

SAVING CAPITALISM

Robert B. Reich
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THE FALSE CHOICE

There is no “choice” between the free market and government. That choice simply does not exist. One does not function without the other. For example, patents don’t exist without governments to enforce them, and individuals won’t lend money to banks if there is unstable anarchy. **The question is HOW does government regulate the market?**

PREDISTRIBUTIONS

Reich beautifully explains how the wealthiest Americans enjoy a disproportionate share of the gains from market growth, while most Americans are left behind. This is a result of many small “predistributions” added up together to create a system where money flows to the hands of the wealthiest.

- Shareholders as #1 - from Reagan in the 1980s - employees don’t matter as much anymore
- Executive pay can be deducted from corporate taxes. This one is f*cking crazy. For every dollar over \$1M that a CEO earns, that corporation can deduct those dollars from their corporate tax, so long as the executive pay is in stock. Like... what?
- Revolving door / lobbyists / gov. officials
- Absolute wages are stagnant for the working class whereas the top 1% is accumulating a far bigger share of the pie even as the pie grows

REMEDIES

How can we ensure all Americans share the gains of economic growth and make prosperity more of a shared reality?

UBI

Since automation is going to make work less necessary... can we just give people money? Reich’s proposal actually makes a lot of sense. If you want to get way richer, you can still start a business or create something, but now that the job as a cashier at McDonald’s is automated, that basic low income really can’t be earned in the labor market...

Equity awards

Give Americans a stock portfolio?

MY TAKE

What if public companies were required to award equity compensation to all employees? Interesting idea... would help distribute the gains of winning, and disincentivize going public... interesting thought experiments there.