

CONSEQUENCES OF GLOBAL FIRM DOMINATION IN THE POST-DEMOCRATIC EUROPEAN UNION (AND ITS MEMBER STATES)²

The article analyses the crisis situation in the EU today, caused by the dominating influence of big companies and banks in public affairs on national and European levels in post-democracy (C. Crouch). In light of the political-economic and critical approach, the article analyses the power of global firms as a main factor in the New public management (NPM) during the current neoliberal capitalism. The post-democratic consequences by the implementation of the NPM in the EU and its member states are: a) emptying political institutions of their democratic content; b) defective market economy due to existing monopolies, and c) attempts to privatisation of civil society. The conclusion comprises some ideas for the rehabilitation of politics and its democratisation.

Keywords: European Union; Post-democracy; New public management; Neoliberalism; global/giant firms

JEL: P16; H1; D42; L38; K4

Introduction

At the beginning of the third decade of the XXI century, the condition of the EU is defined by a number of crises – economic, energy, ecological, COVID-19, etc. The politically united Europe faces a choice whether to become a transmission for neoliberal global governance or to find its own unique way for solving the problems of the European citizens in an insecure world, defined by a wobbly world order due to a delineating decline of the American world hegemony. At this stage, the European Union (EU) is operating in post-democratic conditions, where contemporary capitalism does not act in synchrony with the liberal representative democracy. There is a change in the perspective of movement – from “the end of history” towards “the future of history” (Fukuyama, 2012). The various crises that circulate across the EU member-states and the EU as a whole are caused to a great extent by the dominating influence of the global firm in the political process by the implementation of the New public management (NPM).

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A theoretical base outlining the negative impact of big companies and banks on the socio-economic development of national states (predominantly Western ones) at the beginning of XXI century is presented by Colin Crouch in his books: “Post-Democracy” (2004), “The Strange Non-Death of Neoliberalism” (2011) and „Post-Democracy after the Crises” (2019). I uphold his conceptual framework explaining the alarming processes and phenomena in the EU and the member states alone in times of dominating neoliberalism, consisting of four, not three powerful actors. According to Crouch, the contemporary neoliberal world consists of an apparent “Quadrilateral of forces”: state, market, civil society and big companies. The “two biggest dichotomies” used until recently by social sciences, namely “state-market” and “state-civil society”, are no longer suitable for the analysis of current events, because they omit one of the important powerful actors – the big corporations (Crouch, 2011, p. 143). The power of the latter (power of Big Money, Big Business) has often had a disastrous impact on the state (failed states), market (market-failures) and civil society. The global firm is a “key institution of the post-democratic world” (Crouch, 2012, p. 40), which imposes redefinition of some concepts such as democracy (liberal) and state government by introducing new terms such as post-democracy and New public management.

The main aim of the article is to disclose some of the consequences of the dominating influence of Big companies in the post-democratic EU and its member states. The key role of global firm/bank in the NPM produces at least three post-democratic consequences, analysed in the article, namely: a) emptying political institutions of their democratic content; b) defective market economy due to existing monopolies; and c) attempts to privatisation of civil society.

This aim is achieved with the help of the methodological instruments of the political economy and the critical theory (respectively, the political and economic and the critical approach). Through the prism of political economy, the article explains the transition from the politicisation of economy during the “three gold decades” after the Second World War in the form of democratic capitalism towards the economisation of politics and “de-democratisation of capitalism” (W. Streeck), especially since the 2008 crisis up until today. This transition has been accompanied by multiple crises, which the critical theory, created by representatives of the Frankfurt school, is able to explain as causes and effects.

The outlined consequences from the dominating impact of Big companies in the post-democratic EU are bound together in the collapse of the democratic capitalism regime in the rich Western democracies that “buy time”, in order to evade financial and budget crises by transiting from “tax states” to “debt states” (Streeck, 2017a, p. 83). The NPM allows big corporations and banks to play a dominant role not only in the economy and the politics on European and national levels, but they also attempt (and to a great extent succeed) in dictating what happens in society. Consequently, I will analyse the above-listed damages to democracy, by providing several examples. Before that, however, I will clarify the essence of the two basic concepts – post-democracy and new public management.

1. Clarifying the Basic Concepts

Post-democracy is a neologism, created by Colin Crouch in his homonymous book published in 2004, describing post-industrial society, in which the industry has its own share; however, the main efforts and innovations are focused in other areas. In this society, the institutions of democracy formally do exist, although gradually, they are being emptied of content. The political elites are becoming less related to their societies, rather than to the global economic elite. Namely, this explains the prefix “post” in front of the democracy – i.e. it is speaking of something that is post-industrial, post-modern, post-liberal, something mobile and dynamic. The basic accent in the idea of post-democracy is that it represents “something beyond the government by the people”. The democracy corresponds solely to the conduct of elections, while the pre-election debate is a “strictly controlled spectacle” by specialists in political persuasion, using rather skillfully marketing technologies and political PR. Although there are publicity and different opinions across the public, the latter does not control the political processes, as well as the public is no longer a synonym for people. This new concept includes elements of “pre-democracy” (re-feudalisation), expressing an alarming tendency in Western states, such as politics and the government tend to be under the control of the privileged elites (Crouch, 2012, p. 28).

Lately, Crouch has developed and specified further the term post-democracy as “a dystopia” – a direction in which the western states are moving, one that does not look good (Crouch, 2020, p. 16). This directly relates to undermining (emptying of content) the institutions considered to be pillars of democracy (the rule of law, independent judicial system, separation of powers, etc.). Thus, the institutions are present (there are elections, governments are changing, there is a fierce public debate among various political parties, etc.); however, “the real energy of the political system has been transferred to the hands of a few elites consisting of politicians and corporative rich people” and the key political decisions are made to the advantage of the wealthy, and not in the interest of the majority. In addition, Crouch also renders the widely spread delusion across the western states at the beginning of the XXI century that the constitutional order is considered a given fact, while in reality, it masks post-democracy as democracy (Crouch, 2020, p. 13).

In my opinion, this means that key decisions made on the national and EU level are not to the advantage of the majority of the citizens, but in the interests of the wealthy and empowered minorities. Therefore, in post-democracy, the political institutions make both democratic and oligarchic decisions (policies). Rather vivid examples of oligarchic policies are the decisions to deregulate the financial markets, the financialisation of economies, saving banks with taxpayers’ money, austerity politics, outsourcing some public services to big private companies, creating monopolies, etc. These key decisions protecting the interests of big companies and banks (their owners, shareholders and managers) facilitate the oligarchic state capture and the capture of its three powers – legislative, executive and judicial (Tsakova, 2020, p. 256). The situation is rather similar in the European institutions that have legislative, executive and judicial functions.

The **new public management** facilitates the above-mentioned decisions. In general, this term stands for Global Governance without Government (state government) or Stateless Global Governance according to the imperatives of the Washington Consensus. During the last few

decades, the European countries alone and on the EU level have implemented the terms Public Affairs management and European Public Affairs management. According to Encyclopaedia Britannica, the new public management originates in the wave of reforms in the public sector, inspired by neoliberalism and the Public Choice theory in the Anglo-Saxon countries, related to the names of R. Reagan and M. Thatcher. Subsequently, despite some resistance, it has spread in other European countries, as well as in the countries in transition (new democracies such as Bulgaria).

NPM has two main strands: marketisation and corporate management. The most extreme form of marketisation is privatisation, expressed in the transfer of assets from the state to the private sector. Industries subject to extreme privatisation included telecommunications, railways, electricity, water, and other public services. Other forms of marketisation remain far more common than privatisation. These other measures typically introduce incentive structures into public-service provision by means of contracting out, quasi-markets, and consumer choice. Corporate management expresses the introduction of good ideas and practices from the private into the public sector. The main ideas and techniques involved are management by results, performance measures, value for money, and closeness to the customer – all of which are tied to various budgetary reforms (Britannica, 2022).

For years on end, there has been a discussion about the effectiveness of the NPM for the public sector. Lately, most of the well-educated audience and researchers understand that the ones that profit from the NPM are not merely private companies (amongst the middle and small businesses), but big corporations and banks that derive huge profits at the expense of the prosperity of the majority of the citizens. The new governance “beyond the state” increases the role of certain markets, networks and non-state actors, thus obliterating the difference between public and private – to the advantage of the private. The political sphere is losing its independence from the economic one, because in times of global neoliberal capitalism, the big capital (mostly financial) dominates the European public affairs management and the new public management in the EU member-states. Therefore, the current crisis processes cannot be explained neither in the framework of the political system, nor by the instruments of neo-institutional economics, but rather in the framework of the political-economic system.

The neoliberal version of globalisation is one of the main reasons for the transition from democracy rooted in the national states to post-democracy, where transnational corporations (predominantly American) dictate appropriate for them policies in certain states. The governments strive to attract investments by providing these companies favourable fiscal and regulatory regimes at the expense of equal access for more small and medium-sized companies in a competitive market economy. Neoliberalism, as a dominant ideology, transforms the weakening of the national state into a virtue (Crouch, 2020, p. 25) and facilitates the transition to Global Governance without Government.

2. Emptying the Political Institutions of Democratic Content

The EU political system and the political systems in the member-states are democratic in their form, but not in their content. This crisis of the liberal democratic content, expressed in

the loss of the representative nature of the political institutions (national and European), can be explained by the specifics of contemporary capitalism or in the frames of a political-economic system. In times of the current global neoliberal capitalism, the political institutions consider predominantly the interests of a limited number of rather wealthy people – big companies and bank owners, managers and shareholders. The democratic achievements from the period of state-regulated capitalism in Europe after the Second World War – such as procedures, attitudes, and values – are still present; however, most of the functions of the political institutions that serve the public interests are subject to privatisation. Therefore, C. Crouch considers the “EU is a clumsy dwarf compared to the flexible corporative giants, while the EU democratic quality, although well advanced and developed compared to all the other alliances in the world, is weak” (Crouch, 2020, p. 25).

The collapse of the regime of democratic capitalism and the transition to the de-democratisation of capitalism, especially after the 2008 world crisis, has been accompanied by a political and economic crisis in the wealthy western democracies, whose core lies in the financial and budget crises. The deregulation of the private financial markets is one of the aspects of the policy for the privatisation of some state functions, which explains the transformation from a tax state to a debt state (Streeck, 2017a, pp. 10-13). This transition includes the move from the state government to new public management. This deepens the tendency to “suspension of the parliamentary democracy”, “institutionalisation of oligarchy and expertocracy on national and European level” and “moving from state governments to central banks” – the main government burden falls upon the banks, which play the role of the “government of last resort”. This is valid for the European Central Bank in relation to the European Commission (Streeck, 2017a, p. 220, 233).

The formal-democratic political regime is becoming rather oligarchic (mostly in the USA, but also to some extent in the European countries), rather evident from the unprecedented growth in social and economic inequality. The top of the social pyramid is preserved for the so-called 1% of the super-wealthy people, the “upper-middle class” represents about 20% of the people is situated in the middle, while the base of the pyramid is occupied by the majority of the people – most of whom with stagnating, insecure incomes coming from the circles of the reducing former middle class (the so-called precariat) and an increasing Under-Class. The reason for this drastic inequality lies in the politics of the European countries, being both post-democratic and “techno-economic sub-politics”, accompanied by an alarming loss of some functions of the political system, thus undermining the state by private interest groups of quasi-public nature. In such sub-politics, “the political becomes more and more shifted from the official arenas – parliament, government, political administration towards the grey zone of corporatism” (Beck, 2013, pp. 329-331).

Therefore, the political system in the European states is losing a great number of its functions, because the state is no longer its core and main subject of political power. The New public management gradually takes its place. The state (and European) institutions are slowly emptying of their democratic content, because not all policies are democratic and public, but rather there are a lot of them that are oligarchic, therefore, they are not public and remain in the shadows. The institutions of the legislative, executive and judicial power often make decisions under the influence of big companies and banks – thus, democracy slowly withers, deteriorating into corporatocracy and bankocracy.

The transition from the state government to new public management during neoliberal cultural hegemony (according to Antonio Gramsci) is eased due to the imposed belief that the state should be governed as a company. The company's expertise is considered to be better than the one of the state, even when it comes to the solely relevant expertise for solving different societal issues. In the public sphere, there is a talk about business and companies, and not about big business (big capital). Therefore, the relations between the public principal and the private agents in the NPM result in the "loss of the idea about public power" (Crouch, 2012, pp. 107-111). There is a new interpretation of the idea of state intervention in the economy. Since the 2008 crisis, western countries have begun to intervene in the market not to provide the citizen with social prosperity, but to save big companies and banks from bankruptcy. The political institutions are empty of democratic content, because they have blocked the principle of separation of powers and executed a unilateral control by the "big money" on the legislative, executive and judicial powers. The rule of law has been infringed due to the existence of "oligarchs above the law" that are not only too big to fail, but too big to indict. There is a process of oligarchization of politics, using mechanisms as: lobbying, political party financing by big donors, capturing the regulators by the regulated, revolving doors, etc. (Tsakova, 2020, p. 276).

Neoliberalism, as a dominant ideology, legitimises the political use of wealth in the NPM, stimulates crises in both political parties and ideological representation and fuels a transformation from the representation of broad group interests by the political parties towards a representation of interests by small, but powerful lobbies. The crisis of the political parties has led to the advance of lobbies on European and nation-state level, but not all lobbies, and solely the ones with "special interests" of the big capital, ones that left/right ruling political parties and coalitions take into consideration. The traditional difference between left and right (accordingly the class axis between labour and capital) is obliterated by the achieved consensus on neoliberal policies during the transition from political representation to political communications. The empty ideological niche is filled by new, mostly populist political parties, engaged with political spectacles and shows. In Europe, a lot of the populist politicians are financed by billionaires, because in times of chaos and collapsed institutions, they manage to distract and entertain the public, diverting the public opinion from the rich and directing the mass anger to immigrants, Jews, Muslims, etc., blaming them as scapegoats for the various crises. Each crisis, however, offers new opportunities for seizing more and more assets from the population...

The traditional political parties are in decline; therefore, they are calling for an increased role of experts in legislation and its implementation. The political parties tend to transform into trade companies (political parties- Ltd.), in "cartel parties", keeping their positions in the state apparatus meanwhile seeing a decrease in their members and voters. Citizens' demobilisation regarding their participation in politics became something normal. The neoliberal twist has led to "institutional and political regress", thus creating the foundation for "post-factual politics". The European politicians offer prosperity to the citizens, however, this is not happening; rather, the income inequality among the individuals, families, regions and states is constantly increasing. The promised service and knowledge-based society compared to the declining industrial society did not result in prosperity – the number of unnecessary (repressed) people constantly increases – leaving them feeling defenceless, helpless, and redundant, despite all the rescue measures and support on behalf of the state,

aiming to tame the different crises. The majority of the people (demos) cannot understand what happens when the „tax state” transforms into a „debt state”, or what is the meaning of the transformation of the “national democratic statehood” with Global governance. All this proves the necessity of “refined methods for the creation of neoliberal consensus and disorganised resistance” (Streeck, 2017b, p. 287-288).

To a great extent, big companies are able to control the political process by lobbying. This lobbying of big capital dilutes the lines between the public and private sphere, benefiting the powerful private interest, by making official the discourse about the “stakeholders” – public and private organisations. They participate together in European public affairs and in their management. In a recently published book “Stakeholder Capitalism”, the company (without mentioning it is a company – giant) is represented as “a centre for its stakeholders” in a specially elaborated for this purpose figure. Among the stakeholders of the company are state and society, altogether with customers, shareholders, suppliers, etc. (Schwab, 2021, p. 228).

Big private companies exert solid lobbyist pressure on the European institutions when making common European decisions, participating in different European forums and roundtable talks for a dialogue with the Commission. They create European trade associations, the European roundtable of industry, the Transatlantic business council, etc., but they are also lobbying individually. The big transnational companies such as Bayer, Siemens, Philips, Ericson, Boing, Xerox, etc., enjoy favourable European legislation. The lobbying of big companies and banks is institutionalised in the European political process, although many of them are not on the list of the EU Transparency Register. The register is still voluntary, although, for many years, a number of European politicians have appealed for its transformation to an obligatory one. However, the obligatory register is not happening, because the EU institutions cannot force the giants to register.

Three are the main lobbies in Brussels (financial, carbon and agrarian); of them, the financial one is the most powerful. The interests of big companies are served by lobbyists of the “European Financial Services Roundtable”, London City, the US Trade Chamber, British petroleum, Schell, etc. Rather influential are the Euro Banking Association, the European parliamentary financial service forum, the International Swaps and Derivates Association, Deutsche Bank, etc.

Another example of emptying the institutions of their democratic content is the revolving doors, a mechanism for oligarchization of politics in the EU. The revolving can be both in and out – on the one hand, after leaving office, European politicians and key administrative figures usually start working in big banks and corporations; on the other hand, some important European positions are taken by people, who work on important managerial positions in corporative and financial giants. However, it is also possible to witness, the so-called double-revolving from the same person. Rather an indicative example of this is the former president of the ECB Mario Draghi, who initially worked for the big bank group Goldman Sacks – responsible for its European portfolio; after that, he became a president of the ECB, and, thereafter – prime minister of Italy. The former president of the European Commission, Jose Manuel Barroso, soon after his mandate ended, became a member of the management at Goldman Sacks. After leaving the office of the premier, Tony Blair began working for J.P. Morgan and Zurich Financial Services. The examples can be numerous.

The dominating role of big capital (mostly financial) in politics caused a collapse of the liberal representative democracy in the EU, which, step by step, is transforming into neoliberal expertocracy. By using big money, it is easily implanted to the citizens that they live in democracies, despite it being imperfect. Lately, a number of warnings about the threat of authoritarianism have been brought out. In fact, this is a mere oligarchic democracy and post-democracy, evolving rather intensively in the post-factual era (the era of post-truth and fake news since 2016), when neoliberal experts distribute narratives/stories that all of us are winning from globalisation and the low taxes.

3. Defective Market Economy Due to Existing Monopolies

I uphold Fernand Braudel's idea, that capitalism and market economy (as concepts) are not synonymous. Capitalism is "a way of ruling, assuming the creation of monopolies that limit the action of the entrepreneurship market activity". As a concept, the market economy has positive connotations – such as the existence of different markets with horizontal relations of demand and supply, competitive price determination, etc. Defined as an "anti-market zone" (zone of secrecy, where rules the right of the strong, zone of monopolies and vast privileges), capitalism is seen as a threat to the market economy, that can emerge, develop and collapse (Braudel, 1988, p. 5-6, 220). Therefore, the current global neoliberal capitalism alone creates monopolies and oligopolies that are considered as a threat to the mere existence of capitalism.

The neoliberal transformation in Europe during the last decades provoked rejection of the Keynesian economy of mixed-ownership and the generous welfare state in favour of monetarism, privatisation, low taxes for the wealthier people and a reduced social state. The new public management encourages the privatisation of public property in the industry and services, imitating the methods of the private business in the sphere of social services and attracting private capital in governing of public infrastructure objects under the form of public-private partnership and concessions. In deregulated economy (mostly in the financial sector), the competition (market competition) is no longer seen as a process that sustains the existence of multiple companies, but rather is examined from the point of view of its outcome – such as destruction of small and medium-sized companies due to the dominance of gigantic corporations (Crouch, 2011, pp. 16-17).

The existence of monopolies and oligopolies obstacles to the functioning of the market economy, by causing defects not only to the different markets, but also to the competition. Lately, in times of various crises (energy, health, ecological, etc.), it is becoming rather clear that the demand and supply of goods and services cannot be determined by price mechanisms without state interference. Everywhere in the EU and the European states, there is an increased need for the existence of certain state regulations – especially anti-monopoly legislation and regulatory bodies to protect competition. The act of these regulations is rather difficult, because of the „corporate take over of the market” (Crouch, 2011, p. 49) and the oligarchic state capture, accompanied by the undermined rule of law.

The current markets are becoming less inclusive due to the reduced participation of small and medium companies at the expense of the big ones. Therefore, instead of many competitive economic players, contributing to economic growth, there are a few players with

monopolistic market power, whose actions cause economic stagnation and mass poverty. The market economy does not function effectively in most of the European countries – especially the ones in the European periphery. The reason for this is “the disintegration of the contemporary state to three ingredients”: a) a limited number of activities transformed into market forms; b) a number of burdening left-over obligations, the private sector is not interested in; c) image creating, entirely political ingredient. The left-over of the state government is seen as “a mixture of incapability to offer services and electoralism”. This “belittling of the state” is due to the privatisation of public services and the erased difference between public and trade services. The main culprit and beneficiary of this “belittling” are the big corporations, that “use the state as their own cash cow” (Crouch, 2012, p. 28, 53). Using this logic, we can conclude that the culprits for the 2008 financial crisis, actually profited from it.

We should take into consideration, that despite the limited functions, the state still has a number of judicial levers to change the nature of the market deals. The states can create or abolish monopolies using legal measures by competent authorities. Along with the monopolies, there are also various administrative agencies/commissions for competition protection. Monopolies, however, can be created by other not-so-obvious means, which in the end, deform the market economy. This is done by European and state subsidies, preferences, and quotas, including resources by European funds for financing infrastructure projects using the system of public procurements. The most widely spread practice of public-private partnership and concessions is a form of state negation of its own “natural monopolies” when supplying public goods and services for the population by offering them to big private companies. Such monopolies and oligopolies destroy the market economy, causing market failures, oligarchic divergence and state failures.

Neoliberal economic policies cause great damage in relation to the supply of public services (public services, not material goods) to the citizens by private providers on market principle. The state providers of public goods such as education, healthcare, social cares, etc., gradually concede their position to private suppliers that derive profits on the markets of educational, healthcare and social care services. The “public services” usually include services that are of fundamental to personal life chances (health, education) or are consumed collectively rather than individually by the entire society (defence, public health) (Crouch, 2011, p. 20). Not all private suppliers are monopolies – therefore, there is a possibility for consumers’ choice. The neoliberal logic of the NPM, however, unfolds in cases when the government negotiates the supply of public service from external companies (big transnational companies); thus, the government itself becomes their client (governments, not citizens, are clients to the big transnational companies). Another technique used by the NPM is the public-private partnership in the field of public services, where the consumers of certain services relate to it as buyers on the market. Such expanding privatisation of the social/public sector is followed by appeals for “corporate social responsibility”. These, however, are appeals rather than real actions because after the governments desert their social purpose and engagements to protect the public interest, someone should take responsibility for the citizens-customers; namely, these are the corporations.

Such examples of monopolies can be found out in the book: “Giants: the global power elite”, where for the first time, people and companies from the so-called 1% have been identified.

The giants are 17 transnational investment companies (bank groups), whose financial assets are more than 41.1 trillion dollars. This extreme wealth has been invested by 199 CEOs in favour of approximately 2000 billionaires and 6 000 000 millionaires across the world (Philips, 2018).

The existing off-shore zones and tax havens allow the super-rich individuals (owners, shareholders and managers of big companies) to evade tax payments in contrast to the rest of the citizens. This hidden, black money, is used to corrupt statesmen, politicians and top managerial administrative staff. This is the so-called “grand corruption” occurring at the high level of national and European governments. Despite the vastly proclaimed aspiration for limitation of the off-shore wealth on European and global levels, there are no visible results for now. We also observe a lack of organised public (civil) pressure for the abolishment of off-shore zones, if we do not count the journalistic investigations and information leaks such as: the Panama papers, Paradise Papers, Luxembourg leaks, and Pandora papers.

The implementation of the NPM in some European countries, allows us to argue that if an important segment of the economy is off-shore, a certain share of politics can also be considered off-shore, especially when it comes to the so-called “stealth politics” by the billionaires (Page, Seawright, Lacombe, 2019). It is possible for super-rich individuals (respectively, big companies) to use their off-shore wealth to try to commercialise state sovereignty, binding the power with some secret, exterritorial space outside the control of the states or supra-state institutions. This is one of the explanations for the deterioration of the rule of law in the EU.

Another explanation lies in the existence of so-called legal corruption. This term was introduced in 2005 (Kaufmann, Vicente, 2005), aiming to differentiate the administrative (bureaucratic) corruption in the public sphere in the form of a bribe (illegal corruption) and corporative corruption (legal corruption), indicated by state capture. The latter refers to “corruption on high levels of the administration”. The difference between both types of corruption is rather visible in the case of public procurements. When different companies aspire to secure a contract with the state in an auction, they often resort to bribes (illegal corruption). However, when some monopolistic companies succeed in securing all public procurements in a certain sector of the economy, we talk about state capture (legal corruption). Therefore, this is not merely captured, but oligarchic state capture.

Each European country has a Competition Act, however, these acts are often circumvented, thus allowing the existence of monopoly companies in given sectors of the economy. The free market competition is just a good wish, but in reality, the regulators (European and state) rarely impose fines on monopolies, and even if such are imposed, their amount is insignificant compared to their profits. Thus, the regulators are captured by the regulated. Most often, the monopolies have their own representatives as members of the regulators. This regulator’s capture obstructs the entrance of new players on the market. For example, the pharmaceutical giants use patents in drug production, thus, they do not allow cheaper alternatives to be produced by potential rivals. The most striking examples are the new digital giants such as Google, Apple, Facebook, Amazon and Microsoft. Not a single anti-monopoly legislation can regulate their activities. These corporate mastodons not only capture, but control the regulators, which means that their economic power, transformed into a political one, is way bigger than the power of the states themselves. The EU attempts to introduce possible

sanctions to giants such as Google and Amazon in relation to their monopoly share on the European market, the introduction of digital taxes is also being discussed.

An example of the capture of the European regulators by big companies is the approved by the European Commission in 2015 “Package for Better Regulation”, which stipulates the creation of a new regulatory body and adopts the Communication “Better regulation for better results – an EU Agenda”. Consequently, it turned out that despite the good intents of scrutinising the existing regulations about occupational health safety and the regulation about the protection of the birds and food quality, in reality, these “better regulations are, in fact, deregulations”, favouring big companies, thus reducing the implication of basic regulations regarding the protection of workers, consumers, citizens and environment (CEO, 2016).

Another example for damages to the market economy and competition in the EU is the corporate capture of the European central bank. It has been done by lobbyist-consultants, representing the interests of the financial sector in the bank consultative groups. Similar to other European institutions, the ECB use external expertise in different aspects of the EU monetary policy in 22 consultative groups. Out of 517 councillors – 508 of them represent the bank sector. Thus, the regulated banks (Deutsche Bank, BNP Paribas, Société Générale, Citigroup and UniCredit, Commerzbank, etc.) capture the European regulator. The rest of the consultants represent organised business interests (small and medium businesses) and civil causes (Haar, 2017). These and some other disclosures about the participation of big companies and banks in European Public Affairs are made by European civil platforms – part of the European civil society.

There are also a number of examples for monopolies (domestic and foreign), defecting the market economy in the EU member-states. This is possible because the political institutions of the “neoliberal state” (Harvey, 2005) do protect the individual freedoms of all citizens solely on paper, in reality, their main concern are the interests of the owners (including managers and shareholders) of big capital. On European and nation-state levels, the NPM offers a fundamental advantage to the market in solving different problems, in comparison to the state. The market itself is also free solely on paper; however, in reality, some of its sectors are monopolised by big companies and banks, acting on the principle of “The winner-takes-all”.

The dominating impact of big companies and banks on EU economic policies, as well as the ones elaborated by the EU member, states governments in the framework of the NPM, causes the outbreak of various crises with a negative effect on the welfare of the European citizens and is lowering their standard of living. The World financial crisis from 2008 has also spread across the EU, accompanied by rescuing big companies from bankruptcy by European taxpayers’ money. This rescue can no longer be explained by the “trickle-down theory”, but by the “trickle-up theory” – explaining the trickle-up of wealth and incomes from the base towards the top of the social pyramid. Although, it is considered that in Europe, the concentration of wealth in the so-called 1% of the population is not that drastic, compared to the one in the USA, the thesis of the young Dutch historian Rutger Bregman, that the wealth of the 1% is not created on the top of the social pyramid (by talented inventors, entrepreneurs and visionaries), but rather are tackled up by the ones on the top, is also valid in Europe. The

cases of the technological giants (Apple, Google, Microsoft, Facebook...) that are getting richer at the expense of all of us are rather illustrative (Bregman, 2017).

The outbreak of the crisis in 2020 in relation to Covid-19, also revealed some defects in the functioning of the market economy in the post-democratic EU. The relationship between the public and private sectors is seriously disturbed – the private sector, in the form of big companies, becomes profitable at the expense of the public sector. There is a danger that states' efforts to deal with the pandemic will be in vain, because the governments provide funds without any conditions aiming to protect the public interest. According to Mariana Mazzucato, the state should act as an „entrepreneurial state”, thus implying a change in the way governments think, a change of the neoliberal paradigm. States should not only invest, but make “the right deals” to protect the interests of the majority. Unfortunately, this does not happen, because, under the pressure of big companies, risks are socialised, and profits are privatised with the imposed discourse of “public spending” rather than “public investments”. The example of the development of the Covid-19 vaccines, which should be available to everyone, is eloquent. The state funds scientific researches, but big pharmaceutical giants privatise the fruits of this research through skilful handling of patents, licenses, etc. At the same time, social programs, education and healthcare are underfunded, while the big companies (the so-called digital, technological, pharmaceutical and other giants) avoid paying taxes. Meanwhile, off-shore areas continue to exist (Mazzucato, 2020).

The conclusion is that not only the political institutions (European and national) lose their democratic potential, but contemporary capitalism is neither democratic (democratic capitalism in the form of “end of history”), nor social (social market economy), but it is rather neoliberal. The market economy and competition between more economic players from the environment of small and medium-sized businesses is greatly hampered by the existing monopolies in the face of big companies and banks, which dictate some of the key decisions of the state institutions and cause various crises.

4. Attempts to Privatisation of the Civil Society

The last post-democratic consequence of the negative influence of global forms on European and state-national public affairs is expressed in the exercised “soft power”/thought control aiming at public opinion forming by neoliberal propaganda. This is possible in a civil society, where the democratic logic is replaced by a market one. The market principle (approach) is applied in all the spheres of human life, while the public goods (education, public health, social care, etc.) are predominantly seen as social services in the frameworks of different markets.

The idea of the free market and free trade, perceiving the state as an obstacle, caused serious damages to the people's consciousness in European countries and provoked increasing social polarisation during the last decades. However, lately, especially with the spread of the COVID-19 pandemic, the citizens tend to feel that big personal wealth is not deserved; it is not a result of hard work, education and talent, but is rather a result of inheritance and opportunities to obtain personal incomes due to monopoly market positions. In fact, the illusion of the free market diverted public attention from the necessary political measures for

an effective market economy in the interests of the majority. The deregulation of the financial sector and the increasing collapse of the real economy in the EU and the member states in the XXI century are usually accompanied by promises from the political institutions for transition to a “service society” and “knowledge-based economy” aiming to achieve economic growth. However, the outcomes of this growth (such as wealth and incomes) usually benefit the “ones on the top” of the social pyramid (Stieglitz, 2015, p. 113), combined with a decrease in taxes for the wealthier (regressive scale) and cutting the social costs. The growing inequality between super-rich people and a huge mass of poor is becoming particularly visible and cannot be hidden despite the created image of multi-billionaires as philanthropists.

Today, the feeling of social injustice is widespread. After the Second World War, during the democratic capitalism in the European states, there were two simultaneous principles for the distribution of goods and incomes – „social justice” and „market justice”. Nowadays, during neoliberal capitalism (with flawed and dysfunctional democracy), market justice is the leading principle in collapsing social state and declared by the European institutions’ aspiration for social cohesion. During the transition „from tax to debt state”, the inequality among people, regions and states in Europe increases enormously... The market justice is implemented in the European states in the interest of the creditors and (big) investors at the expense of the majority of the citizens, which according to Wolfgang Streeck, can be explained by the presence of “two people in the democratic debt state” – “state people” (national, consisting of citizen and voters) и “market-people” (international, consisting of creditors and investors) (Streeck, 2017a, p. 83, 124).

The increasing democratic deficit in politically united Europe, accompanied by the widely spread feeling of social injustice and extreme inequality, is compensated by the neoliberal upbringing of the citizens. The latter is under neoliberal indoctrination, in order to perceive social justice as “political”- in a way that the political decisions favour different groups of interests, related to nepotism and corruption, while market justice is perceived as “non-political” due to “its seemingly un-subjectiveness and ascribed price calculation” (Streeck, 2017a, pp. 94-102). The aim of this purposeful depoliticisation is to tame the popular resistance. Achieving the neoliberal consensus (with the financial help of the owners of “big money”) is done by refined methods of political persuasion. In everyday citizens’ discourse, there are specifically constructed patterns of thinking under the form of biases that political decisions are bad, the market decisions are good. Citizens do not understand that justice interpreted in this way ensures corporate welfare for the few instead of social welfare for the majority.

Neoliberalism is perceived simultaneously as economic theory, political agenda and ideology (Harvey, 2005). In the light of dominating neoliberalism, the citizens are considered rational economic actors, individual entrepreneurs and consumers, which are responsible for their personal success or failure. There is a thinking day by day, financialisation of everyday life, consumerism, hedonism, hyper-individualism and, in the end – depoliticisation and alienation from politics as a public affairs sphere. The essence of neoliberalism is “a program for methodological destruction of collectives” (neoclassical economics solely acknowledges the individuals). All the collective structures such as nations, syndicates, cooperatives,

associations of companies, different groups, and even the family are an obstacle in front of the pure market logics, therefore, they should be destroyed (Bourdieu, 2008, pp. 96-97).

The civil society (on European and member-state levels) as a network of various organisations, voluntary associations and forms of collective action, during the last few years, has limited its scope to project-oriented non-governmental organisations (NGOs), whose main donors (sponsors) are mostly big companies and banks. Along with the authentic, Grass-roots advocacy citizen organisations, strong support is given to Astroturf or Quasi-NGOs – BONGOs, GONGOs (business and government-organised NGOs), BINGOs (business-interested NGOs), GINGOs (government-interested NGOs) (Van Schendelen, 2005, p. 39). There are many cases, when big transnational companies side with these causes, as stakeholders in the European Public Affairs Management.

Big companies not only create NGOs, think-tanks, and universities alone, but lately even directly (by its own foundations) finance activities, considered as noncommercial in the field of science and culture, that fortifies the “power of the super-rich people” (Crouch, 2020). The public legitimisation of political decisions in favour of a privileged minority is achieved by the introduced discourse for public policies (considered as democratic), although some of them seriously harm the interests of the majority.

The media in Europe (public and corporate), as an important institution of civil society, mostly use the “propaganda model” for manufacturing consent around neoliberalism as a dominant ideology (Herman & Chomsky, 1988). A lot of private corporate media are owned by the super-rich and powerful people, whose investments aiming for profit are done not on the economic/financial market, but also on the political and media market. We are talking about activities, that are financed in order to manufacture opinions (not knowledge) and beliefs among the citizens that they are living in liberal democracy, rather than oligarchic neoliberal democracy. The political coverage in the media is processed by different instruments of neoliberal propaganda, news management, spin politics, framing of the public debate, etc. Since 2016, the situation has become even more alarming with the surge of post-truth and fake news.

Civil society, as an arena of democratisation (political, economic and social-cultural), is losing its democratic characteristics, thus becoming a market society. Most of its structures operate on a market basis, by elaborating and the realisation of projects, financed by big donors. The neoliberal experts (“organic intellectuals” according to Gramsci) have a key role in civil society, because, for solid remuneration, they propagate neoliberal illusions and narratives about “the beautiful new world of globalisation”. The aim of these propaganda efforts is disorganisation and breaking down the resistance of outsiders and losers from the very same globalisation in a “post-factual epoch”. The spiritual situation of the time is a signal for “The Great Regression” in the western world (Geiselberger, 2017). Imposing “a cosmopolitan-oriented industry of the consciousness” (Streek, 2017b, p. 293) benefits the so-called 1% of the world population.

A clear example of an attempt to privatisation of civil society (the phrase is used by Colin Crouch) is related to social networks/media. At the beginning of the XXI century, the Internet economy created its own colossal companies in the face of the digital giants (Google, Facebook, Amazon, Microsoft...). Initially, social media have been perceived as a possibility

to create digital communities including more people in collective initiatives. However, subsequently the technological giants (owners of big wealth and power) are able to access the preferences of millions of people and address them with different messages, thus manufacturing the relevant public opinion. The source of the seemingly different opinions of millions of people is one or a few hidden sources. Thus, the lobbying of special interests (big capital) on different institutions (national and European) reorients to “a secret manipulation of the public opinion”. The Internet can be used to send targeted messages, often presented as mass civil movements, but in reality, they are controlled and initiated by some of the richest people in the world (Crouch, 2020, pp. 44-45, 182).

Social networks have actually provided for the factual privatisation of civil society, because its space is owned by the super-rich people (Crouch, 2020, p. 47). In my opinion, however, we are still talking solely of attempts to privatisation, because European citizens see a light of hope for exiting the neoliberal trap once again in civil society by its redefinition and reconstruction as a “space for value criticism” of the emptied of democratic essence political institutions and malfunctioning market economy through big companies-monopolies fault. The public patience is expiring, because big companies make huge profits at the expense of all of us.

Big companies (transnational corporations and transnational banks, etc.) are one of the main culprits for the crisis situation in the EU as a whole, as well as for the various crises in the EU member states (political, socio-economic, energy, financial, environmental, etc.) at the beginning of the third decade of the 21st century. Their domination as a power player over state institutions, markets and civil societies inflicts greater and greater damage on the standard and quality of life of European citizens with each subsequent crisis. Along the overlapping crises, the dominant neoliberalism (with its dogmas of individual freedom, free market and free trade) is exhausting its persuasive potential.

Neoliberal experts cede leading positions in the public sphere to critical public intellectuals, such as, e.g. “the three dangerous French economists” Thomas Piketty, Gabriel Zucman and Emmanuel Saez – authors of serious researches on world inequality, hidden off-shore wealth, etc., as well as of well-reasoned proposals for an annual progressive tax on the wealth of all multi-millionaires, which would make capitalism in the XXI century to work better. The above-mentioned young scholar Rutger Bregman brings out and argues the thesis that the neoliberal era is ending and “neoliberalism is gasping its last breath” (Bregman, 2020).

A sign of the decline of the dominant neoliberalism is an editorial article in the Financial Times (4 April 2020), which concludes that a wealth tax is not such a bad idea and that governments should treat public services as investments, rather than liabilities. Furthermore, countries should look for ways to reduce uncertainty in labour markets. This means that a discussion has been launched that foregrounds the issue of income redistribution, including a necessary increase in taxes on high incomes and wealth. An ideological turn (neoliberal paradigm shift) is brewing, as the idea of a free market is being challenged. Governments (through their own decisions) will find it difficult to turn any sector and sphere of human life into a market (health care, education, etc.) due to the shaky belief that the market can handle any problem and the state is an obstacle to solving it. Until recently, such neoliberal dogmas have determined the thinking of journalists, politicians and ordinary citizens, infected with

the “virus of neoliberalism”, but an alternative is already being sought (Bregman, 2020). The neoliberal value system in the form of “market fundamentalism” can no longer be propagated as a credo in the public sphere despite the efforts (and money) of the super-rich (Reich, 2020).

Therefore, all this gives me a reason to talk about attempts to privatise civil society by owners and shareholders of big companies, and at the same time, we conclude that at the moment, these attempts are successful, but in the foreseeable future, their failure is looming.

Conclusion

In conclusion, we can share some ideas about the rehabilitation of EU politics and the affirmation of a new role of the state in Public Affairs management by restraining the power of the big corporations and banks. These ideas are derived from the harsh critique of neoliberalism, provoked by the “The Great Regression” in the western world. The democratic optimism and hope are seen in civil society (European and nation-state) as “space for value criticism” of big companies, that cause market failures and failed states. For the time being, it is high time we stop the discourse about the business as a whole and stop saying that “Everything is business”, but to start differentiating large, medium and small businesses.

The new actors, in civil society, in large part driven by values (Crouch, 2011, pp. 154-161), are replacing the so-called NGOs – a product of social engineering. These are the new social movements and protests, aiming to increase social prosperity among the majority by anti-oligarchic resistance. The redefinition of the new left and the new right, can happen with the emergence of new political parties, that won’t consider their electorate as objects of political marketing and PR; won’t be political Ltd (trade companies), protecting the interests of a limited circle of party functionaries. The new left and right political parties, united with the social movements, should emancipate from the financial resources of the big donors, in order to gain the trust of the citizens. Otherwise, European countries will sink into a debt crisis and soaring inflation of basic goods and services. There are some “groups of civil activists”, engaged in prolonged grass-roots campaigns for solving important issues (social, health, ecological, etc.) by pressure “from below” targeting political institutions and big companies. Voluntary and charity organisations should count on their own efforts to solve the problems of the citizens. Due to the renaissance of religions, in addition, these collective efforts are fortified by different religious organisations. Rather productive in the process of democratisation are “the groups for expert pressure”, that perceive their professional activities in the spheres of science, education, etc., as a vocation, based on collective values, rather than solely as a source of incomes. The mission of these professionals is to challenge the market logic, proposed by neoliberal experts. They proceed from the assumption that not all in human life can be measured by the earned amount of money (money as overvalue); rather the mutual life is based on shared values. Thus, the collective actions of the new actors in civil society will become the essence of politics, as a sphere of *res publica*.

The New public management that has replaced the State government, has contributed not only for the crisis of the liberal democracy (in the EU and the member states), but also for the neoliberal capitalism under the American world hegemony. For the time being, there is no other vital alternative of capitalism, but this does not mean that one is not searched for.

There are different post-capitalist projects, that persistently construct a “post-neoliberal narrative” (Mason, 2016) regarding the necessity of re-industrialisation and de-financialisation of the economy, re-nationalisation of key public services, abolition of the off-shore zones, forcing big companies to undertake social obligations by increased corporate taxes, including the wealth tax. These and some other future public policies can become a reality after prolonged discussions and political mobilisations and battles in a re-defined and based on collective values civil society as an arena of democratisation.

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