

# CAPITALISM: A Highly Destructive Economic system



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Capitalism started in North Western Europe, namely United Kingdom and Netherland, around late 16<sup>th</sup> to early 17<sup>th</sup> century. The development of capitalism was spearheaded by the growth of the English cloth industry during the 16<sup>th</sup>, 17<sup>th</sup> and 18<sup>th</sup> centuries. In 1602, world's first corporation was created called "Dutch East India Company". Its shares were issued in 1602. World's 1<sup>st</sup> stock exchanges were established then in Netherland and United Kingdom. Around

that time, England came up with 2<sup>nd</sup> corporation called “The British East India Company”. This was the beginning of capitalism.

In few years, it spread to France and Germany but also to rest of Europe. The American Revolution was based on capitalism. The rich land owners controlled everything. The US constitution was created in 1787 after the revolutionary war, keeping capitalism--the power of landed aristocracy--intact and solidified.

Over last several hundred years, capitalism has spread all over the world; it has become global.

We, in America, live under capitalism, an economic system at its worst. During the 17<sup>th</sup> and 18<sup>th</sup> century, economic inequality was justified on the grounds that the wealthy were smarter (not cunning), more virtuous and hard-working than the poor. The same is true now.

According to 2018 census, Native Americans constitute 25.4% of the poor. Black Americans are 20.8% of the poor. Hispanics make 17.6% of the poor. Asians and White Americans are 10.1% of the poor.

In America, as per 2018 figures, 5.3% or 17.3 million people live in deep poverty. 29.9% or close to 93.6 million are close to poverty line. 11.1% or 14.3 million don't have enough food to eat or are food insecure. 16.2% or 11.9 million children—1 in 6—live in poverty. Some 2.5 million children experience homelessness in a year.

As per 2019 data, 34 million Americans live in poverty. For the year 2021, the rate is 11.8% or some 40 million people survive in poverty. In 2020, there were 580,466 people homeless in America, the richest nation in the world.

As of October 12, 2020, over 20% of national income flowed to 1% of rich Americans. Top 1% own 40% of national wealth. Top 0.1% own as much wealth as bottom 90%. Between 2006 and 2018, America's increase in wealth went as follows: 87% went to top 10%, 60% went to top 1%, 23% went to top 0.1% and 1.03% only went to 290 million Americans. Bottom 50% actually lost their wealth during this period. Out of \$13.87 trillion increase in wealth, \$12.078 trillion was secured by richest 10% and a mere \$1.793 trillion was left for bottom 90%. This is what capitalism does, the winner take all system.

During the ten months of 2020 Corona Virus epidemic, while billions around the world and in the United states suffered terrible poverty, the collective net worth of American billionaires grew by \$1.1 trillion as per Institute for Policy Studies report.

As per Mother Jones magazine--during the last ten months of 2020: The wealth of US billionaires increased by \$1.1 trillion to \$4 trillion. 46 new billionaires were minted. Elon Musk's asset gained by 500%. On average, the 15 wealthiest billionaires' wealth increased by 59%. The combined fortune of America's 660 billionaires is now almost 71% higher than the combined wealth of the entire bottom half of the population—165 million people. What kind of economic system allows such vulgar inequality to persist and flourish?

According to 2020 Credit Suisse Global Wealth Report, the richest 1% of households globally own 43% of all wealth while bottom 50% own just 1%. These one percenters are all multi-millionaires, 52 millions of them. Out of them, there are 175,000 super-wealthy people with more than \$50 millions in net wealth (after debt.). That constitutes a minuscule number of people-less than 0.1%-owning 25% of the world's wealth!

By the end of 2019, North America and Europe accounted for 55% of total global wealth having only 17% of world population. While in contrast, the population share was ten times larger than the wealth share in Africa, four times the wealth share in India and three times the wealth share in Latin America.

Within countries, the wealth share differences are even more skewed. The top 1% of wealth holders in a country typically own 25-40% of all wealth, and the top 10% usually account for 55%-75%. By the end of 2019, global millionaires—which number exactly 1% of the adult population—accounted for 43.4% of global net worth. In contrast, 54% of adults with wealth below US\$10,000 (almost nothing) together mustered less than 2% of global wealth.

Thus, there is huge inequality in global household wealth which should be unacceptable to a civilized world. The inequality is enormous, both geographically between the 'rich north' and 'poor south'; and between households within countries.

So we must ask, why? Why is there so much inequality within countries and between countries? What kind of economic system the world lives under? The logical answer especially for most countries of the world is Global Capitalism under which the world suffers.

For more than 300 plus years, most of the world is controlled by capitalism, barring few countries such as Russia, China, Cuba, etc. Most democracies, even dictatorships were and are functioning under this outdated economic system. Capitalism has not naturally evolved. It has been imposed on the world by the capitalists. Even today, there is constant propaganda by the news-media, the politicians and the press that capitalism is a great system; it is 'free enterprise', it is democratic and whoever works hard comes up in life. Does that mean millions of people around the world don't work hard? Of course, they do. Then those hundreds of millions should all be millionaires, isn't it? But they are not. Because all the profit, under capitalism is sucked away by the greedy pockets of the capitalists.

Let's face it: It is the economic system stupid! It is the antiquated system that creates such brutal inequality in peoples' income. It is this system called capitalism that has created massive global poverty, within and between countries where billions of people live under horrible poverty.

The greatest threat faced by humanity today is climate change. The catastrophe facing human civilization is imminent; unless we change the system. Most people do not realize that the greatest driver of global warming or climate change is capitalism with its dependence on fossil fuels, car culture, consumerism, industrial agriculture and its voracious appetite for other

earthly resources for profit. Capitalism cannot survive without continuous growth. It is in its DNA. But how can you survive with continuous growth with finite planet? The earth's resources are limited. If everybody lives like—and want to—us wasteful North Americans, humanity needs 6 to 7 planets like earth!

All this means capitalism is unsustainable and dangerous for the very survival of human civilization and welfare of all living creatures of our planet. Unless we humans realize this and act in time to do away with this dangerous economic system, human civilization may be gone along with all other living creatures from this beautiful planet of ours. Planet earth will be unlivable. The early signs of this looming danger is obvious with intensity and frequency of hurricanes, cyclones, tornados, massive flooding, extreme weather, storms, droughts etc. all over the world.

The capitalist-controlled media has you believe that this is the only system that is free and it works well. Their massive propaganda has us believe that we are all in together and rising tide lifts all the boats! This is utter nonsense. The rising tide only lifts the yachts! What capitalism has created in America and the world is few islands of extreme wealth in an ocean of terrible poverty...A few oases of wealth in vast desert of poverty.

So can we expect different results by following the same economic system? It will be stupid to do so. No wonder the famous scientist Albert Einstein had rightly said: "The definition of insanity is doing the same thing over and over again, but expecting different results." So, if we want different results than what we are getting, we have to try different approach.

Hence, the sensible thing to do is to replace this outdated, inequitable and exploitative system—that is also in conflict with the natural world and our planet—with an economic system that is people friendly, equitable, fair and in harmony with nature. The world needs an economic system that is fair for all and does not allow concentration of extreme wealth just in few hands.

But how do we change this system to a fair economic system? These capitalists are very powerful because they are filthy rich and the politicians in America and other western democracies are in their pockets. They steer the legislation always in their favor.

What we need is a peaceful, non-violent revolution now before capitalism destroys this world. Unless hundreds of millions of average people—billions around the world—become aware of these facts, unite and join forces and act...unless there are massive protests and demonstrations in this country and around the world to replace this exploitative system for a fairer, democratic economy, a social economy that is controlled by the people and works for the welfare of all, it is impossible to do away with the current system.

The people of the world can learn from Mahatma Gandhi's famous Civil Disobedience Movement in India which forced the most powerful empire, the British Empire leave India for

good in 1947. Dr. Martin Luther King who learned from Gandhi, also used Gandhi's methods to force this country to pass The Civil Rights Act of 1964.

But before the peaceful revolution takes place, the people have to realize that the current system does not and never will work for the masses. It has to be replaced with social economy where people are in power, not the oligarchs, as is the case today.

Throughout history, excluding United States' revolution, most of the revolutions have been carried out by the middle-class and the upper middle class. Never by the rich nor semi-rich or the poor. The super-rich are too comfortable with capitalism as they are grabbing most of the income of the country and do not want any change. The less wealthy too are happy with the current system as they are comfortable with the status quo. The poor are busy making two ends meet, have no time to do any other thing and most are unaware of the problem with capitalism. They just blame their luck and rightly their government for their condition. It is the middle class and the upper middle class who can be made aware of the major flaws of this system and can start the revolution to replace this destructive system. Once they lead, the suffering masses will join them.

As above statistics show, capitalism is antiquated, obsolete, unfair, exploitative, anti-people, unsustainable and highly destructive of the environment. It is in conflict with mother earth. It is about time that it is replaced with an equitable, fair, people-friendly and sustainable economic system that is in harmony with nature.

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