

ROBINHOOD & CO. - THE LAST PILLARS OF THE SYSTEM | BY ERNST WOLFF

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By **Ernst Wolff**.

For years, the global financial system has resembled a drug addict lying in intensive care who can only be kept alive by ever higher doses of an addictive substance. The addictive substance is central bank money, which has been created out of thin air in huge quantities since the near-collapse of 2007/08. However, this money is not distributed evenly among the population, but flows predominantly into the pockets of the large financial and digital corporations, which immediately use it to manipulate the markets to their own advantage. The result is an ever-increasing worsening of the already high social inequality.

This process has been extremely accelerated in the past year due to the lockdowns. Never before has the gap between rich and poor around the world widened as much in such a short time as it did in 2020. This has unpleasant consequences for those responsible, because more and more people are no longer prepared to accept this development without contradiction. For this reason, both the digital-financial complex and policymakers are desperately looking for ways to continue to fuel the financial markets without giving the money away as openly as they have in the past to those who own the most of it anyway.

As seen last week, they have recently found allies that not only help them inject artificially created money into the system, but also help to disguise the highly inequitable distribution of the money. These are trading platforms such as RobinHood, WallStreetBets or Trade Republic. They all make their users believe that they are fighting for the benefit of the little man against "Big Money" and thus for more democratic conditions in the financial sector. In fact, however, the opposite is the case: they work behind the scenes with their supposed opponents in the following way: They do not trade themselves, but broker the orders of their users against payment to hedge funds, which do the orders for them, earning on the difference between the buying and selling price. But not only that: Since these hedge funds are speculating themselves at the same time, RobinHood and Co. provide them with important information about their competitors with the data of their platform users, which is worth gold for their strategy.

Such a construct naturally leads to conflicts of interest. When hedge fund Melvin Capital ran into trouble in the wake of GameStop's stock surge the previous week, RobinHood bosses responded by suspending trading in GameStop stock to protect Melvin Capital. When masses of RobinHood users complained on social media about this practice, RobinHood had one hundred thousand negative comments deleted by Google. This showed more than clearly whose side RobinHood was on.

However, instead of losing customers, there was a wave of new signups not only at RobinHood, but also at WallStreetBets and other platforms. The reason is probably mainly the reports spread by the mainstream media about individual users who, in the course of the GameStop hype, were lucky enough to get in and out in time and were thus able to make high profits in a short time. The fact that thousands made partly enormous losses was not mentioned.

This development is particularly pleasing to US politicians, whose new top representative Joe Biden has already reacted: Since among the app users there are very many young unemployed people or those affected by the pandemic measures, who have already used a large part of their weekly 600-dollar aid payments for speculation via cell phone in the past, these payments are to be raised by 1400 dollars at Biden's request. If the hype around the trading platforms continues - and there is much to be said for this - the lion's share of this money will also flow into the financial markets and thus continue to fuel the very large redistribution - and this by not giving the money to the big players, but distributing it to the small ones across the board, knowing that RobinHood, WallStreetBets and Co. are standing by to channel the payments into the financial markets, where the vultures in the form of hedge funds are already waiting for their prey.

The bottom line is that, far from being system-critical and democratic innovators of the financial system, trading platforms are nothing more than parasites who do a great service to the financial elite by helping to prop up a system of screaming injustice - at a time when its historic end is already in sight.

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