

Note on Government and Democracy by Coen Teulings, Chairman of Merifin Capital, May 2020

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Most politicians nowadays are professional politicians who consider it their job rather than a privilege for a limited period of time. Since they do it as a job it obviously is important that they get re-elected. It becomes a first priority putting everything else in the shadow. In order to further re-election, they tend to do what their voters would like to see. They therefore closely follow what opinion polls indicate and try to oblige. Society hence no longer is run by leaders who do what in their view is best but rather by what opinion polls suggest. Leaders do not lead anymore but instead preferably follow “das gesundes Volksempfinden”.

This phenomenon has become more extreme by the advent of social media. Social media enable everyone to spread views, suggestions, insinuations, lies and fake news widely all over the globe without restraint and thus are able to magnify those expressions as if they represent mass movements. Politicians too are using social media to promote their perceived goals and advertise their programmes. And social media in turn are checking every minute of the day what politicians are up to. It is very difficult under such conditions for a democracy to work properly. Any organisation and also democracy requires a degree of discretion, respect and confidentiality. This however is being destroyed by social media throwing everything out on the street at once. The vulnerability of democracy nowadays in my view asks for private citizens to become more active in guiding and inspiring politicians as they should be able to act independently and in the best interests of society.

Yet the private sector generally for quite some time has been overwhelmed by libertarian capitalism coming from the USA with the doctrine of “shareholders first”.

Leaders of (US) social media have long pretended they only develop technology and cannot be held responsible for how such technology is used. The world however meanwhile has woken up to all the risks of social media and has begun holding the technocrats accountable for what they unleash. These industries (Facebook, Google, Amazon, IBM etc) now have completely changed their position and are even requesting to be regulated by authorities. Regulation of a large new industry however is not an easy task and authorities still are struggling to define proper regulation but they will be getting there.

The private sector also has evolved over time facing globalisation with infinitely greater impact on citizens' lives (social media, high velocity trading, artificial intelligence, employment etc). New guidelines are being developed to the extent that industry should be managed in the interest of all stakeholders rather than shareholders only. This certainly would fit more into Europe's tradition but American impact has been strong until now.

In conclusion Government and private citizens in today's fascinating and challenging world should work more actively together as partners in democracy.

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