research input to this area of study.

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