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Civitas *Politics*

POLITICS · INSTITUTIONS · IDEAS



WHO REALLY HOLDS POWER?

THE INAUGURAL ISSUE

The Limits of Democracy
When the People Can't Decide

Institutions That Endure
Why Power Survives

The New Geopolitics
A More Fragmented World

Civitas *Politics*

ISSUE 01 · FALL 2025 · WHO REALLY HOLDS POWER?

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FROM CIVITAS

Power rarely announces itself

It sits in the tax code, in feed rankings, in a treaty clause nobody read, in the job title of someone who never appeared on a ballot.

This issue follows that trail through ten essays. Each opens with a documented scene and keeps to what the record supports: court filings, central bank statements, loan agreements, peer-reviewed studies. Where researchers disagree, the essay says so and lets the other side speak.

The essays come in three parts. The first asks what voters can still decide. The second looks at institutions that outlast the people running them. The third follows money and rules across borders.

Every figure in these pages comes from a published source. Where a case is still in court, the essay reports the filing and makes no claim about the outcome.

CIVITAS POLITICS



I

The Limits of Democracy

When the People Can't Decide

01 Beyond the Ballot Box

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Beyond the Ballot Box

Elections choose governments. Many decisions never reach them.

61.3%
Voted No in Greece's referendum, July 2015

14 yrs
Term of a Federal Reserve governor

66.4%
Voted to change Ireland's abortion law, 2018

Greek banks had been shut for six days, and cash machines paid out 60 euros a day, when 61.3 percent of voters said No on July 5, 2015. The question on the ballot was whether to accept the bailout terms offered by creditors. Eight days later, the government agreed in Brussels to a new rescue package with creditor-set conditions.

The sequence shows a pattern repeated across Europe and the United States. Citizens vote, and then courts, central banks, regulators or international bodies decide what happens next. Some of that delegation protects voters from their own short-term impulses. Some of it puts large decisions beyond any ballot. The task is to tell the two apart.

WHY EXPERTS TOOK OVER

The word "technocracy" dates to 1919, when engineer William Henry Smyth used it to argue that industrial society had grown too complex for politicians alone. A century later, central banks set interest rates, agencies write binding rules and treaties override national statutes. The usual defense is blunt: nobody takes a popular vote before heart surgery.

THE FEDERAL RESERVE

The Fed holds the most visible example. Its governors are appointed by the president and confirmed by the Senate, then serve 14-year terms. Removal is possible only for cause, and a policy disagreement does not qualify. Interest rate decisions move mortgage payments, hiring and asset prices for every American, yet no voter picks the people who make them.

The design has an economic logic. Economists Alberto Alesina and Lawrence Summers found in 1993 that countries with independent central banks had lower inflation without slower growth. Politicians facing an election have a reason to cut rates early, and independence removes the temptation. Critics answer that independence also removes accountability for recessions, and that Fed leadership draws heavily from finance.

THE EUROPEAN UNION

Popular accounts overstate the case against Brussels, so the facts matter. The European Parliament has been directly elected since 1979 and co-decides most EU legislation with the Council. The Commission proposes laws, but Parliament elects its

president and must approve the whole Commission. Parliament also holds the power to dismiss it through a censure motion, which requires a two-thirds majority of votes cast.

The democratic deficit lies elsewhere. Few voters know the names of their commissioners, and turnout in European elections trails national elections in most member states. Treaty changes also require unanimity among governments, which makes the rules hard to alter by ballot. When Irish voters rejected the Lisbon Treaty in June 2008, the government negotiated assurances and held a second referendum in October 2009. The treaty passed.

WAYS BACK TOWARD CONSENT

Reformers offer three broad routes. Direct democracy uses referendums, and the Greek case shows its limits when the vote cannot change the creditor's position. Stronger legislatures would reclaim oversight of agencies. Citizens' assemblies draw randomly selected residents into deliberation. Ireland's 2016 to 2018 assembly recommended a referendum on abortion law, and voters approved the change in May 2018 with 66.4 percent in favor.

Each route costs something. Referendums reward simple questions. Legislatures hand power to the same parties voters distrust. Assemblies advise and never decide. A system with no experts fails at complexity, and a system with experts alone fails at consent. Most democracies live between the two and renegotiate the border every decade.

Greece's banks reopened on July 20, 2015, with the daily cash limit still in force. Capital controls stayed on the books until September 2019. ■

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The Invisible Hand of Plutocracy

Organized money shapes American policy. The record also shows where it loses.

The Invisible Hand of Plutocracy

Organized money shapes American policy. The record also shows where it loses.

$73.7B
Ten-year yield projected for the 2022 buyback tax

$4.2B
Federal lobbying reported for 2023

51–50
Senate vote that passed the 2022 law

On August 7, 2022, the Senate passed a climate and health bill by a vote of 51 to 50. Its first draft would have changed how carried interest is taxed, the rule that lets private equity managers pay capital-gains rates on much of their pay. The final text left carried interest alone. Negotiators added a 1 percent excise tax on corporate stock buybacks instead, and the Joint Committee on Taxation put its yield at $73.7 billion over ten years.

One industry kept its tax treatment. Another saw a favored practice taxed anyway. Anyone who claims wealthy interests run Washington owes readers an explanation of both outcomes, and the figures below supply most of the evidence.

TWO COURT DECISIONS WROTE THE RULES

In *Buckley v. Valeo* (1976), the Supreme Court held that limits on campaign spending restrict speech protected by the First Amendment. In *Citizens United v. FEC* (2010), it extended the reasoning to corporations and unions. A federal appeals court completed the picture the same year in *SpeechNow.org v. FEC*, ruling that committees raising unlimited sums are legal if they stay independent of candidates. The super PAC was born.

The scale is large. By late October 2020, OpenSecrets had counted $2.6 billion in outside spending. Casino owner Sheldon Adelson was the cycle's biggest donor at roughly $183 million. Michael Bloomberg reportedly spent about $1 billion of his own money on a presidential run that ended in March 2020.

LOBBYING IS STEADIER MONEY

Registered lobbyists reported a record $4.2 billion in federal lobbying for 2023, according to OpenSecrets, and more than 12,000 of them were active. Divide the total by 365 days and you get about $11 million a day. Pharmaceutical and health-products firms spent roughly $379 million, the top industry total. Oil and gas companies reported close to $130 million. Amazon and Meta each spent close to $20 million in 2022.

Spending does not guarantee a win. Drugmakers lobbied against the 2022 law letting Medicare negotiate prices on some drugs. Congress passed it anyway. The same law capped insulin copays at $35 a month for Medicare beneficiaries.

WHAT RESEARCHERS FOUND

In 2014, political scientists Martin Gilens and Benjamin Page analyzed about 1,800 policy questions. Once the views of affluent Americans and organized groups were counted, average voters showed little independent effect on outcomes. Later reanalyses disputed the reading. Rich and middle-income Americans want the same policy on most issues, critics note, so the data struggle to separate whose preferences won.

Public-choice economists Stephen Ansolabehere, John de Figueiredo and James Snyder posed a second challenge in 2003. Federal budgets and regulations put trillions at stake, yet campaign contributions look small by comparison. Their explanation: most donors give as a form of participation, closer to buying a ticket than making an investment.

MONEY BEHIND IDEAS

Charles and David Koch spent decades funding the Cato Institute, the Mercatus Center at George Mason University and Americans for Prosperity. Progressive and centrist institutions also take foundation and corporate money, among them the Center for American Progress and the Brookings Institution. As nonprofits, American think tanks rarely publish their donors. A reader holding a policy paper often cannot tell whose money paid for it.

REFORM AND ITS CRITICS

Reformers propose public financing of elections, donation limits, tighter disclosure, antitrust enforcement, stronger unions and a constitutional amendment to reverse *Citizens United*. Defenders of current law reply that spending limits restrict speech, that caps protect incumbents because challengers need money to become known, and that money follows political power as much as it buys it. The evidence on each point is mixed, which keeps the argument alive.

Both outcomes of that August night sit in the tax code today. Carried interest kept its treatment in the 2022 bill, while companies file IRS Form 720 each quarter to pay the buyback tax. The lobbying behind each is public record under the Lobbying Disclosure Act of 1995. ■

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Algorithms of Autocracy

Platforms sell prediction, and campaigns buy it. The evidence on how much it moves voters is thinner than the fear.

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Platforms sell prediction, and campaigns buy it. The evidence on how much it moves voters is thinner than the fear.

87M
Facebook users whose data reached Cambridge Analytica, per Facebook

$5B
FTC penalty approved in July 2019

3 mo.
Feed experiment that left polarization statistically unchanged

On April 10, 2018, Senator Orrin Hatch asked Mark Zuckerberg how Facebook sustains a business when users pay nothing. Zuckerberg answered in four words: "Senator, we run ads."

The answer holds the whole debate. Advertising needs prediction, prediction needs personal data, and political campaigns buy the same targeting as shoe companies. Whether that machinery steers elections, or only reflects what voters already believe, is the open question this essay tests against the record.

A BUSINESS BUILT ON PREDICTION

Harvard Business School professor emerita Shoshana Zuboff gave the model its name in her 2019 book *The Age of Surveillance Capitalism*. Her argument: Google and Facebook earn money by selling forecasts of what users will click, buy and believe. Collecting more data sharpens the forecast, so the incentive points toward collecting everything.

CAMBRIDGE ANALYTICA

In 2013 and 2014, researcher Aleksandr Kogan built a personality quiz app on Facebook. It gathered data from the people who installed it and from their friends. Facebook later said the data of up to 87 million users reached the political consultancy Cambridge Analytica. Whistleblower Christopher Wylie went public in March 2018 through *The Guardian* and *The New York Times*. Zuckerberg testified before Congress the following month. In July 2019, the Federal Trade Commission approved a $5 billion penalty, the largest it had imposed on a technology company.

The scandal exposed a real failure of consent. It proved less about persuasion. Investigators and academics have since questioned how much the firm's targeting changed anyone's vote, and its own marketing claims drew skepticism from the start.

WHAT THE EXPERIMENTS SHOW

The strongest evidence comes from a set of studies run with Meta during the 2020 US election and published in *Science* in 2023. In one, researchers led by Andrew Guess assigned consenting users to a reverse-chronological feed instead of the default algorithm. Time on the platforms dropped sharply. Exposure to political and

untrustworthy content rose. Over three months, issue polarization, affective polarization and political knowledge did not change significantly.

The studies have limits. They covered one election, two platforms and a short window. They do not rule out long-run effects, and they do not test what happens to people who see no news at all. A 2020 Pew Research Center survey found 64 percent of Americans said social media has a mostly negative effect on the way things are going in the country. Public alarm and experimental findings point in different directions.

THE ACCOUNTABILITY GAP

The documented problem is opacity. Ranking systems are trade secrets, and outsiders cannot audit them. Researchers receive data only when a platform chooses to share it, as Meta did for the 2020 studies. The European Union's Digital Services Act now requires the largest platforms to assess systemic risks and to give vetted researchers access to data. In April 2024, Congress passed a law ordering ByteDance to sell TikTok's US operations or face a ban, citing data security and foreign influence concerns. Roughly 60 countries held national elections in 2024, which makes the rules a live test.

Reformers split along familiar lines. Some demand audits and disclosure of political targeting. Others favor limits on how campaigns use personal data. A third group wants platforms broken up. Skeptics warn that rules built for a feared effect, if the effect proves small, would restrict speech and cost compliance money for little gain.

Hatch's question got a four-word reply. In 2018, the company that gave it brought in nearly $56 billion in revenue, almost all from ads, and agreed a year later to pay $5 billion to settle with the FTC. The fine equaled about one month of sales. ■

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Media, Myths, and Manipulation

Concentrated ownership and paid persuasion shape what audiences see. The record also shows audiences pushing back.

Media, Myths, and Manipulation

Concentrated ownership and paid persuasion shape what audiences see. The record also shows audiences pushing back.

3,000+
US newspapers closed since 2005

3 in 10
Americans who trust mass media, Gallup 2024

82%
Middle schoolers who failed to tell an ad from news

In March 2018, the sports site Deadspin published a video that stitched together dozens of local television anchors reading the same script. Each spoke in the same words, with the same pauses, about the dangers of "fake news." All worked at stations owned by Sinclair Broadcast Group, which had required them to read the text.

The clip made visible something usually hidden: one owner has the means to put identical words into hundreds of newscasts at once. The question for readers is how far that pattern runs, and what stops it.

TWO CLASSIC DIAGNOSES

Journalist Walter Lippmann argued in *Public Opinion* (1922) that citizens cannot witness a complex world firsthand and rely on mental pictures of it drawn by the press. In *Manufacturing Consent* (1988), Edward Herman and Noam Chomsky proposed a "propaganda model" with five filters on news: ownership, advertising, reliance on official sources, organized criticism of coverage, and a shared enemy. Their claim was structural. Editors need no orders, since the incentives select for stories that serve owners and advertisers.

Critics find the model too neat. Competing outlets break stories that embarrass their owners' allies, and audiences read across sources. The model also predicts uniform coverage, and coverage of most major events shows open conflict between papers.

DOCUMENTED CASES OF PAID PERSUASION

Some influence campaigns left paper trails. A 1969 memo from a Brown & Williamson tobacco executive stated, "Doubt is our product," and described disputing the evidence against smoking as company strategy. A 2017 study in *Environmental Research Letters* by Geoffrey Supran and Naomi Oreskes found that Exxon's internal climate projections between 1977 and 2014 matched later warming, while its public advertorials stressed uncertainty. Exxon rejects that characterization.

Such cases are the evidence for the claim that interests manufacture doubt. They also show the method: sponsor research, buy opinion-page space, and fund groups with neutral-sounding names. Documents surfaced years later, through lawsuits and leaks.

THE ECONOMICS UNDER THE NEWS

The business model for local news has collapsed. Northwestern University's Medill School counts more than 3,000 newspapers closed since 2005 and more than 200 US counties with no local news source. Fewer reporters mean more space for syndicated scripts and press releases. Gallup found in 2024 that roughly three in ten Americans trust the mass media, among the lowest readings in its history.

WHAT THE EXPERIMENTS SAY ABOUT EFFECTS

The link from exposure to belief is weaker than the fear suggests. A set of 2020 election studies published in *Science* in 2023 changed what Facebook and Instagram users saw. Feeds shifted a great deal, and political attitudes barely moved over three months. Researchers also warn about the limits of the design. Short studies cannot detect slow effects.

WAYS TO RESPOND

Proposals include antitrust enforcement against media consolidation, public funding for independent reporting, and platform transparency rules. Critics of funding worry about political dependence on whoever controls the budget. Media literacy gets broad support. A 2016 Stanford study of middle schoolers found 82 percent failed to distinguish a paid advertisement from a news story. Teaching students to trace a source takes class time but no new law.

Viewers of the Sinclair script noticed because someone put the clips side by side. A browser and a spare hour are enough to run the same test on this week's coverage.

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Deep State or Necessary Bureaucracy?

Permanent officials outlast presidents. Whether that protects democracy or undercuts it depends on who watches them.



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Deep State or Necessary Bureaucracy?

Permanent officials outlast presidents. Whether that protects democracy or undercuts it depends on who watches them.

~3M
Civilians employed by the federal government

~1,200
Appointed posts that need Senate confirmation

14 / 11
Charged and convicted in Iran-Contra

On July 2, 1881, Charles Guiteau walked into a Washington railway station and shot President James Garfield. Guiteau believed his campaign work had earned him a federal post, and he had been refused. Garfield died in September. Congress passed the Pendleton Civil Service Reform Act sixteen months later.

That law created the permanent civil service Americans now argue about. Critics call it the "deep state," a lasting class of officials able to slow or sink the agenda of an elected president. Defenders call it the reason government keeps running between administrations. Both camps describe something real, and each misses part of the record.

WHAT THE TERM COVERS

The federal government employs roughly three million civilians. A president fills about 4,000 positions by appointment, and roughly 1,200 of those need Senate confirmation. Everyone else is hired by competitive process and protected from firing for political reasons. Those employees write rules, inspect factories, collect taxes and brief ministers. They also hold opinions, and sometimes act on them.

The label "deep state" blurs three different things: ordinary professional disagreement, slow-walking of orders, and covert abuse of power. Only the third is a scandal in the strict sense, and history supplies examples.

WHERE THE ABUSE WAS DOCUMENTED

FBI Director J. Edgar Hoover led the bureau from 1924 to 1972 and served under eight presidents. In November 1964, an anonymous letter drafted by Hoover's deputy William Sullivan reached Martin Luther King Jr. at his Atlanta home. It urged him to take his own life before his private affairs became public. From 1956 to 1971, the FBI's COINTELPRO operations harassed groups ranging from the Communist Party to King's Southern Christian Leadership Conference. The Senate's Church Committee exposed such programs in 1975 and 1976, and Congress created new oversight rules in response.

The Iran-Contra affair of 1985 to 1987 involved officers acting outside the law. The operation ran largely through the National Security Council staff under Lieutenant Colonel Oliver North, with CIA Director William Casey among those involved. Independent counsel Lawrence Walsh charged 14 people and won 11 convictions. Two of those, North's and John Poindexter's, were overturned on appeal. President George H. W. Bush pardoned six officials in December 1992.

THE CASE FOR PERMANENCE

Defenders point to the problem Pendleton solved. Under patronage, a new party replaced thousands of officials at each election, and offices went to donors and relatives. A permanent corps brings institutional memory, technical skill and a duty to follow the law over any one president's wishes. A civil servant who flags an unlawful order protects the public, whatever his or her motives.

THE CASE AGAINST

Public-choice economist William Niskanen argued in 1971 that bureau chiefs tend to seek bigger budgets, since budgets bring status and staff. The logic implies that agencies drift from voter preferences without any conspiracy. Elected leaders have responded with tools of their own. President Trump created a "Schedule F" job category in 2020 that would have made tens of thousands of policy-related employees easier to fire. President Biden revoked it in 2021, and Trump moved to restore it in 2025. In June 2024, the Supreme Court ended *Chevron* deference in *Loper Bright*, requiring courts to decide what statutes mean without leaning on agency readings.

Britain shows the same tension under another constitution. Its civil service is formally neutral and permanent. Clashes between ministers' special advisers and senior officials spilled into public view in 2019 and 2020, and Cabinet Secretary Sir Mark Sedwill left his post in 2020.

HOW OVERSIGHT WORKS

Congress holds hearings and controls budgets. Inspectors general, created by a 1978 law, audit agencies from inside. Courts review rules. Reporters publish leaks. Each channel leaks too: hearings turn partisan, appointees skew ideological, and court cases crawl. No democracy has found a perfect balance. Each keeps moving the line between control and competence.

Guiteau went to the gallows in June 1882. The law passed in his wake covered only about 10 percent of federal jobs at first. It has grown ever since, and so has the argument over what those jobs owe to the voters. ■

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Power Behind the Throne

Presidents rely on advisers no voter chose and no Senate vetted. The risk lies in who they serve.

Power Behind the Throne

Presidents rely on advisers no voter chose and no Senate vetted. The risk lies in who they serve.

130
Day cap on a special government employee's service in a year

1 yr
Cooling-off before senior officials lobby their old agency

1971
Stigler's argument that regulators get captured

Harry Hopkins slept down the hall from Franklin Roosevelt. From May 1940 to December 1943, the former social worker lived in the White House's Lincoln Bedroom suite and advised the president on war policy from a few steps away. He won no election and for much of that time held no Senate-confirmed post.

Hopkins stands in a long line. French historians gave the type a name, *éminence grise*, after Father Joseph, the gray-robed adviser to Cardinal Richelieu. The American version includes Wilson's Colonel Edward House and a long list of modern staffers. They shape decisions in rooms where cameras are absent, and accountability gets thin in proportion to their influence.

WHY PRESIDENTS WANT PRIVATE ADVISERS

A president has only so many posts to fill through confirmation, and confirmation fights take months. Staff inside the White House answer to the president alone, which gives them freedom to speak bluntly. Most White House jobs require no Senate vote. The arrangement rests on a plain argument: the elected president answers to voters for his staff.

That argument has limits. Voters judge outcomes, and rarely see who drafted a policy. Reporters ask a senator about a vote. The staffer who wrote the memo behind it stays out of view.

THE TEMPORARY INSIDER

Federal law allows "special government employees" for temporary expert work, limited to 130 days of service in any 365-day period, and applies conflict-of-interest rules to them. In 2025, Elon Musk led the Department of Government Efficiency under that status and left the role at the end of May 2025. Critics asked how a man whose companies hold federal contracts was positioned to shape federal spending. Supporters said an outside businessman brought fresh eyes to a bureaucracy that insiders had stopped questioning. The episode put an old question in sharp form: when does advice become authority?

THE REVOLVING DOOR

Economist George Stigler argued in 1971 that regulated industries tend to capture their regulators, since industry cares about outcomes more intensely than diffuse consumers do. Career paths supply a mechanism. Robert Rubin left a top post at

Goldman Sachs to become Treasury Secretary in 1995, then joined Citigroup in 1999. Henry Paulson went from Goldman's chief executive's chair to Treasury Secretary in 2006. A 2014 study by David Lucca, Amit Seru and Francesco Trebbi documented frequent moves from financial regulators to the banks they had overseen. The authors weigh two readings: a reward for favors, or a payoff for hard-won expertise.

Both readings find support. Firms hire former officials for what they know, and that knowledge is also what makes former officials effective advocates. The data alone do not settle which motive dominates.

WHAT STOPS ABUSE

Law sets a one-year cooling-off period before senior officials lobby their former agencies. Disclosure forms reveal assets and outside income for those who file.

Courts have limited secrecy: in 2008, a federal judge rejected the claim that senior White House advisers hold absolute immunity from congressional subpoenas, in a dispute over the dismissal of U.S. attorneys during the George W. Bush administration. The ruling did not end the fight over executive privilege, but it put a boundary on it.

Reformers want wider disclosure for informal advisers and longer cooling-off periods. Opponents warn that tougher rules shrink the pool of people willing to serve, which would leave government with fewer experienced hands. Both sides have a point, and the tradeoff keeps returning in every administration.

Hopkins moved out in December 1943. Presidents have kept hiring advisers like him ever since, and most of those jobs still skip Senate confirmation. ■

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The Architecture of Control

Streets, buildings and sensors steer behavior. The hard part is telling design from intent.

The Architecture of Control

Streets, buildings and sensors steer behavior. The hard part is telling design from intent.

13%
Crime drop associated with CCTV in a 2019 review

$300K
Detroit's settlement with Robert Williams

99% / 12%
Organ-donor consent: opt-out Austria vs opt-in Germany

Political theorist Langdon Winner opened a famous 1980 essay with the overpasses of Long Island. Some of the parkway bridges, he wrote, clear only about nine feet, too low for buses. He drew on Robert Caro's biography of planner Robert Moses to argue that Moses built them low on purpose, to keep poor and Black New Yorkers who relied on buses away from Jones Beach.

The story has been fought over ever since. Its dispute holds the question this essay follows: when a city's design steers who goes where, is that control, and who answers for it?

THE DISPUTE OVER THE BRIDGES

Sociologist Bernward Joerges challenged Winner's account in 1999, arguing that the evidence for Moses's motive was thin. The bridges are real, and so is the bus ban on the parkways. Whether the design was meant to exclude is argued among historians. That design excludes in practice, whatever its intent, is not.

HOSTILE DESIGN

Designers now build exclusion openly. London's Camden Council installed the "Camden bench" in 2012, a sloped slab of concrete with no armrests or backrest that discourages sleeping, skateboarding and drug dealing at once. Its makers called it a response to a list of complaints, and critics called it a response to the people who used the street. Spikes on ledges, benches divided by bars and sprinklers set to run at night follow the same logic. Each such feature is cheap, passive and impossible to argue with.

Supporters say public space has to serve many users, and that a bench no one sleeps on is also a bench no one fights over. Opponents say the fix shifts the problem down the block without solving it.

SURVEILLANCE IN PUBLIC SPACE

Cameras and sensors now do some of what concrete once did. A large review of CCTV studies, published in 2019 by Eric Piza and colleagues, found cameras were associated with a 13 percent drop in crime, with the largest effects in car parks. That is a modest

benefit, concentrated in particular settings. Cities have also learned what mistakes cost. In January 2020, Detroit police arrested Robert Williams at his home in Farmington Hills after facial recognition software wrongly matched him to a shoplifting video. The ACLU describes his as the first publicly reported wrongful arrest from such a match. In June 2024, Detroit agreed to pay him $300,000, to stop making arrests based solely on facial recognition results and to audit every case since 2017 where the software helped obtain a warrant.

San Diego installed roughly 3,000 networked streetlight sensors starting in 2016 and later adopted an ordinance requiring public review of surveillance technology. San Francisco banned city agencies from using facial recognition in 2019. New York's 2020 POST Act forces the police department to publish its surveillance tools. These laws do not remove the technology. They make the buyers explain it.

DEFAULTS AS QUIET CONTROL

Architecture of choice also operates without concrete. In a 2003 *Science* study, Eric Johnson and Daniel Goldstein compared organ donation across European countries. In nations where donation was the default, such as Austria, consent rates topped 99 percent. In nations where donors had to opt in, such as Germany, they sat near 12 percent. Countries with similar values, different forms. Design shapes outcomes even when no one intends harm, which is why policymakers use it, and why critics ask who picks the default.

WHAT ACCOUNTABILITY LOOKS LIKE

Three tests recur. Transparency asks whether the public gets to see what a design or sensor does. Contestability asks whether a person harmed by it gets to challenge the result. Sunset review asks whether the program ends unless its backers show it works. None of these tests settles whether a given bench or camera is wrong. They set the terms on which residents get to argue about it.

The Long Island bridges still stand. Historians might never settle why they were built. Every bus that cannot pass beneath them shows what a few feet of concrete settle. ■

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The New Feudalism

More of daily life is rented, licensed and gated. The evidence supports a narrower claim than the metaphor suggests.

The New Feudalism

More of daily life is rented, licensed and gated. The evidence supports a narrower claim than the metaphor suggests.

22.4M
Cost-burdened US renter households, Harvard 2024 report

Jan 2025
FTC files suit against Deere

2010
Chattanooga's city fiber reaches gigabit speeds citywide

In January 2025, the Federal Trade Commission sued America's largest farm-equipment maker because farmers were unable to fix their own tractors. The complaint, joined by Illinois and Minnesota, alleges Deere & Company restricts repair software and diagnostic tools to authorized dealers. Deere denies wrongdoing and points to its record of supporting customer self-repair.

The case is one of many in which ownership of a physical object comes with strings in software. Some scholars call the pattern feudal. Their argument deserves a hearing, and so do the facts that limit it.

THE SCHOLARS' CLAIM

In *Technofeudalism* (2023), economist Yanis Varoufakis argues that platform owners now earn rents from controlling access, more than profits from competing. French economist Cédric Durand made a related case in *Techno-féodalisme* (2020), and commentator Joel Kotkin described a drift toward "neo-feudalism" in housing and wealth. The shared image: users pay to enter a domain a landlord controls, and they cannot leave without losing something.

EVIDENCE FROM REPAIR

The FTC complaint alleges Deere's practices push repair work toward its dealers and raise farmers' costs. Colorado answered in 2023 with the nation's first right-to-repair law for agricultural equipment, which took effect in 2024. Deere signed a 2023 memorandum with the American Farm Bureau Federation promising farmers more access to repair tools. Several states have since taken up similar bills. The fight shows a control problem inside a market where lawmakers and courts are responding.

Cars show a similar drift. In 2022, BMW began offering heated seats by monthly subscription in some markets and drew sharp criticism. In 2024, General Motors said it would drop Apple CarPlay and Android Auto from future electric vehicles in favor of its own system. Buyers own the vehicle and license pieces of its function.

EVIDENCE FROM HOUSING

About a third of US households rent. Harvard's Joint Center for Housing Studies counted a record 22.4 million cost-burdened renter households in its 2024 report, meaning rent took 30 percent or

more of income. In August 2024, the Justice Department sued RealPage, alleging its pricing software let competing landlords share sensitive data and align rents. The District of Columbia and several states filed their own suits. RealPage denies the claims and says its software only advises landlords and recommends lower rents when demand weakens.

A pricing tool that thousands of landlords follow does move a market. Whether it breaks the law is for courts to decide.

WHERE THE METAPHOR BREAKS

A medieval serf was bound to the manor. A tenant, farmer or car buyer usually has room to switch, and the FTC's own suit shows regulators will fight back. Software licensing predates smartphones, and most subscriptions are voluntary. Economists who study these markets note that renting often suits people who move or lack savings for a down payment. The strongest version of the feudal claim narrows to this: contracts and software move control from owners to sellers, and lock-in makes exit costly.

COUNTEREXAMPLES

Chattanooga's city-owned utility EPB built a fiber network that offered gigabit speeds citywide in 2010, long before the big carriers. Several states responded with laws restricting municipal broadband, which shows incumbents fighting back too. Right-to-repair bills have passed in several states. Tenant unions in many cities now negotiate over fees and lease terms.

Deere says it will defend itself vigorously. Until a court rules, the complaint stands as an allegation: the complaint says repair work runs through the dealer's tools. ■

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The Geopolitics of Debt

Lenders set the terms. The record shows what those terms cost, and what refusing them costs.



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A More Fragmented World

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10 Sovereignty in the Age of Globalization

The Geopolitics of Debt

Lenders set the terms. The record shows what those terms cost, and what refusing them costs.

$3B
IMF program for Ghana over 36 months

156
Days from staff agreement to board approval for Ghana

27.8%
Peak Greek unemployment, October 2013

On May 17, 2023, the International Monetary Fund's Executive Board unanimously approved a $3 billion, 36-month loan arrangement for Ghana. Staff and Ghanaian officials had agreed on the terms 156 days earlier. About $600 million arrived at once. The rest was scheduled in installments every six months, each released only after the Fund reviewed Ghana's progress.

The delay and the conditions raise the question this essay examines: when a country borrows from the IMF or the World Bank, who decides its economic policy? The answer mixes real constraint with real alternatives, and the alternatives were rarely painless.

HOW THE SYSTEM WORKS

Delegates built the IMF and World Bank at Bretton Woods, New Hampshire, in 1944 to prevent another depression and to finance postwar rebuilding. The IMF lends to governments that cannot pay for imports or service debts, and it attaches conditions: budget targets, central bank rules, tax and subsidy changes. Voting power follows financial contributions. The United States holds about 16.5 percent of IMF votes, enough to block decisions needing an 85 percent majority, and by tradition a European leads the Fund while an American leads the Bank. Borrowers have little say in how the board is built.

GHANA, STEP BY STEP

Ghana asked for IMF support in July 2022 after external shocks and weak public finances shut it out of international markets. It stopped servicing most of its external debt that December. The IMF reached a staff-level agreement on December 12, 2022, but the board waited until official creditors, including members of the Paris Club, gave financing assurances in May 2023.

The program required what the Fund called a substantial, front-loaded fiscal adjustment. The Bank of Ghana committed to tighten policy until inflation fell and to end central bank financing of the budget. The IMF's own account of the crisis blames large external shocks on top of fiscal and debt weaknesses that predated them. Ghanaian critics say the adjustment fell hardest on households. The IMF replies

that its programs often set floors on social spending, and that the alternative was uncontrolled inflation and a longer default.

CREDITORS, NOT ONLY THE FUND

The slowest step was often outside the IMF. Zambia waited 271 days between its staff-level agreement and board approval, mostly while bilateral creditors, China among them, negotiated terms. Ghana's 156 days looked fast by comparison. When debts are owed to many lenders, none wants to take losses first, and the borrower sits in the gap.

GREECE AND THE COST OF AUSTERITY

Greece's 2010 rescue came from the so-called troika: the IMF, the European Central Bank and the European Commission. Unemployment peaked near 27.8 percent in late 2013, and youth unemployment passed 58 percent. Output had fallen roughly 25 percent from its 2007 peak, according to the IMF. In 2013, the Fund's own review of the Greek program listed notable failures, including a delay in restructuring private debt. Greek voters rejected a later offer in the 2015 referendum, and the government signed a third program anyway.

THE LONG RECORD

Latin America lost most of the 1980s to debt crises and adjustment, and Africa's debt service ate into health and education budgets in the 1990s. The World Bank's own 2005 review of 1990s reforms conceded that the standard policy advice had delivered less than promised. Relief came through the Heavily Indebted Poor Countries Initiative, launched in 1996, and a 2005 deal canceling debts owed to the IMF, World Bank and African Development Fund by the poorest countries. More than 30 countries qualified for HIPC relief, and each had to meet policy conditions first.

Defenders of the system note that countries come to the IMF when private lenders have already left. A default without a program usually means sudden import shortages and inflation. Critics reply that the policy menu has leaned toward austerity and market opening whatever each country needed, and that borrowers had no seat when the menu was written. Both statements fit the evidence, and economists still disagree on the balance.

Ghana's first $600 million arrived with the board's approval. The remaining $2.4 billion depended on reviews held every six months, and each review gave the board another chance to say stop. ■

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Sovereignty in the Age of Globalization

States still claim final authority. Most share more control than the textbooks admit.

Sovereignty in the Age of Globalization

States still claim final authority. Most share more control than the textbooks admit.

~2B
Vaccine doses COVAX delivered to 146 economies

74%
Share of doses reaching low-income countries that came via COVAX

3–5 days
Delay the Wuhan travel ban bought inside China

On December 31, 2023, COVAX closed. The program had delivered nearly 2 billion vaccine doses to 146 economies, and by its own count supplied 74 percent of all doses that reached low-income countries during the pandemic.

COVAX tested a bet that governments would pool some control to beat a threat no border stops. Its record offers the clearest recent evidence on what globalization does to sovereignty, the idea that a state holds final authority inside its territory. The answer is neither collapse nor business as usual.

A YOUNGER IDEA THAN THE TEXTBOOKS SAY

The 1648 Peace of Westphalia is often credited with inventing the sovereign state. Historian Andreas Osiander called that account a myth in a 2001 article, arguing the treaties did not create a system of sovereign states. Political scientist Stephen Krasner went further in 1999, calling sovereignty "organized hypocrisy," since powerful states have always breached the rule when convenient. The claim that sovereignty is vanishing assumes there was once a pure version.

PANDEMIC: BORDERS HELPED LESS THAN HOPED

A 2020 study in *Science* found the Wuhan travel ban delayed the spread of COVID-19 within China by only three to five days, though it cut case importations abroad by nearly 80 percent until mid-February. Border measures bought time and stopped nothing. Vaccines followed the pattern. Oxfam estimated in December 2020 that rich nations holding 14 percent of the world's people had bought 53 percent of the most promising doses. COVAX then supplied most of what low-income countries received.

The record has two sides. COVAX arrived late and delivered fewer doses than first promised. It still delivered nearly two billion. Critics call that charity, and defenders call it insurance that worked.

SUPPLY CHAINS AND SHOCKS

Russia's 2022 invasion of Ukraine exposed another dependency. The United Nations reported that more than 25 African countries imported over a third of their wheat from Russia and Ukraine, and 15 imported more than half. Sanctions and grain blockades hit those buyers whatever their foreign policy. Economists argue that diversified suppliers also cushion shocks, because a single domestic harvest failure hurts more than a drop in one import source. Self-sufficiency has costs of its own.

DIGITAL BORDERS

Industry estimates put the share of intercontinental data carried by undersea cables above 95 percent. Google, Meta, Microsoft and Amazon now own or co-own many new routes, and governments rely on private owners to keep traffic moving. In December 2024, the US Treasury disclosed a breach through a third-party software vendor, which it attributed to a China-linked state-sponsored group.

States have responded by asserting control. India has required payment data to be stored locally since 2018. China built its own platforms behind a national firewall. The European Union passed the General Data Protection Regulation in 2018 and the Digital Markets Act, which began applying in 2023 and whose first designated platforms were named that September. Legal scholar Anu Bradford calls the effect of such rules the "Brussels effect": a large market sets terms that global companies adopt everywhere. Sovereignty here works through market size, and small states have no such lever.

POOLING, WITH LIMITS

Cooperation has delivered. The Montreal Protocol of 1987 phased out ozone-depleting chemicals, and the ozone layer is recovering. In May 2025, the World Health Assembly adopted a pandemic agreement. The United States, which had announced its withdrawal from the World Health Organization, took no part. Cooperation needs trust, and trust has thinned between Washington and Beijing and between Moscow and Brussels.

Skeptics of pooling raise a fair objection: when a treaty body decides, voters in a small country have little to say about the rule. Supporters reply that voters also lose control when a pandemic, a cyberattack or a supply shock arrives with no treaty at all.

By the time COVAX closed, 58 lower-income economies had already requested 83 million doses for 2024 through Gavi's regular programs. The pooled arrangement ended. The dependence it served stayed in place. ■

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