

#1556 Oil Wealth and Oligarchy, Over 100 Years of Polishing Unredeemable Reputations

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Intro 5-2-23

JAY TOMLINSON - HOST, BEST OF THE LEFT: Welcome to this episode of the award-winning *Best of the Left* podcast, in which we shall take a look at the intertwining of oil wealth, philanthropy, and culturewashing, from John Rockefeller to the sheikhs of the Middle East.

Clips today are from *Brain Blaze*, *Ethics in Society*, *Democracy Now!*, *Athletic Interest*, *Second Thought*, *Freakonomics*, *Our Changing Climate* and *Amanpour and Company*, with additional members-only clips from *Scripps News* and *GarysEconomics*.

Who Were the Robber Barons? - Brain Blaze - Air Date 10-29-19

SIMON WHISTLER - HOST, BRAIN BLAZE: Rockefeller got into the oil business right after the Civil War. And through aggressive expansion and shrewd and sometimes extremely unscrupulous business tactics, he made his Standard Oil Company the largest corporation that ever existed so far. And this dude was rich. Like it's hard to compare because it was so long ago, but considering the amazing wealth of Jeff Bezos of Amazon, the richest man in the world, by far, yeah, he's worth, like Jeff Bezos is like 150 something billion and Gates is like at 90 something. Jeff Bezos is rich.[00:01:00] You know you are rich where you're the richest man in the world and you get divorced and you're still the richest man in the world. That's when you know you're rich.

However, Rockefeller is likely the richest person to have ever lived, with the possible exception of Augustus Caesar. Yeah, that's gotta be rich. Caesar's super hard to work out though, so let's just say Rockefeller was off-the-charts wealthy, and that made it easy for him to drive potential competitors out of business.

So how did Rockefeller operate? Well, he'd move into a new area, and say to the local oil man, Hey, I want to buy your business. If he said yes, amazing. If he said no, things were about to get really rough for him. Rockefeller would begin selling oil to that man's competitors at an extremely low price that the locals could not compete with. Eventually, the small firm would be driven out of business or were bought out by Standard Oil, and Rockefeller would get it for way less than he'd initially offered. Put yourself in the position of the guy who's facing up to Rockefeller and say, you know -- because he's done this before, by the time he gets to you, he's done this before -- you know that if he stands up and you're like, nah, I'm gonna compete with you, he's just going to crush your business and buy it for nothing. So [00:02:00] your desire, no matter how much you want to stay in business, is just to sell. This would be so illegal today.

This was just one of the many tactics that Rockefellers and the Rockefeller and others like him in other industries used. And yes, all of this would be totally illegal today, but it was sort of like the business wild West. Others included setting up cartels. Sounds illegal, it wasn't illegal. It is illegal now. These were unofficial organizations of companies in the same industries, but in other parts of the country. Basically, they'd say, Hey, let's not compete with each other; let's all just set the super high price of a really high margin and we'll all get away with it and get super rich.

If laws didn't exist like this to prevent this today, of course this would happen. You'd be like, if I was running a shop and my mate John was running a shop down the street and we sold Mars bars, I would go to John, "Hey John" -- and we were the only source of Mars bars in the town, and everyone loved Mars bars, so I'm just setting up the situation here, it's obviously fictional -- I would definitely have lunch with John one day and be like, John, I know we're competitors, but how about we just set the [00:03:00] price of Mars bars at like two pounds 20 and people have to buy them and that's like how it is. And then that would definitely be illegal.

Now this is just economics, but the barons also had a bad rap for the way they treated their labor force. In many cases, such as Rockefeller or Carnegie, another robber baron -- he was basically in steel -- they had come from virtually nothing, and they believed that anyone with enough drive could make a success of themselves. Workers who wanted better conditions -- and in the oil field, steel mills and coal mines, life could be dangerous and healthy and short -- they were deemed troublemakers, and they were dealt with many times threats, and many times these were violent. It was basically a situation of "if you want safe conditions, how about, No." You can see why these guys got a bad reputation.

Many of the larger companies had their own police forces. And in a time where politicians had their hands out, the real law looked the other way. Strikes and other worker's tactics to get better conditions were dealt with ruthlessly and many people died in the clashes between workers and owners.

It's no coincidence that labor unions began in earnest about this time. Workers [00:04:00] overheard talking about unions were usually immediately dismissed, many times with a broken arm to show for it. Holy sh--, this is bad. I mean, it's super good to be a Rockefeller back in the day, but you don't want to be the worker. These guys got screwed. I don't want to laugh about it. It's pretty terrible. This is always the thing, people complain about stuff today and I complain about stuff all the time, but it's like we literally live in a better time than ever before. Like yes, there's discrimination and all of these bad things, but boy, whatever your situation, it was not this bad.

However, because of the union's government pressure, famous exposés such as *The Jungle*, Upton Sinclair's novel about the meat packing industry, and Ida Tarbell's *The History of the Standard Oil Company* about these abuses, slowly things began to change.

Things began to change, but they were super slow. The rise of Theodore Roosevelt's presidency also helped the labor force. Many laws were enacted at this time, helping to curb some of the worst abuses. But they weren't all bad.

It should be remembered however, that despite all of these abuses, many of the robber [00:05:00] barons began the modern philanthropic movement to help people in society. You've probably heard a lot of their names because of their charity work. Indeed, the Rockefeller Foundation has handed out billions in charitable donations and still does. Andrew Carnegie was essentially the founder of the modern public library system, donating many tens of millions of dollars to help educate the people.

It's interesting, I think these guys, in a way, they come from just a different time. That situation I gave with John and the Mars bars, in a way, you know it's wrong cuz people are getting exploited, but it's also the sensible thing. Maybe. I don't know, maybe I'm just completely unethical, but I would have that meeting with John and I'd be like, John, what's up man? You gotta set the price of Mars bars. It probably should occur to me, but it probably wouldn't though I'm screwing people. Maybe that makes me a terrible person. But I think these guys are a product of their time, evidenced by the fact that they did give a lot of their money away to charity. I think they probably just see it as a game, like making money is business and then we're good people. We'll just give away a ton of it.

Universities all over the country were founded by people like Carnegie and obviously Vanderbilt. I guess there's a famous Vanderbilt University. I've never heard of it. So yes, the good with the bad, these guys just had crazy opportunities and no regulation [00:06:00] and they took full advantage. Full all caps. They did. And the repercussions, good and bad, they can be seen today.

Jane Mayer / The Koch Brothers and the Weaponizing of Philanthropy - EthicsinSociety - Air Date 4-6-16

ROB REICH: Fixing just for a moment on the ordinary understanding of philanthropy, which indeed is something celebrated and praised, I wonder if you'd accept the following description of some of the main players in this first third of the book, the Scaifes, the Olins, the Bradleys of the world, not the Koch brothers at the time. These are folks who by and large, having made their great fortunes by generating profits from public monies in many of the instances with the companies that they ran, then sought, through as many legal means as possible, to diminish their tax burden as low as it can go, and then further took an additional tax break in order to set up their foundations. So, after having diminished their contribution to the Treasury, to as small as it was possible to make it, um, first having enriched themselves partly through the Treasury's dollars, um, took a further tax deduction to create their foundations, which were aimed at diminishing the size of the state [00:07:00] itself, and then asked for citizens to be grateful in return.

JANE MAYER: Well, I like how you reduced that to just sort its basics and, I mean, the truth is that, okay, who are we talking about here? In the case of the Olin Foundation, the fortune was made in a combination of firearms and chemicals, and much of the fortune came from defense contracts. Same with the Bradley Foundation, which continues to be one of the biggest players on the right. And it is an irony because a lot of what it spends money on is attacking the US government or the idea of big government. And yet it would not be what it is without those huge defense contracts that so enriched it. And I guess it might be different in the case of the Scaife family. Richard Mellon Scaife is one of the characters in this book, and he's from the Mellon Banking and Gulf Oil fortune. Oil, it had tremendous subsidies from the US [00:08:00] government, it is true. And so that fortune, too, was helped a lot by the way the, you know, the tax laws worked. And each of these families and particularly Scaife... Scaife inherited so much money by the time he was 21 the lawyer in the fam... the family's lawyer talked to him and said, You need to start a foundation because it's a really good way to save on your taxes. And so in all of these families, you

can see that philanthropy is, among other things, a tax strategy. It's a tax avoidance strategy for them.

LUCY BERNHOLZ: But the weaponization metaphor goes further than that because I think anyone who's looked at large philanthropy in this country has seen kind of the defensive use of philanthropy when a corporation or a titan, a wealthy individual, is feeling attacked by others. So there's, I mean, I think you can take this all the way back to the creation of the Rockefeller Foundation and the Ludlow Massacre, in the sense that in order to [00:09:00] either salvage or preserve a legacy as a do-gooder, philanthropy is often the defensive weapon in the case of corporate doings, misdoings, or otherwise. But what's so incredible in the story you're telling, particularly with the Olins and the Scaifes and the Bradleys and then the Kochs, is this sense that there's actually an offensive strategy for political change. There's an ideology behind what they're doing and a direction and a consistency over time that has few parallels.

JANE MAYER: Well, and so philanthropy changed, and I learned about this to some extent from Professor Reich, here, who taught me a little bit about the history of philanthropy. And so when you have the Rockefeller family setting up the Rockefeller Foundation, it's interesting because we take philanthropy, these big philanthropic foundations today, to be so uncontroversial. It was so controversial when it was first founded. And the reason was that people [00:10:00] in Congress who were not just, uh... and also Teddy Roosevelt, I guess, who was Republican.... they looked at this as a form of plutocratic power that was gonna interfere in democracy. It was by nature, um, a project of very rich people, particularly Rockefeller in the beginning, and they didn't want it mucking around in an unaccountable way in the middle of the democratic process. And anyway, but Rockefeller nonetheless managed to set it up, but there were a lot of strings... he had to be pretty careful about what he spent it on in order to avoid further controversy. So he could only spend it on science and education really. Right? And maybe religion?

ROB REICH: Yeah, that's right. A few other things.

JANE MAYER: Um, and so philanthropy sort of bumped along in a more traditional way for quite a while. But what happened was, originally I think it was the liberal foundations, the Ford Foundations started becoming more political first, right? In the sixties?

ROB REICH: That's right. Fifties and sixties.

JANE MAYER: Fifties and sixties? And then the conservatives who really wanted to change politics [00:11:00] and wanted to change the direction of the country, they looked at what the Ford Foundation was doing and they thought, We can play this game and we could probably play it better. And so they decided to earmark their money, specifically to change the politics of the country. And I think that's what's different. It was aimed entirely at changing the politics. And that was because of, uh, they were following a kind of a war plan that had been written out in part by Lewis Powell, before he went on the Supreme Court in 1971 ,and he said, you know, If you wanna change the politics in this country, you're gonna have to change the way people think and the enemy, he said, it's not the hippies in the streets and it's not the, you know, the anti-war protestors. He said, The enemy is sort of respectable opinion and it's the liberals who are in universities and it's the people, the liberal judges, and preachers in the pulpits who are liberal, and [00:12:00] newspaper people. And politicians. And he said, If you wanna change the country, you're gonna have to change all of those. And so basically these rich families looked at that blueprint and said, Okay we'll fund it. We're here for it.

“Sportswashing & Greenwashing”: Ex-Soccer Player Jules Boykoff on Qatar Hosting World Cup - Democracy Now! - Air Date 11-29-22

JULES BOYKOFF: There's two things that we should be thinking about even during the tournament, and that is what you mentioned at the outset: sportswashing and greenwashing. We're seeing both in Technicolor here with the Qatar World Cup.

We're definitely seeing sportswashing, where political leaders are using the sports event to try to deflect attention from human rights woes at home and chronic social problems at home, while trying to burnish their reputation on the world stage, thereby setting a path forward for political and economic advancement.

But we're also seeing greenwashing. FIFA claiming that this is a carbon neutral type of event makes a mockery of the concept of sustainability. Carbon Market Watch, a nonprofit group, did an analysis of the stadiums and their carbon footprint [00:13:00] in terms of what FIFA said, and they found that FIFA underestimated the carbon footprint of the stadiums by eightfold.

It doesn't stop there, Amy. It goes further. Every day, going in and out of Qatar, you see 1,300 flights. This obviously adds to the emissions. It's not just humans that are flying in and out of Qatar, as well. The actual grass seed that was used to make the fields, both the 130-plus practice fields but also the eight pitches that are hosting these games, that grass seed came over from North America on climate-controlled flights. And these things don't just water themselves, these fields. Actually, they require tons of water, some 50,000 liters of desalinated water every single day in the summer. And I mention it's desalinated, again, a carbon-intensive process. And so, there's a whole lot to talk about when it comes to the greenwash that we're seeing here, as well as the [00:14:00] sportswash of this event.

AMY GOODMAN - HOST, DEMOCRACY NOW!: Can you talk about QatarEnergy being one of the sponsors of this event?

JULES BOYKOFF: Absolutely. This is especially ridiculous coming out of the COP27 meetings that we just had in Egypt, where everybody around the world is jumping up and down saying, "We need to take urgent action when it comes to global heating." And then you have QatarEnergy, this company that has become a sponsor with FIFA, that is a big purveyor of liquefied natural gas. And they claim to be a bridge fuel between carbon fossil fuels and to the greener future of wind power, for example. But in reality, it can delay the actual move to wind power. So, in this moment, post-COP27, there's no space for the kind of petrocompany sponsorships on these big platforms. It is just a pure greenwash through and through.

AMY GOODMAN - HOST, DEMOCRACY NOW!: Can any one of these giant sports events, Jules, whether [00:15:00] we're talking about the Olympics, the World Cup, the European Games, actually ever be carbon neutral?

JULES BOYKOFF: That's a really good question, Amy. And it's difficult to make one of these events carbon neutral, whether it's the World Cup of soccer or the Olympics, simply because of the size of these events. And rather than think about making the events smaller, listen to what FIFA is doing next. They're talking about making the World Cup field even bigger, having 48 teams instead of 32, as we have this year. We can expect that FIFA will host a 48-team World Cup in 2026 when the men's World Cup comes to North America.

So, if you are going to get serious about creating a carbon-neutral event, you would also bring on independent monitors who could do audits of these numbers and offer best practices moving forward. Unfortunately, FIFA, the world governing body for soccer, and the International Olympic Committee, the

group that oversees the Olympic Games, are moving in the [00:16:00] opposite direction, getting more secretive while at the same time amplifying their green claims without letting other people who are independent take a look at them.

AMY GOODMAN - HOST, DEMOCRACY NOW!: And this issue of sportswashing, Jules, you talk, your subtitle of your piece, "Mega-Political", what is it? "Mega-Events, Soft Power, and Political Conflict"?

JULES BOYKOFF: Absolutely. So, one of the things that comes up when we hear about sportswashing is: Does this thing work? And what people often have in the back of their minds there is: Does this work on an international audience in terms of deflecting our attention from some of the problems in the host country or city? But in reality, we also should be thinking about the domestic audiences.

Take for example a recent sportswashed event in Russia, the Sochi Winter Olympics. Ahead of those 2014 Olympics, Russia passed an anti-gay propaganda law that got all sorts of attention — and rightly so — around the world for being anti-LGBTQ. But [00:17:00] inside the country, this actually helped Vladimir Putin, as he stood up to the West, the so-called decadent West, and his ratings during the Sochi Olympics went higher than ever. He actually had 86% approval ratings by the time that the Sochi Olympics concluded. And guess what: He used those high approval ratings to invade the Crimea between the Olympics and the Paralympics then in 2014.

And I think that points up two really important dimensions of sportswashing that are often pushed beneath the surface. And, one, that is that domestic audiences matter a lot when it comes to sportswashing. And, two, this isn't just some mere branding exercise. This can actually be a conveyor belt of life and death.

How One Industry Controls Football - Athletic Interest - Air Date 11-5-21

MARK WEGRYZYK - HOST, ATHLETIC INTEREST: Almost everyone wants to sponsor: football, insurance companies, sports brands, beverages, but there is one industry that over-trumps all the others: the energy industry, in particular, [00:18:00] companies involved in fossil fuels like oil and gas. The history of football is closely linked to the history of oil. Just as football followed oil, oil has followed football.

Some examples. Employees of the Anglo-Iranian Oil Company introduced football into Iran and Qatar. Foreign workers operating the oil fields of Romania helped bring football to the country. Most of Romania's World Cup team in 1930 were made up of those employees. Oil money poured into football in the 1940s and 50s. Oil companies and workers founded clubs and established entire leagues and competitions.

But over the last two decades, the oil industry has expanded its reach like never before. Gazprom, majority-owned by the Russian State, is the world's largest gas company. They sponsored the Champions League. Their CEO happens to be the vice president of the Russian Football Federation, and the company was involved in getting the 2018 World Cup to Russia. Since 2007, they [00:19:00] have partnered with the German club Schalke and secured significant influence with their sponsorship money. When Schalke negotiated with FC Bayern over the transfer of Manuel Neuer, Russian President Vladimir Putin personally tried to stop the deal, with limited success. They are also the sponsor of Red Star Belgrade, Zenit St. Petersburg, and used to be the energy partner of Chelsea. Chelsea, owned by oil tycoon Roman Abramovich, is perhaps the most emblematic example of oil money in football. Abramovich injected hundreds of millions into the club breaking transfer records to assemble a team that would eventually win the Champions League.

Five years after Abramovich bought Chelsea, Manchester City was acquired by the Abu Dhabi United Group. Since then, the group has invested heavily and built a whole new football empire of clubs around the world. In France, Paris Saint-Germain was transformed into a super club since the state of Qatar acquired and reinvented the club with its gas money. In Spain, [00:20:00] Barcelona traditionally managed without a shirt sponsor for years until they got a massive sponsorship deal with the Qatar Foundation, which is owned by the state of Qatar. Real Madrid's shirt sponsor? You guessed it.

So you get the point. Oil and gas money is everywhere in football. But why is that so? It is obvious why Nike or Adidas sponsor football. They want their logos and products to be seen by fans who then go to the store to buy the football boots of Messi and Ronaldo. But are you going to buy oil from Abu Dhabi because you are a Man City fan, or gas from Russia because you like watching the Champions League? To understand why oil and gas companies pump billions into football, we need to dig a bit deeper and explore how the industries work. And who could be better suited to help us with this task than Elon Musk?

ELON MUSK: There are time extensions on the game, but the game is gonna come to an end. That should be absolutely certain.

MARK WEGRYZYK - HOST, ATHLETIC INTEREST: When he is talking about the game, he does not refer [00:21:00] to football, but oil and gas, it is one of the most powerful and biggest industries. Whole economies were and still are built on oil and gas. But there is an expiry date. Peak oil describes the moment at which extraction of oil reaches a rate greater than at any time in the past or future. Simply put, that means that the world either runs out of oil or it is getting too costly to extract it.

Numerous predictions for when we'll run out of oil have been made over the past century before being falsified by new sources and technology. But this time could be different. It's getting harder and harder to find hydrocarbons and much more expensive to extract them.

Oil and gas are non-renewable. Their supply is not infinite. So the question is when hydrocarbons run out or become too expensive, not if. That's not only the standpoint of Elon Musk who is trying to sell electric cars, it's what the oil industry says itself. According to Shell, one of the biggest [00:22:00] oil companies in the world, peak oil was in 2019, and oil extraction will now enter terminal decline.

That means that the industry is under immense pressure, and it means that running an economy on oil is not a good idea. Wendover Productions recently made a great video explaining this with the example of Saudi Arabia. A McKinsey study predicts that until 2030 in Saudi Arabia, the average household income will fall, the unemployment rate will rise, and the 900 billion government assets will be turned into 2 trillion of debts.

So basically, the economy is on the way to fiscal collapse because of its dependency on oil. So what can you do when your economy is built on a resource that is going to end eventually? You can diversify and you can make sure that the world at least buys your oil as long as possible, which brings us back to football.

The big states that supply oil and gas are all [00:23:00] competing for customers: Russia, Saudi Arabia, Qatar, UAE. Having a good network and reputation is extremely important for those states and their companies, and that's exactly what football can provide to them. Take the case of Gazprom. Germany is Gazprom's largest customer.

Just recently there was a huge public and political debate about the gas pipeline Nord Stream 2 because of concerns that the pipeline would increase Russia's influence in Europe. That's why it is in gas Prom's interest to maintain a positive public profile in Germany, and what a better way to achieve that than by sponsoring the country's most popular sport?

The head of Gazprom's marketing explained the sponsorship deal with Schalke as part of a wider strategy: "We have to tell the people the story about Gazprom. We have to teach them why they can love Gazprom". In theory, that is not different from Nike and Adidas sponsoring teams and players. They are competing for customers and want to sell a product maybe with a little bit more geopolitics involved.[00:24:00]

But there's one more thing. This could be a graph of the energy industry's share of sponsorship money in football, but it's not. It is the share of the industry in global greenhouse gas emissions. The energy industry is responsible for almost three quarters of the global greenhouse gas emissions. That causes something called climate change. You might have heard of it.

Our addiction to fossil fuels is pushing humanity to the brink. To slow rapid climate change, the world needs to reduce greenhouse gas emissions, which puts additional pressure on the oil and gas industry. Gazprom alone is responsible for almost 4% of all greenhouse gas emissions between 1988 and 2015. That's just one company. Qatar has the highest emissions per person in the world. The oil and gas industry has a significant impact on our climate that increases the industry's need for political influence and public approval.

[00:25:00] Having prominent football sponsorship offers a way around bad publicity by winning approval on the field.

Why Billionaire Philanthropy Won't Solve Anything - Second Thought - Air Date 2-25-22

JT CHAPMAN - HOST, SECOND THOUGHT: Philanthropy takes people well-known for being unredeemable and turns them into saints. People who, despite hoarding a sum of money big enough to outlive them a thousand lifetimes, have given away a large enough amount to demand unwavering support from all of us, regardless of the fact that in the meantime, their wealth grows by more than they give.

They get all of our support, all of it. Who today dares to say that Bill Gates hasn't made the world a better place? We could stop at that and we'd already have a pretty compelling argument. Bill Gates made all this money explicitly by being a horrible, ultra-competitive inhuman businessman, exploiting his workers and a market he held a monopoly over just to turn around and launder his reputation with his ill-gotten gains. Video over. Capitalism crushed. Come back next week. But there's more, because there are at least three problems with high profile philanthropy. [00:26:00] One, it costs the rest of us money. Two, it might not be happening at all or really just a tiny bit. And three, it actively breaks democracy. Fun.

Let's hit point number one first. You are taking my money, big man. One of the big reasons philanthropists give so much is because of something called the charitable tax deduction, which for legal reasons I am not technically explaining to you right now. Got it? This is just me talking out loud into my microphone, and if it reaches your ears, it's not my fault because I'm not giving you unqualified tax advice, you hear? I'm just talking to myself, which I can prove by saying my social security number out loud: 183-26 [audio drops out]. By donating money to an approved charity, anybody can reduce the amounts they give in taxes to the government by reducing the amount of money they're being taxed on.

For you and me, that number is usually limited to around 60% of our gross income, the total money we would've gotten before taxes are taken out. It's a way for the government to acknowledge that you're doing a good thing and reward you [00:27:00] with a little less tax on your total gross income.

For the ultra wealthy, those rules technically also apply, but they also get special access to even better, more exclusive rules. The same way their bored apes get them access to better, more exclusive rooms in the metaverse for people who don't have any friends. For the ultra wealthy, charitable deductions can be applied to stuff that's not money and that only the wealthy have enough of laying around to just give away: real estate properties, stock options, capital gains, that kind of stuff. On these assets, the value of which has never ever been hyper-inflated and always definitely represents what it's worth, the ultra wealthy can give to charity in amounts that are trivial to them, but that can end up reducing their taxes by up to 74%, according to these two academics who actually know what they're talking about, unlike the disembodied voice reading these words out loud to himself. And that's on top of all the other tax avoidance strategies that these ultra-rich parasites take on the corporate side of things with tax haven companies and loopholes, and the more individual based [00:28:00] avoidance schemes we learned about in the Pandora and Paradise Papers.

Concretely, though, What does using the charitable tax deduction like this mean? Well, it means that for every billionaire "giving a dollar to charity", we'll get to how much of that actually happens in a second, you pay 74 cents of it. Because the truth is that if the government isn't getting those 74 cents on the dollar it was planning on getting, it's got two choices. It can either spend 74 cents less on stuff that you would benefit from, or it can get those 74 cents from you instead. Convenient how that works out. And while the 74 cent figure sounds trivial, the real amount is in the billions. Between 2010 and 2014, the cost the rest of us took on was \$246.1 billion. Put all those zeros on screen. I don't care how much it costs me in graphics animation. And the thing is that that number has certainly only gotten bigger in recent years as charitable donations increase in size and deduction laws become more favorable to the ultra wealthy. [00:29:00] And look, if you divide those billions of dollars up evenly among all of us over the five years, it doesn't end up being a crazy amount per person, but it's money that was supposed to be used on us. And that we weren't supposed to be paying for in the first place. We were supposed to benefit from that money, not have it taken out of our pockets.

Because that's the second part of this whole thing. As much as billionaire funded charities want to make it seem like they're actually giving away their dollars and putting them back into your hands through their foundations, they're really not. Like, not at all. Oh man, it's gonna blow your mind when you find out in like 10 seconds.

Point number two: where's that money going, big man? Every time you hear of a guy like Bill Gates giving away some 20 guerillion dollars to the Gates Foundation, only 5% of that money will actually go to charitable causes. The absolute minimum required by law. The 95% that's remaining? Why, that goes into the Foundation's investment portfolio of course. You can't run a good charity without hoarding money, [00:30:00] silly! Don't believe me? Sources are in the description, as always. I don't just make this stuff up. It's section 4942 of the Internal Revenue Code and every foundation has clearly understood it to mean don't give more than 5%.

The bottom line is that we are a simple rounding error off from the Gates Foundation using all of the money it gets from its key investors, Bill Gates and Warren Buffett, to do exactly the same stuff it would be doing outside the charity: putting it into stocks. Not only that, it's the kind of stocks that make whatever the foundation is trying to do irrelevant. Charitable foundations, including the Gates Foundation, invest in the same profitable companies every other slimy stock portfolio invests in. Fossil fuels, like BP, Shell, and Total. Junk food, like McDonald's and Coca-Cola. Mining companies, like Rio Tinto.

Brands politely refer to as agribusiness companies, like Nestle and Unilever. Weapons manufacturers, like BAE systems. And a whole lot more [00:31:00] companies that can all easily fit into the 'we love to commit human rights abuses' list.

Considering this is where 95% of the foundation's funds go, this is where it has the most impact on the world. For a guy who claims to be all about global health and fighting climate change, Gates' money says otherwise.

But somehow, some way this gets worse because the rest, the 5% meant for actual good doesn't do good either. It is very often used to make these despicable companies even more profitable by transforming "charitable projects" into regular business investments. Money put into the charity side ends up also being for the investment side after all. Take just one example. In 2014, the Gates Foundation had \$538 million worth of shares in Coca-Cola. That same year, one of its big charitable projects was training 50,000 farmers in Kenya, the president of the Gates Foundation's global development program said it [00:32:00] was all about "empowering small farmers to increase productivity, improve crop quality, and access reliable markets, which is critical to addressing global hunger and poverty".

But what was that project really about? Making that investment in Coca-Cola shares more profitable by training those farmers to produce passion fruit destined for the Coca-Cola company. Charity for profit: what a dream. And all across the charity's philanthropic involvement, the story is the same.

What Is Sportswashing (and Does It Work)? - Freakonomics - Air Date 6-8-22

STEPHEN DUBNER - HOST, FREAKONOMICS: As we've been talking about sportswashing today, we have focused on how outsiders look at the place that's holding the sporting events. We are assuming that the main goal is external propaganda. But let's not forget the bread-and-circuses goal as well, making your own citizenry happy, and proud. Victor Matheson again:

VICTOR MATHESON: It's just like advertising. You can target different groups, and in the case of Rome, the emperors there were trying to target their own citizens so that their citizens don't rise up against them. I think that's actually a little bit more what's [00:33:00] happening in Russia than trying to influence the rest of the world. I think with the Middle East, though, they're

definitely trying to tell the world, “Hey, we’re open for business and we’re not such a bad place. Remember how much fun we had at the World Cup?”

STEPHEN DUBNER - HOST, FREAKONOMICS: Here’s a piece that recently appeared in The Wall Street Journal. “When the invasion of Ukraine began, the era of Russian sportswashing abruptly ended, at least for the foreseeable future.” You agree with that?

VICTOR MATHESON: I quite honestly don’t believe that because I think it ended a month after they hosted the Winter Olympics in Sochi. This was an extremely expensive event that they put on — \$51 billion, the most expensive Olympics ever done. And rather than basking in the glow of soft power, of showing, “Hey, what a great place Russia is” — after the closing ceremonies, they invaded Ukraine for the first time. I think sportswashing at best works at the margins. It’s not going to erase tanks rolling across the border.

STEPHEN DUBNER - HOST, FREAKONOMICS: Talk to me for a moment about the 1936 Olympics, which Hitler meant to [00:34:00] be a showcase for Aryan dominance and for his ideology. What happened there?

VICTOR MATHESON: It’s not that Germany was trying to say, “Hey, this Nazism, it’s not that bad.” What they were trying to do there is they’re saying, “The new German way is most powerful, and we’re going to project power to the rest of the world through this great event.”

STEPHEN DUBNER - HOST, FREAKONOMICS: So how much did Jesse Owens ruin Hitler’s Olympic party?

VICTOR MATHESON: Certainly some. If this is a big show of Aryan dominance, it didn’t go so well when the great Jesse Owens, the African-American track star, wins four gold medals, putting a bit of a nail into that coffin.

STEPHEN DUBNER - HOST, FREAKONOMICS: But do you think that throwing that kind of party in Berlin in 1936 did anything to allow Hitler to continue to strengthen what would turn out to be this Europe-wide and then global aggression? Do you think it did anything to build the movement that turned into the war?

VICTOR MATHESON: I think it certainly sent the message [00:35:00] that Germany was a force to be reckoned with. And to the extent that a big spectacle was popular among his own people — it gives him some ability to solidify his

standing with his own people, because if you're going to engage in a half-decade-long World War, you at least have to have your own people behind you — which, of course, he did for a while there.

STEPHEN DUBNER - HOST, FREAKONOMICS: Are you familiar with an idea known as the Streisand effect?

VICTOR MATHESON: Yes. I feel a little weird as an economist talking about Barbra Streisand, but the Streisand effect basically comes from the idea that if you advertise things, people actually come and say, “Oh, we're going to look more deeply into this.” So, if you have things to hide, maybe you don't want to draw attention to yourself.

STEPHEN DUBNER - HOST, FREAKONOMICS: Yeah, I think what happened is that a photograph of her house on the cliffs above the beach in Malibu was made public, and she felt her privacy was invaded and she sued — which ended up calling even more attention to the situation, and now everybody knew where Barbra Streisand's house was. [00:36:00] Along those lines, do you think that when a country like Russia or China or Saudi Arabia or Qatar engages in what we consider sportswashing, do you think it backfires, that they're pulling a Streisand and focusing attention where they'd rather it not go?

VICTOR MATHESON: I think we can look at two potential things where this is the case. If we go back to the Winter Olympics in Sochi, a huge amount of attention was placed upon the fact that this was by far the most expensive games that have ever taken place, which got a lot of people thinking, “Well, why in the world would someone spend \$51 billion putting on this event? And how in the world can this event be \$51 billion? Is this just all corruption? And what do the people think about their money, in a moderately poor place like Russia, being spent on a three-week party?” I think even more so, when we're looking at the World Cup that's going to come up here in Qatar, this is a place [00:37:00] where I think 95 percent of Americans couldn't have identified Qatar on a map a decade ago. A lot more of them probably can now. But it also means that we're learning a lot about Qatar.

STEPHEN DUBNER - HOST, FREAKONOMICS: And what have we been learning?

VICTOR MATHESON: Well, some things are good. Al-Jazeera, as much as it sounds scary and foreign to Americans, it's actually a pretty good news organization. And that's in Doha in the capital of Qatar. But we also know that they've imported a huge number of foreign workers and placed these workers

under terrible working conditions, confiscated their passports, not allowed them to leave. By some estimates I've seen that thousands of guest workers have died while they have been in Qatar. And also treatment of their own citizens. Qatar is a very conservative country. The ability of women to have full participation in the workforce and in society, and that's not to say anything about people like L.G.B.T.Q. community.

STEPHEN DUBNER - HOST, FREAKONOMICS: And even beyond sports — if you're a pop [00:38:00] singer, Victor, and I want to hire you to come perform at my daughter's 13th birthday, and I happen to be an Emirati prince, and I offer you \$2 million — I don't hear people getting too distressed about that, or do we?

VICTOR MATHESON: You certainly do see some people turn that money down. But again, 2 million bucks to play a birthday party — doesn't matter if you're Britney Spears or not, that's still \$2 million. And that's hard to turn down.

Why Billionaires Won't Save Us - Our Changing Climate - Air Date 5-21-21

CHARLIE KILMAN - HOST, OUR CHANGING CLIMATE: Jeff Bezos stomped into the climate philanthropy space by establishing a \$10 billion earth fund. Which will dole out grants to climate oriented nonprofits and for-profits over the next 10 years. While these gifts initially seem impressive, even a cursory glance at the math reveals otherwise. Musk's \$100 million reward is just 0.06% of his wealth as of readiness.

That's the equivalent of someone with a net worth of \$40,000 giving away \$23. And to add insult to injury, his \$100 [00:39:00] million prize is actually spread out over a number of different winners and runners up. So the grand prize is really only \$50 million. Jeff Bezos's \$1 billion fund is definitely larger, but still insignificant considering he's currently the wealthiest man on the planet right now.

The sum is being handed out over a 10 year period. So really, the fund is granting just 0.51% of Bezos's net worth every year. These quick calculations are just the tip of the iceberg. If you dig even deeper, the new world of climate philanthropy is a lot less about changing the world than philanthropists would like us to think.

ANAND GIRIDHARADAS: It's these nice deeds — the sprinkling of nice deeds, that help us uphold the system in which rich people can monopolize the future, hoard progress, and kill the American dream. Not satisfied with that, they're trying to kill the planet now too.

CHARLIE KILMAN - HOST, OUR CHANGING CLIMATE: That's Anand Giridharadas, author of *Winners Take All*. This clip perfectly demonstrates how philanthropy, especially in the [00:40:00] climate space, is more of a charade than an actual avenue for change. Philanthropy should be seen less as an act of altruism and more as an act of self and wealth preservation. Philanthropy, as far back as Rockefeller and Carnegie, works to benefit billionaires in three main ways.

The first is through image whitewashing. One way this happens is through large donations to museums or schools in return for a family name on a building or a gallery wing. This is exemplified in the Sackler family's donation to a number of academic institutions in the midst of lawsuits, accusing the family of fueling the opioid crisis in the US with their company's product OxyContin.

We can also see this in Jeff Bezos's multiple environmental donations, "\$690,000 to the Australian Wildlife Recovery Fund" that seemed to attempt to counteract the dismal environmental and ethical reputation of Amazon. A union busting company that has acquired a massive [00:41:00] carbon footprint and squeezes its workers so hard, that they have to pee in bottles just to complete orders.

Same thing with Elon Musk, "Tesla factory workers in California are working so hard, they're passing out on the production line."

Even Bill Gates, who amassed his fortune by crushing the competition with intellectual property laws, and monopolies. On top of all that, multiple studies have shown that the richest 1% caused double the amount of emissions of the world's poorest 50%.

So if these billionaires really want to make change, they need to first look towards the exploitative practices that are making them rich. If you're thinking these industry titans are extremely generous, a recent study found that the richest 20 people only donated 0.8% of their wealth. Essentially, billionaires like Jeff Bezos and Elon Musk are spending millions to mask the harm they cause making billions.

This philanthropic whitewashing not only allows billionaires extreme [00:42:00] cultural and political influence, but it also allows for even more financial consolidation. The way the US tax code is set up, which is where most of the richest people live, the government essentially subsidizes big ticket giving.

When a billionaire like Bezos puts billions of dollars into a donor advised fund, or gives to a nonprofit, he's then able to write that amount off in his taxes. Essentially, when Bezos donates \$500 million to wildfire relief, he's then taxed less because of that. This robs the government and people of vast sums of money, and then only returns a semblance of that capital under the control of billionaires.

This is an inherently undemocratic way to decide how money is distributed in our society. Maybe the most insidious effect of big philanthropy is how billionaires are now changing what change means. "I feel much more comfortable with our ability as a private foundation to allocate those funds than I do [00:43:00] giving them to the government."

Over the past 20 years, small donor donations have decreased, while mega donations have increased. The ultra rich are slowly consolidating funding for nonprofits into the hands of the few. This rise in big ticket donations means an increased control of what nonprofits and foundations choose to focus on.

Simply put; if your organization relies on the money of Jeff Bezos or Elon Musk, you'll be hesitant to criticize Tesla, Amazon, or to espouse anti-capitalist views, lest they pull your funding. A collective of radical feminists of color, Insight, write about the struggle in the intro to their anthology *The Revolution Will Not Be Funded*.

After securing funding from the Ford Foundation in early 2004, Insight developed two projects dedicated to abolishing state and interpersonal violence. Yet six months later, the Ford Foundation suddenly pulled its funding because of Insight's vocal support of the Palestinian liberation struggle. On a more personal [00:44:00] note, this year I took a sponsorship from Bill Gates' private office to promote his new book. An act which I very much regret.

Not only were some of the solutions in his book questionable, but I had to water down my criticism of Bill Gates to one line for fear of losing the sponsorship. I've since redistributed the money I received from the sponsorship, but the mere act of self censorship was illuminating for me. If I, who wasn't reliant on that ad revenue to continue the channel, wasn't able to criticize Gates, what does that

mean for a nonprofit whose very existence is tied to the "generosity" of the billionaire class?

Both these instances revealed the power of financial donations. As a way to control progress. Big gifts come with big asterisks. Some stipulations might just be a name on a building or a seat on the board, but some can also mean dragging organizations away from radical change and into tinkering with the status quo.

They co-op organizations and even whole departments in universities, and [00:45:00] steer them with financial capital away from substantial systems change. This is at its core undemocratic. Who decided that Bill Gates gets to be the czar of global health, or that Elon Musk gets to rule over all things electric cars and space?

The moment we began to rely on the unelected wealthy few to create change was the moment we were held hostage to their political wims. The reality is that big philanthropy helps to uphold the very system that is trashing the planet, exploiting workers, and making the ultra rich richer. The money that Gates and Musk are committing to climate action, for example, only seem to entrench their techno optimist worldview.

They're pouring billions into untested technological solutions, like cloud seeding and carbon capture, that have yet to be tested at scale. While these technologies are important to understand in research, they are certainly not the answer to climate change like Musk and Gates seem to think. In addition, these techno [00:46:00] solutions are appealing to the likes of Gates and Musk because they don't require any loss of money, power, or status.

In fact, implementing a technology developed by Bill Gates's Climate Venture Initiative like cloud seeding at scale would only amplify Bill Gates' power.

Anand Giridharadas: Why We Should Be Skeptical of Billionaires - Amanpour and Company - Air Date 9-19-18

ANAND GIRIDHARADAS: What is it in us that gravitates to these billionaire sugar daddies and sugar mommies when we feel scared for our society? I'm trying to point us to a cultural tendency that is not about party and is not about whether Donald Trump is a good guy or a bad guy, or any of the other people I

named. That we don't look for MLKs anymore, we don't look for people who can build movements, we don't look for people who can organize like Cesar Chavez.

We look for people who are rich as a measure of character and a measure of their ability to save us. We need to stop looking to be saved by rich people, we need to stop waiting for trickle down change.

HARI SREENIVASAN - HOST, AMANPOUR AND COMPANY:

Somebody's going to come back and say, [00:47:00] "I am giving opportunities to people who never had them. Whether I'm working with girls and villages in developing parts of the world. Look, I'm not their government. I can't change those things but I can help the situation." Or maybe if I'm providing malaria nets, there's hard data that shows that quality of life is improving. Health outcomes are improving. What's so wrong with that?

ANAND GIRIDHARADAS: It is better to give those malaria nets than not. It is better to help those girls than not. The marginal act is good. What I'm concerned with is the system in which you are raping and pillaging economically. Paying people as little as you can, paying as few taxes as you can. Routing your money through a double Dutch with an Irish sandwich tax maneuver to avoid paying your fair share of taxes.

You do all those things. You then donate to this charity, and you get a tax deduction for it by the way. You're also part of the reason why, let's say, our [00:48:00] foreign aid budget isn't what it could be because you did all those things to avoid the government having money. You are part of why those kids that you're trying to help in inner city Detroit — you're part of why their lives go the way they do, because you refuse to employ their parents in a steady way, and pay them proper benefits.

So what I'm advocating for, is people owning the fullness of their contribution to the world. Not allowing a single gesture over here to define them, but asking "were you involved with the problems? How could you get your whole life, your regular life, on the side of justice, not just your side hustle?"

HARI SREENIVASAN - HOST, AMANPOUR AND COMPANY: What is your own role in this? You are, whether you like it or not, a thought leader. Not in the derogatory sense that you're saying it, so what are you willing to sacrifice? What are you willing to do? What have you identified as your role in this system?

ANAND GIRIDHARADAS: I spent a long time thinking about whether to write this book. It's not convenient to criticize the [00:49:00] richest and most powerful people in the world. It's not convenient to go after people whose names are on half the buildings that I enter and exit every day, who have made philanthropic gifts to the news organizations that I write for. This is not convenient.

I actually deeply believe that societies can make enormous — can make very bad choices for long periods of time, because of something as flimsy as myths. Because of a belief that is actually so ethereal, that mark Zuckerberg is what change looks like. Because of a belief that a billionaire second generation tycoon from Queens is a champion for the common man. I really look at this country and think we've all been hoodwinked by a story about what change looks like that's simply not true.

HARI SREENIVASAN - HOST, AMANPOUR AND COMPANY: That, versus other stories of what changes [00:50:00] look like that we do know about, the Civil Rights Movement, the fight for women's rights, the fight for our voting rights.

ANAND GIRIDHARADAS: Most — if you ask yourself — anybody listening to this, ask yourself, what did you do today? How many of those things would you not have been able to do 50 or 100 years ago? Many of your viewers may not have been able to work in the job they do. Depending on their identity, a certain number of years ago, they may not be in this country. Depending on policies, they may not have been able to vote. They may not have been able to sit at a restaurant counter.

How did we change all those things? Why were you able to do all those things today that you wouldn't have been able to do in the past? Because rich people threw you some scraps? I don't think so. You were able to do those things because people organized, they marched, they fought, they spoke truth to power, they sacrificed, and they forced powerful people to concede what was dear to them.

They forced, frankly, sacrifice or [00:51:00] overrunning power to do what was right and advance the common welfare. I think we've lost that whole vocabulary in a blizzard of vocabulary about leverage, and scale, and synergies, and efficiency that is very good at solving some kinds of problems, but doesn't actually comport with what it takes to advance social progress.

HARI SREENIVASAN - HOST, AMANPOUR AND COMPANY: So what are the solutions that those individuals and others should take? What are steps that they can take now, either in policy prescriptions or lobbying, sacrifices that they can make that would be part of this much larger systemic solution that you're asking for?

ANAND GIRIDHARADAS: There's a fascinating movement that I write about in the book called "B-Corps," benefit corporations. It's a company that voluntarily certifies themselves as not being evil, not being predatory, not dumping externalities in a society. They pay people well. They respect the environment. They don't cause social problems. That's great.

I think an interesting idea that's emerging, Elizabeth [00:52:00] Warren has a proposal to require every company in America to be a benefit corporation. That may be too far. I think an interesting half-measure would be to give a corporate tax break to companies that don't dump social problems into our laps relative to companies that do. That's an idea. I think we need to really think about civic participation again and that's all the people running for office, typically the record number of women running.

There's another thing, I think for young people — when young people see a problem in the world that they want to do something about, they have been trained by this kind of business culture of the last generation to think of private business fixes. You see a problem, you think, "I'm going to start a cupcake company that donates to that problem." You see a problem you say, "I'm going to start a charter school." I think we need to shift our orientation. When you see a social problem, think of what a public, democratic, universal and institutional solution to that problem would be. What would solve that problem at the [00:53:00] root and for everybody?

I think we should think about things like people who do public service, we absorb their tuition debt as a society. Let people who teach or serve on city councils, or serve on county councils, or work as activists perhaps, let's absorb their tuition. People who want to go work in finance, great, good for you, you will pay a little more for your education.

There's a lot of things we can do to reorient this country to be more public-spirited again. Every age has its own kind of temper and I think we are — part of what I'm arguing is that we're living in a world in which we have over-indexed on private endeavor. We've created amazing things privately. I don't think anybody would say we don't have enough great companies in America. I

don't think anybody would say we haven't innovated enough. We haven't come up with enough great stuff.

The problem is we haven't made all that work for regular people so that we have not just innovation but progress. If progress [00:54:00] is defined as most people getting ahead. I think that the temper of this time that is coming, and the time I would say almost the post-Trump era if we start looking ahead, is it needs to be an age of reform. I think we're simply overdue for another age of reform in American life.

The 2022 FIFA World Cup And The Rise Of 'Sportswashing' (In The Loop) - Scripps News - Air Date 11-21-22

CHRISTIAN BRYANT - HOST, IN THE LOOP: The benefits of turning to authoritarian countries can still be mutual. Countries get to improve their reputation, and sports organizations get to make a ton of money when authoritarian regimes offer to step in.

These partnerships with big sports brands are part of an influencing strategy that critics and foreign policy experts have dubbed "sportswashing." The idea is that if you're a country looking to improve your reputation, you can do it by leveraging the love people have for existing sports. It's a chance to bring sports closer to your country's people and make it a point of unity.

But you can also make millions of sports viewers aware of your country in a positive way. It's one thing for a government looking to leverage a nonprofit governing body like FIFA or the [00:55:00] IOC. For privately run sports leagues, like the English Premier League, Formula One racing, UFC, and others that don't have charters requiring them to respect human rights, there's even less of an issue.

KARIM ZIDAN: When you look at it just from a business perspective, from a capitalist perspective, it becomes malpractice for you not to accept these offers when they're available to you. Because when I studied business, I never read any business book that taught me that morals go above, you know, your bottom line.

CHRISTIAN BRYANT - HOST, IN THE LOOP: Karim Zidan has spent nearly a decade writing about the involvement of authoritarian regimes like

Russia and Saudi Arabia in the international sports world. He says Saudi Arabia in particular has developed a version of sportswashing that is more drastic than anything the sports world has ever seen.

KARIM ZIDAN: It starts with Vision 2030. It's this concept that Mohammed bin Salman came up with to deter Saudi's investments in oil and its dependence on oil. So what did they want to do instead? They wanted to invest [00:56:00] significantly in sports and entertainment as a way to employ their people, obviously as a way to distract and and present Saudi Arabia as this reform society.:

CHRISTIAN BRYANT - HOST, IN THE LOOP: If Saudi can host or sponsor a sport, they will. Formula One: the Saudis host a race and the state oil company Aramco sponsors a team and the entire championship. Soccer: they've poured in \$2.3 billion to sponsor clubs just in the first eight months of this year, and they own the English Premier League team, Newcastle United. Pro Wrestling: you can argue how much of a sport it is, but the Saudis will absolutely pay WWE about \$100 million annually for the company to host two events there each year. Earlier in November, ahead of one of their Saudi events, WWE executives, Stephanie McMahon and Paul "Triple H" Lavec, presented a championship belt for an advisor to pass along to Saudi Crown Prince Mohammed bin Salman.

STEPHANIE MCMAHON: We have a gift for his [00:57:00] excellency because the highest honor in WWE is to be a WWE champion, and no one is a bigger champion for WWE and the kingdom than His Excellency.

MOHAMMED BIN SALMAN: Wanted to take it on the arena, not here on the press conference.

CHRISTIAN BRYANT - HOST, IN THE LOOP: Look, I get it. When I was a kid, I also wanted Triple H to give me his championship belt, but there's gotta be a cheaper way to do this, MBS, whether it's WWE, soccer, eSports, or any of the other sports the Saudis have tried investing in. There's a method to the madness here.

KARIM ZIDAN: When you are obsessed and loyal to your sports team, and then, say, Saudi Arabia goes and buys your sports team and promises to invest in it and make it one of the most successful teams ever, well, then Saudi has successfully managed to purchase a whole legion of fans for free.

CHRISTIAN BRYANT - HOST, IN THE LOOP: But fans and athletes aren't always as welcoming.

When the Saudis funded the creation of LIV Golf to rival the [00:58:00] existing PGA tour, there was such a big backlash that the DOJ has gotten involved and both tours have sued each other. Tiger Woods accused the LIV signees of turning their backs on the PGA.

TIGER WOODS: I still don't see how that's in the best interest of the game. What the European tour and what the PGA Tour stands for and what they've done.

CHRISTIAN BRYANT - HOST, IN THE LOOP: And families of victims of the September 11th attacks protested outside LIV Golf events in the US. 15 of the 19 hijackers were Saudi citizens, as was Osama bin Laden. The league still has won over some fans by signing away star golfers, including Phil Mickelson. And setting up golf leagues or hosting World Cups can be a proxy for countries to settle their geopolitical rivalries. In 2017, Saudi Arabia, United Arab Emirates, Bahrain, and Egypt severed ties with Qatar alleging it was funding terrorism and becoming too close with Iran. They tried to get FIFA to strip Qatar of hosting the 2022 World Cup, but FIFA held firm. And in 2021 with Qatar's World Cup [00:59:00] looming, the countries agreed to settle their differences and restore ties with Qatar.

KARIM ZIDAN: This is Qatar showing its political strength, getting back into the arena, the global arena here. And unless something horrific happens at this year's World Cup, which I'm not necessarily predicting will happen, we will have to consider this a success for Qatar. Despite all the media, despite everything that's gone on, all the reporting on the migrant abuse, Qatar still got what it wanted in the end and is now even on stronger footing than ever before.

Fixing the Economy - Garys Economics - Air Date 11-27-22

GARY STEVENSON - HOST, GARYS ECONOMICS: A few years ago I made this website called Wealth Economics. I really recommend looking at it if you're interested in understanding basically why is I care so much about wealth inequality, and also what wealth inequality does to the economy from the perspective of ordinary families and ordinary people's lives.

A lot of people ask me when I put that website up, "how do we fix it?" I had a long think about what would be the best way to fix wealth inequality? I came up with this [01:00:00] idea called the wealth time limit. The idea behind the wealth time limit is; you can make as much wealth as you want. You don't pay any tax on it. You can give it to your kids, you can give it to your grandkids. Once you hit your 120th birthday, the wealth is gone basically.

So when you give it to your kids, it's in a trust which has your 120th birthday on it. It goes to your grandkids, has your 120th birthday on it. Which means basically you can give as much wealth as you want to your kids, your grandkids, even your great grandkids, but it has to be spent by your 120th birthday.

Now what is nice about this is that it's a zero tax solution, right? There's no tax here. It's a time limit. So say you inherit 10 million pounds from your granddad, and your granddad was 80 years old. You've got 40 years to spend that 10 million pounds. Since you know exactly the time limit, you'll make sure that you spend all that money before the time limit.

So what is interesting about this is it's a zero tax solution, simply a time limit. Nobody is getting taxed [01:01:00] here. What does happen is; very wealthy people, they know that they have a fixed amount of time with which they need to spend all of the wealth that they've accumulated.

Just to make it clear, they can't just spend the money buying houses. If you buy a house, it stays in the trust, or buying stocks or shares, it stays in the trust. You basically — if you inherit huge amounts of money, you are forced to spend that money over time. What that means is; very wealthy families will have to enormously increase their spending.

So if you consider a family that is worth a billion quid, like Rishi Sunak's family. Rishi Sunak is — I guess 45 or something, they would have 75 years to spend a billion quid. That's really difficult actually because, even over 75 years, you're gonna need to spend more than 10 million pounds a year to run that down.

That's not accounting for the fact that Rishi Sunak probably makes, from that money, [01:02:00] \$30 million, \$40 million pounds a year. What it means is super rich families have to massively increase their spending, and this would have the consequence of massively increasing wages for working people. You'd suddenly see a huge amount of demand for goods and services, because these rich people would suddenly be spending huge amounts of money.

What it would also do; is make assets like housing, like stocks and shares, suddenly much more affordable for working people. On the one hand, wages have gone up a lot. On the other hand, rich people —very rich families would know that they can't simply sit on huge amounts of wealth and grow it over time.

They have to sell that, which means that wealth is gonna go back into the economy, back to working people. So it would create an economy where wages are super high. Where ordinary workers can afford things like houses and property, and basically where ordinary people can get rich off the back of work.

I think [01:03:00] this shows; really what matters is that wealth flows around the economy, not just from ordinary families to the rich, but from the rich back to ordinary families. At the moment, we have a system where it's becoming clearer and clearer, that the wealth of ordinary families is becoming smaller and smaller over time, over generations. That is passing to the wealth of the rich and the very rich.

If that happens, then it's obvious ordinary people will get poorer and living standards will fall. If you have a time limit, it forces the rich to send that wealth back through the economy. It means that working people will be able to access that wealth and get rich themselves. I think what this shows is that; it's not really simply a question of do you want high tax or do you want low tax? It's a question of, do you want an economy where the rich get richer and ordinary people get poorer? Or do you want an economy where everybody has the opportunity to get rich if they work?

I [01:04:00] think what this shows is I'm not in this because I wanna raise taxes. I'm in this cause I want to improve living standards for ordinary people. I firmly believe, on the basis of what I've seen and what I've done in my career; that the only way to do that is to create an economy where wealth flows around rather than where wealth simply flows upwards.

That's the idea. It's the wealth time limit. I think it's really interesting to see that you can make a really thriving economy, even with the low tax economy if you force the rich to give assets back to working people over time. This is not at all to say that I'm opposed to any of the policies which increase taxation of the rich.

I'm super supportive of those policies because I know that if nothing is done to get wealth flowing from the super rich back to ordinary families, then we are gonna see the economy get worse and worse over time. It's simply to show, it's not simply a question of [01:05:00] high tax or low tax. You could have an

economy which is high tax on the rich and very low tax and ordinary workers, and that would be much better than the economy now. Which is actually often high tax on workers and low tax on the very rich.

You could have an economy which is, very low tax on the rich, but forces the rich to give that wealth back. At the moment what we have is very low tax on the richest, high tax on workers, and no mechanism to get wealth flowing back around. If that's what you have, it is inevitable that wealth will flow from ordinary people to the rich, and the economy will get worse and worse.

Summary 5-2-23

JAY TOMLINSON - HOST, BEST OF THE LEFT: We've just heard clips today starting with *Brain Blaze* explaining the robber barons. *Ethics in Society* looking at how the rich used philanthropy to drive ideological change. *Democracy Now!* discussed the sportswashing of Qatar using the World Cup. *Athletic Interest* looked at the broader impact of oil companies' role in soccer. *Second Thought* explained the scam of charitable foundations. *Freakonomics* looked at the bread and circuses aspect of sportswashing. *Our Changing Climate* detailed [01:06:00] why billionaires won't save us. And *Amanpour & Company* spoke with Anand Giridharadas about how society has allowed the idea of wealthy saviors to stand in for coalition and movement building.

That's what everybody heard, but members also heard bonus clips from *Scripps News* getting deeper into the weeds on how petro states invest in soccer to improve their image. And *Garys Economics* proposed a novel, zero-tax method to address wealth inequality. To hear that and have all of our bonus content delivered seamlessly to the new members-only podcast feed that you'll receive, sign up to support the show at BestoftheLeft.com/support, or shoot me an email requesting a financial hardship membership because we don't let a lack of funds stand in the way of hearing more information. And now we'll hear from you.

The first message is the last follow up we'll hear from Boris in Belgium who I had a discussion with over the past couple of episodes, uh, in the comments sections in response to his thoughts on the JK Rowling [01:07:00] episode. And after that we will hear from Dave from Olympia who will be referring to comments I made last fall. Dave doesn't keep up with the show in a super timely way. So he's commenting on something I said last fall after watching the new trans and non-binary characters in *Star Trek Discovery*. My point was that representation in pop culture isn't just about making marginalized communities feel included, as I had previously thought more or less, but that representation itself literally changes the mainstream perspective on those marginalized

communities by helping to normalize their existence in the minds of people who may otherwise have chosen to ignore or avoid them.

Reaching a conclusion on understanding the J.K Rowling episode - Boris from Belgium

VOICEMAILER BORIS FROM BELGIUM: Hi Jay,

Thanks for another perfect episode #1555!! Thoughtful and thought-provoking, interesting and informative. Thanks also for patiently responding to my reactions. In the end, I agree with you and this is a good example of how more subtle points sometimes get [01:08:00] lost in an increasingly polarizing debate.

All the best and keep up the good work.

The is/ought malfunction in our pattern recognition - Dave from Olympia, WA

VOICEMAILER DAVE FROM OLYMPIA: Hello, Best of the Left. This is Dave from Olympia. I am in a bit of a time warp again, but it's split between newer episodes and old ones. Back in October, your episode on the protest in Iran, there was an ending analysis where you talked about the uncanny valley and pattern recognition, and I thought it was really insightful.

It's an idea I'll probably borrow in the future. No notes, if only an extension is that seeing that pattern that you're feeling uncomfortable, that's a flaw in your pattern recognition system. You need to train your algorithm — so to speak — to be aware of that situation and recognize it accurately.

[01:09:00] It's what published is called is/ought. What is, isn't always what ought just to be, just because something exists, or is natural, or is a reaction that you legitimately had. Doesn't correlate one-to-one with that being the morally correct thing, very similar to the edit; well it's legal, it must be right. Thank you very much.

Final comments on the is/ought problem of politics

JAY TOMLINSON - HOST, BEST OF THE LEFT: If you'd like to leave a comment or question of your own to be played on the show, you can record or text us a message at 2 0 2 9 9 9 3 9 9 1, or send an email to jay@bestoftheleft.com.

Boris, I am glad that we got that settled so peacefully. There was actually a clip in the previous episode where two people were arguing a little bit, but ended up being really appreciative of the opportunity to widen their perspective. I heard that, and said to the producers that it sounded like a window into an alternate universe where people actually [01:10:00] hear one another and can change their minds based on new information.

Yet here we are living that alternate reality ourselves, what a treat. Dave's comments, I feel like the is/ought problem is pretty much the basis for all politics. There's what is, and there's what ought to be. Politics is the fight over whose ought gets to be turned into tomorrow's is. As Dave was describing, the is of a theoretical person's truly felt responsive discomfort to the existence of a trans or non-binary person, for example. That doesn't then mean that those feelings are how they ought to feel or what we should think of as the moral way to feel.

I couldn't help but think about the theoretical religious conservative out there making the exact same argument that just because gay, lesbian, bisexual, transgender, and non-binary [01:11:00] people are part of reality, it doesn't mean they ought to be. Just like that bizarre world logic strikes again, and you can understand to an extent how absolutely logical they feel they're being, and the fight carries on.

As always, keep the comments coming in. You can leave a voicemail as always, or you can now send us a text message through standard sms. Find us on WhatsApp or the Signal messaging app, all with the same number, 2 0 2 9 9 9 3 9 9 1 or keep it old school by emailing me to jay@bestoftheleft.com.

That is going to be it for today. Thanks to everyone for listening. Thanks to Deon Clark and Erin Clayton for their research work for the show, and participation in our bonus episodes. Thanks to the Transcriptionist Trio, Ken, Brian and La Wendy for their volunteer work helping put our transcripts together.

Thanks to Amanda Hoffman for all of her work on our social media outlets, activism segments, graphic designing, web mastering, and bonus show co-hosting. Thanks to those who [01:12:00] support the show by becoming a member or purchasing gift memberships at bestoftheleft.com/support, through our Patreon page, or from right inside the Apple Podcast app.

Membership is how you get instant access to our incredibly good and funny bonus episodes. In addition to there being extra content, no ads and chapter markers in all of our regular episodes. All through your regular podcast player and you can join the discussion on our Discord community, there's a link to join in the show notes.

So coming to you from far outside the conventional wisdom of Washington, DC. My name is Jay, and this has been the Best of the Left podcast coming to you twice weekly. Thanks entirely to the members and donors to the show from [bestoftheleft.Com](https://bestoftheleft.com).