

# Jacob Stampen: Crony capitalist solutions don't work because they are not knowledge-based

Posted on Thursday, Sep 14, 2017

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Crony capitalist-dominated Republicans control most state governments, and since the 2016 election, the federal government as well. Ever-increasing amounts of money invested in the political process by the Koch Brothers, the Bradley Foundation, Sheldon Adelson, Grover Norquist, and other allies, hereafter referred to as the Koch Machine (KM), may largely explain this outcome. These crony capitalists claim to be expanding personal freedom by advancing a vision of society run by corporate guardians who they say can meet society's needs better than representative democracy can, and profit while doing so. More specifically, they seek to profit by [controlling government agencies](#) ("rent seeking") rather than by free market competition.

## **How has the KM increased its influence over state and federal policies?**

- By spending on local party organization: Political organization centers on neighborhood cells headed by "Community Captains," who together with their team members "receive tasks and goals to achieve on a weekly basis and are rewarded for registering potential voters, writing Letters-to-the-Editor, recruiting additional members and distributing "Campaign Collateral."[\[i\]](#)
- By spending on elections: Investment focuses on the selection, election, and post-election evaluation of candidates willing to support KM's litmus tested political beliefs. Republican candidates have little chance of surviving primary elections without the support of KM allied organizations such as Wisconsin Right to Life, the National Rifle Association and Wisconsin Manufacture and Commerce.
- By spending on political propaganda: The KM funds the Club for Growth, a major supplier of negative campaign ads. It also funds the State Policy Network (SPN), which advocates "a fundamental transformation of America" to create

jobs and “liberate” citizens from dependence on government. It seeks to accomplish this by producing “powerful, emotional messages” offering sound bite sized solutions to every problem. SPN literature names three affiliated state organizations: the Wisconsin Policy Research Institute (PRI), the Wisconsin Institute for Law and Liberty and the Maclver Institute. In a recent mailing Gov. Scott Walker endorsed the SPN as follows: “This is a whole new weapon in the fight to advance liberty-and it is working!” [\[ii\]](#)

- By spending on “model legislation:” The Koch supported American Legislative Exchange Council (ALEC) influences every area of public policy in many states and the federal government. Wisconsin legislators often copy language in ALEC bills word for word. During the 2011-2012 legislative session, over 80 percent of Republican state representatives affiliated with ALEC, as were 66 percent of Republican state senators. ALEC’s involvement with the Wisconsin has changed little since.

## **How has the KM changed Wisconsin?**

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Following KM’s admonition to privatize public institutions as much as possible, Governor Walker and Republican legislators redrew voting districts causing Democrats to win fewer seats than warranted by voter turnout (gerrymandering). Massive deregulation, targeted tax cuts and tort reforms favored large corporations. Examples include the rejection of federal health care funds, public and private sector collaboration aimed at modernizing rail service and developing alternative energy sources. Political appointees replaced merit-based civil servants and standards for selecting government workers fell. Local governments lost long-standing rights and responsibilities. All levels of public education received major budget cuts. Politicians argued that public schools were failing and that private schools could do better, without any supporting evidence. Teacher involvement in educational decision-making declined. Efforts to remove the Wisconsin Idea (service to citizens) from the mission of the University of Wisconsin and to weaken tenure policies needed to recruit high-quality faculty were partially successful. Weakening regulations on guns and promoting open and concealed carry nearly everywhere diminished public safety. Reduced scientific expertise in the state

Department of Natural Resources, the emergence of major water pollution and the ending of financial support for state parks reflected lowering environmental standards. \$250 million was spent to build a new stadium in Milwaukee for a privately owned professional basketball team. An exception to the privatization theme was borrowing large sums for road building.

Many of the above-mentioned actions were justified as necessary to “free market forces” to create jobs and otherwise promote prosperity. However, the KM’s solutions violate free market principles, such as the admonition that governments must not distort markets by trying to pick private sector winners. Adam Smith, the father of free-market theory, cites two primary threats to essential workings of free markets: crony capitalists by themselves and governments controlled by crony capitalists.

### **KM policies fail because they are not knowledge based**

During much of the 20<sup>th</sup> Century, Wisconsin was often cited as America’s Laboratory for Democracy. Policy makers turned to university researchers, and other sources of apolitical expertise to create high impact knowledge-based solutions to public problems.

Governor Walker chose instead to seek help from the KM, a model of effective political organization but totally lacking in research-based knowledge. As a result, compared to most other states, Wisconsin jobs increased less rapidly, salaries and wages rose more slowly, startup companies were fewer, the number of families and individuals living in poverty rose, and the middle class shrank. Infrastructure for future improvement in civil liberties, education, environmental protection, government operations, health care, public safety, and transportation also became weaker than in many other states.

People might think that the Trump Administration poses a greater threat to society than the KM. The reality is that KM is the power behind Trump. Although enemies before the 2016 election, President Trump came into office lacking even a staffing plan and quickly became dependent on the KM. The KM selected most of the President’s cabinet members. It also supplied most of the administration’s ideas about how to provide health care, education, protect the environment, run the government, and develop the nation’s infrastructure.

In important ways, the KM pursues a vision that runs contrary to the nation’s vision

of “life, liberty and the pursuit of happiness” for everyone. It does so by undoing long standing policies affecting civil liberties, government operations, public safety, economic development, all levels of education, the environment, health and social services and transportation upon which the individual pursuit of happiness often depends. Doing what KM is doing and expecting better outcomes is delusional. Its record speaks for itself.

[i] <http://waukeshagop.org/site/Viewer.aspx?iid=36770&mname=Article&rpId=7820>

[ii] State Policy Network. 1655 North Fort Myer Drive, Suite 360. Arlington, VA 22209. “This is a whole new weapon in the fight to advance liberty-and it is working!” Gov. Scott Walker, Wisconsin.

— *Jacob (Jay) Stampen is a professor emeritus in the Department of Educational Leadership and Policy Analysis, University of Wisconsin-Madison (stampen@education.wisc.edu). Stampen is the author of “Voting Behavior in the Wisconsin Legislature 2003-2016.”*