

## Late Stage Capitalism and the Republican Hand in Maintaining It

Capitalism, an economic system largely detrimental to the wellbeing of society, nevertheless has passionate advocates whose philosophies date back to some of the earliest writings on economics. Adam Smith established in *The Wealth of Nations* in 1776 the framework that would define an ideal capitalist structure, in which forces of supply and demand constantly push the free market to address society's needs, division of labor improves the quality of life of the worker, and increased productivity is solely a positive change. In stark contrast to Smith's idealism, German philosophers Karl Marx and Frederick Engels, in their 1848 doctrine *The Communist Manifesto*, outline the exploitation of the majority *proletariat* working class at the hands of the minority *bourgeoisie* business class, framing capitalism as an inherently oppressive system. Though the works of Smith and Marx remain foundational to the debate over the merits and flaws of capitalism, this debate is today further enriched by the contributions of numerous scholars and intellectuals. Executive Co-Chairman and President of The Ayn Rand Institute Yaron Brook, in the *Harvard Journal of Law & Public Policy*, for instance, draws on the more Smith-oriented side of the debate to present a relevant, contemporary defense of capitalism. However, scholarly works that write critically of capitalism, in my view, fit far more appropriately within the discussion needed today. Activist, writer, and founder of the group Democratic Socialists of America Michael Harrington, writing for the *Journal of Business Ethics*, for instance, acknowledges the past factors that have made capitalism work, but explains why society will eventually move away from the system.

It would be insufficient, however, to simply examine the flaws of capitalism without exploring who is responsible for enabling the system's capacity to inflict harm. Robert E. Weir,

author of *Workers in America: A Historical Encyclopedia*, describes the relationship between labor groups and the American Republican Party throughout history, and how strained this relationship has become in recent decades. Meanwhile, pro-labor economist Gordon Lafer, in the *New Labor Forum*, discusses the state of the working class and how it should go about advancing its interests in America, as well as discussing what effect the Democratic Party has had in this area. History, scholarly discourse, and current events considered, my position on capitalism, specifically in the United States, has two aspects: one, that the system is deeply flawed, doing more harm than good, and two, that Republicans are the chief enablers of this rather undesirable system.

The innovation that proponents of capitalism say the system encourages does not function the way they think it does. Adam Smith in *The Wealth of Nations*, on the subject of machinery, notes that “many improvements have been made by the ingenuity of the makers of the machines, when to make them became the business of a peculiar trade” (Smith 29). Though Smith, with a philosophy aligned with free-market capitalism, speaks positively of this pattern of “the makers of the machines” improving said machines, it is foolish to view any one instance of mechanical improvement as an isolated necessity, instead of recognizing the logical extreme into which this tendency can and does evolve. According to *The Communist Manifesto*, the bourgeoisie “cannot exist without constantly revolutionising the instruments of production, and thereby the relations of production, and with them the whole relations of society” (Marx and Engels 68). Members of the bourgeoisie do not revolutionize production methods or their products themselves with the goal of bettering society; they move to revolutionize production methods purely because of their ceaseless drive for profit, the constant need to outdo and outearn each other. The class “must

nestle everywhere, settle everywhere, establish connexions everywhere” (68). Capitalists are concerned with innovation only insofar as it increases their potential profit, and so they work constantly to facilitate only this particular kind of innovation. They do not invest resources into innovative measures that would benefit society if they do not believe such ventures would benefit their bottom line, not even if the quality of their society’s air or water depended on it. Similarly, the bourgeoisie or capitalist producing class is not concerned with containing the byproducts of its constantly evolving and accelerating production, pollution being arguably the most significant and harmful such byproduct. Michael Harrington in his article “Is Capitalism Still Viable?” contends that “Capitalists will not—even sophisticated corporate capitalists who are not robber barons—will not voluntarily, individually or corporately, deal with the cost that they impose upon the society because they view them as costs” (Harrington 282). While proponents like Adam Smith see a potential in capitalism to improve society, it overwhelmingly harms society because of greed-fueled tendencies such as these. When it does benefit society it is purely accidental, the byproduct of capitalists’ drive for profit.

The system of capitalism is flawed because it is selfish, yes. That selfishness tragically manifests itself not only in a simple lack of attention paid to the public’s interests, though, but in a direct violation of the majority’s interests as well, in the form of poor working conditions and the lower, demeaned status to which the working class is perpetually relegated. Machinery, besides being a tool for the bourgeoisie to increase their profits, also has the effect of *decreasing* the workers’ means of subsistence; Marx and Engels assert that it “obliterates all distinctions of labour, and nearly everywhere reduces wages to the same low level” (73). Should one have previously been willing to defend the profit-hungry nature of capitalists on the grounds that they

are only trying to do what is best for themselves, without imposing on the best interests of others, this fact should prove that this separation of interests does not and can not exist: when a capitalist wants to make as much money as he possibly can, he will inevitably stymie the worker's ability to make money. Wealthy business owners are not going to think of the people, period. "On the contrary," Harrington explains, "in some of the absolute key essential industries of the United States our problem precisely comes from the fact that private people maximizing profit were making decisions which were anti-social" (283). This anti-social, anti-society, anti-democracy, or whatever-you-want-to-call-it kind of greed is justified in the minds of capitalists who view the working class as nothing more than that, workers, stripping away all traces of their individual personalities, needs, and desires in the process. Marx and Engels write that the bourgeoisie has "stripped of its halo every occupation hitherto honoured and looked up to with reverent awe. It has converted the physician, the lawyer, the priest, the poet, the man of science, into its paid wage-labourers" (68). Capitalism ultimately seeks to stop as many potential workers as possible from exercising their natural right to enjoy life and to instead divert them into full-time wage-slavery: "in place of the numberless indefeasible chartered freedoms, it... has substituted naked, shameless, direct, brutal exploitation" (68). In another shameful, ironic twist to the state of capitalism in America, the already overwhelmingly powerful business class is the one often privileged by the government over the struggling, already disadvantaged working class. On the comparison between the size of tax cuts for the rich and aid for "welfare mothers"—a dog whistle phrase popularized by then-President Reagan—Harrington explains that "we have much more welfare for corporations, and we are going to have a lot more" (284).

Though as a critic of capitalism I would not recognize any argument in favor of it as completely valid, some are more useful to engage with than others. Some are simply outdated, unfit for the nuanced discourse we've come to expect in the 21st century. Certainly such flowery, idealistic doctrines like Smith's *Wealth of Nations* should no longer hold the weight they once did, and Michael Harrington would agree that "the invisible hand of Adam Smith cannot run a complex highly socialized modern society" (284). Some of those who still argue in favor of capitalism today, even with full knowledge of the inequality it creates, present a more challenging problem. Take conservative writer Yaron Brook's transcribed speech in the *Harvard Journal of Law & Public Policy*, for instance, titled "Economic Equality is an Immoral Ideal." As much as the title implies that Brook is just flat-out a bad person, his philosophy is based on distinct falsehoods and misleading statements that must be addressed. Brook states that "Capitalism has rewarded individuals based on their level of productivity. The more productive you are, the more you make; the less productive you are, the less you make" (Brook 26). This is simply not true. Actually, it is beyond remarkable that anyone could believe such a bold-faced lie. If a coal miner in a third world country can make, say, an equivalent of five dollars from sixteen straight hours of hot, dusty, brutal, potentially life-threatening work, while a top CEO can make five billion dollars in the same time frame by doing no more than sitting in his office and watching his stock go up, how can Brook explain this? Was the CEO really working harder than the miner who literally risked his life? Was the CEO working *a billion times* harder? After stating more falsehoods, including the assertion that the last eight years (he delivered his speech in 2017) had lacked economic growth (27), Brook finally arrives at what seems to perfectly summarize his beliefs: "there is nothing good about equality" (30). Though I would still like to

be able to examine the validity of Brook's argument and of others like him, it is difficult to overcome this statement. It's difficult not to at least consider that Brook may, in fact, simply be a bad person. When the pro-capitalism argument can be distilled to "inequality is good, equality is bad," how does an honest, concerned individual respond? Brook and those who think like him are living by a fundamentally different set of morals, or lack thereof.

Economics is interconnected to politics, and so no analysis of a structure like capitalism would be complete without an inquiry into which types of policies from which types of politicians have fueled its growth. Because the United States is simultaneously the richest country in the world and guilty of some of the worst income inequality in the world, it is an ideal case study into how bad policies feed capitalism's worst tendencies. Adam Smith speaks of, "in a well-governed society, that universal opulence which extends itself to the lowest ranks of the people" (29). This is clearly not the reality in America today. "Well-governed" is the catch here. On capitalism, Harrington maintains that "In this system the only way you get responsibility is by legislating it, because there is built into that competitive system, insofar as it is competitive (which is less and less), a kind of irresponsibility" (282). The lack of legislation, then, as well as legislation in the opposite direction, that which favors business interests over ordinary citizens, enables the irresponsibility of capitalism in America. Here, it is quite unambiguous where blame should be assigned, and, although party platforms have shifted over time, I speak only of events as they take place now and have taken place in recent decades. "Much of the Republican agenda," says Robert E. Weir in the "Republican Party and Labor" section of his *Workers in America: A Historical Encyclopedia*, "is antithetical to the self-interest of working people" (Weir 671). This general statement barely begins to probe the unfathomable extent to which

Republicans have suppressed pro-labor movements. Marx and Engels, on the united struggle taken up by workers against the bourgeoisie, write that “the real fruit of their battles lies, not in the immediate result, but in the ever-expanding union of the workers” (74). Accordingly, “The Reagan years were disastrous from the standpoint of labor unions,” Weir writes, citing the example of the president’s “tough handling” of the Professional Air Traffic Controllers Organization strike (671). “Unions, already reeling losses related to deindustrialization, slipped further into a downward spiral that has yet to be reversed” (671). The Republican Party has also worked to the benefit of seemingly no one but business leaders, notes Weir: “It is clear that wealthy individuals and corporate interests have benefited handsomely from laissez-faire policies, deregulation, and runaway capital,” continuing on to say that “to date, average Americans largely have not benefited from GOP fiscal policies, the future of American work is uncertain, and American standards of living are slipping” (672). The modern Republican Party, beginning with the Reagan Era, is unequivocally responsible for allowing capitalism to operate so harshly in America.

Some on the American left contend that Democrats, though significantly more favorable of labor unions and other checks on capitalism than Republicans, are still to blame for not doing enough to combat the system’s injustices. Progressive economist and writer Gordon Lafer’s article “Election 2012: Is a Second Term a Second Chance for Labor?” describes some of this left-leaning doubt over then-Democratic President Obama’s ability, or desire, even, to implement thoroughly progressive change. “Why can’t the Democrats be the party we wish they were?” Lafer asks. “The simple answer is that they are too dependent on big money” (Lafer 16). Marx and Engels also claim that the whole government is corrupted by big money: “The executive of

the modern State is but a committee for managing the common affairs of the whole bourgeoisie” (67). Though I concede the Democratic Party is not perfect, that it may have some conflicts of interest, the fact remains that it supports far more policies that benefit the nation than does the Republican Party. Due to the unique nature of America’s two-party electoral system, it simply isn’t worth abandoning the imperfect Democratic Party and allowing downright evil Republican victories, something Lafer himself acknowledges: “a Republican victory would be so disastrous for the country that we know it cannot be risked just for the sake of rebuking Obama” (15).

Capitalism, as originally conceived by great thinkers such as Adam Smith, is an admirable ideal. However, over the hundreds of years in which it has been practiced, it has devolved into something much less elegant, something which actively harms and restricts the vast majority of the population for the benefit of the wealthy few. In the context of American politics, capitalism must be viewed as a Republican-fueled problem for the practical reason of knowing clearly which party *not* to vote for. The Democratic Party, though not perfect, is today feeling pressure to move further to the left, a trend which, if maintained, could eventually transform it into the most powerful left-wing political party worldwide, a party well-equipped to attack the harmful aspects of capitalism.



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