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**Saving Capitalism From Itself: *People, Power, and Profits***

In “People, Power, and Profits: Progressive Capitalism for an Age of Discontent”, author Joseph Stiglitz introduces “progressive capitalism” as a solution for the failings of the current American sociopolitical system. He argues progress can be made under a capitalist system, with proper reorganization of government and market relations. However, Stiglitz does not solely identify how capitalism can be improved, he discusses the various shortcomings within the American capitalist system today. Wealth inequality is one of the broad issues that he addresses, problematic as both wealth and opportunity should be attainable in America, according to Stiglitz. This incongruity is only exacerbated by corporations’ anti-competition practices, which allows for the ultra-rich to exploit both the worker and the consumer. Stiglitz explains that corporations, over the past 40 years, have made strides in increasing their own market power by engaging in anti-competition schemes. These schemes can look like opaque pricing, predatory lending, or anti-poaching policies. Stiglitz argues that these activities violate the fundamentals of a capitalist market system, competition.

To Stiglitz, government must act as a system of checks and balances to the capitalist market. Unregulated, the once competitive market becomes overrun with near-monopolies and small businesses have no chance at surviving in the marketplace. As aforementioned, Stiglitz asserts that a lack of competition is closely related to the exploitation of the working class and

thus, to maintain a more equal and opportune society, the market must be regulated using government systems.

Furthermore, Stiglitz has a unique understanding of a nation's wealth. He states that, "the true source of a country's wealth—and therefore increases in productivity and living standards—is knowledge, learning, and advances in science and technology" (189). Because Stiglitz regards wealth in this manner, he believes that research and education should be prioritized. He provides a few ideas to increase productivity. First of all, he criticizes Trump's 2017 tax on universities; Stiglitz believes that instead, universities should be supported using taxing and government spending. These taxes would be increased on enterprises that export labor instead of creating jobs nationally. Stiglitz also articulates the need to keep the country open, both literally and figuratively speaking. Immigrants are important within the workforce, but global perspectives are just as crucial. Voting rights are of particular importance to Stiglitz as well, as he believes voting is an adequate means of change for the economic majority to decrease wealth inequality and discrimination. Stiglitz identifies six viable reforms in order to ensure that every vote is counted equally. He offers: making voting day a holiday, paying or fining those who do or do not vote (respectively), simplifying the registration process, ending voter disenfranchisement for those previously incarcerated, abolishing gerrymandering, and providing citizenship for DREAMERS. Each of these steps, Stiglitz hopes, prevents overrepresentation of private interests and gives more Americans the opportunity to voice their concerns.

Under slightly more forgiving circumstances (read: fewer Republicans in legislative positions), I believe that Stiglitz would have no problem introducing his ideas to legislature.

Stiglitz has an established resumé as a respected economist, working alongside elected officials; he is likely highly regarded by current Democratic politicians. However, I find it doubtful that—not just Stiglitz’s proposed reforms—reforms in general have the capacity to eliminate “corruption” from politics. Corruption seeps into every crevice of the American sociopolitical system. Corruption has kept marginalized people from even *potentially* contributing to American politics via voting repression and keeps potential progressives from being elected. Those elected represent the interests of the ultra-rich and powerful, some of which with positions that don’t expire until *they do*. Super-PACs and lobbying keeps businesses interests prioritized. Education and media share stories that prevent questions and facilitate American nationalism. Perhaps a group of people are enlightened, militarized police (here or abroad) are on call, ready to brutalize, disable, and kill. In the event that Stiglitz’s pro-competition reforms make it to legislature and are passed, I suspect sufficient loopholes would be written in for the rich and their corporations to pass through. More importantly, I do not acknowledge (what I see) as the natural consequence of capitalism as *corruption*. A society built upon the economic principles of competition and social Darwinism, valuing power and profit over the wellbeing of one’s neighbor, will inevitably be controlled by those possessing the greatest wealth. Stiglitz views a firm’s attempts at obtaining market power through decreasing competition or lobbying as a perversion of the capitalist system, whereas I find their attempts logical. What motive does a company have to keep a level playing field?

I won’t deny Stiglitz the credit of rightly identifying many critical problems within the capitalist system. His critiques in Chapter 3 regarding market power and the exploitation of workers and consumers were particularly compelling. Overall, Stiglitz has a thorough

understanding of how the ultra-rich maneuver themselves through legislative loopholes.

However, I still must consider Stiglitz's analysis as both ignorant and naively optimistic regarding his understanding of capitalism. In terms of ignorance, I specifically refer to Stiglitz's values of American nationalism; he often cites the Constitution as an example of the supposedly fundamental (and ahistorical) American need to come together and fight for a "better nation". He writes, "The Constitution of the United States shows that the citizens of the newly independent states understood the need for collective action" (147). To this I wonder, why do we continue to reference a text whose ideas of a "more perfect Union" are so essentially different than our own? What good does it do the American people to create a fictitious tale that we were once all united, aside from maintaining comfort and compliance? Is it perhaps because accepting that America, at its core, is a nation of exploitation is too painful; and by extension, our understanding of economic and social "freedoms" have been wrong all along?

Regarding capitalism, Stiglitz claims that, "with the right regulations and incentives, companies and their executives can be induced to behave in ways that are more consistent with societal values, and can play a role in achieving shared and sustainable prosperity" (xiii). I must disagree; if companies are merely motivated to "do better" out of obligation, will they not always be looking for means to cheat the system? Even today, as Stiglitz acknowledges, there are loopholes to legislature and perhaps more importantly, many companies simply *disobey* the law. According to the Economic Policy Institute, in 2012, financial losses due to wage theft were almost three times larger than those due to *all other forms* of robbery (Meixell and Eisenbrey). Moreover, companies have other means of defense outside of market power. The ultra-rich and their firms utilize State violence to uphold social hierarchy—militarized police and the

prison-industrial complex. Who do you call when those supposedly meant to “protect and serve” are acting on behalf of those who break the law? I wonder, how does Stiglitz plan to sever this relationship between the rich and the police? Is it possible through mere reform?

Ultimately, when Stiglitz says that we should “save capitalism from itself” (31); I ask “why?”. When I look at capitalism, I see an economic system that views people as their evolutionary predecessors—pre-human—motivated by personal gain, with our communities in a dynamic struggle for dominance. My experience in mutual aid activities negates this lens entirely. We spend long days in the cruel summer sun trekking through neighborhoods to offer aid. Talking to my neighbors, I find that capitalism has *never* worked for them. Some folks are descendants of enslaved Africans, never freed from poverty through capitalism. Others are Latin-American immigrants who have come here out of necessity, after their country had been ransacked for natural resources or fascist militias had been implemented, all by the United States. These anecdotes have extinguished any hope I had for capitalism or whatever “progressive capitalism” would look like. I simply ask, why should we contribute so much effort to better an economic system that fundamentally misunderstands humankind? Maybe it is I who is naively optimistic, but I believe that a better world is possible, one without capitalism.

### **Supplemental Works Referenced**

Meixell, Brady and Eisenbrey, Ross. “Wage Theft is a Much Bigger Problem Than Other Forms

of Theft—But Workers Remain Mostly Unprotected.” *Economic Snapshot*, Economic Policy Institute, 18 September 2014,  
<https://www.epi.org/publication/wage-theft-bigger-problem-forms-theft-workers/>.

\* I am using the e-book, my page numbers may differ slightly