THE 99 PERCENT ECONOMY

HOW DEMOCRATIC SOCIALISM CAN OVERCOME THE CRISSES OF CAPITALISM

PAUL S. ADLER
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The 99 Percent Economy
Introduction

The Argument

In recent years, we have seen the eruption of several progressive and surprisingly radical movements, most notably Occupy, the 2016 Bernie Sanders campaign, the Fight for Fifteen, Black Lives Matter, the People’s Climate March, and #MeToo. Fueled by anger and hope, these movements gave voice to a widely shared passion for radical change—not just change in the personnel holding high positions, but change in the fundamental structures of power and privilege.

These movements have raised important questions that challenge the inevitability of those structures. Why is it that the Walton family alone, heirs to the Walmart fortune, has more wealth than 40% of American families combined, while the poorest quarter of the population have no net wealth at all? Why is our government so unresponsive to people’s need for affordable healthcare and quality public education? Why are the uncontrolled gyrations of financial markets allowed to throw millions out of their jobs and homes? Why are powerful corporate interests able to veto global efforts to address the looming climate crisis? Why do women have to endure discrimination, harassment, abuse, and violence at the hands of male bosses, clients, partners, and strangers? Why do poor and minority neighborhoods find themselves occupied by militarized police forces?

The emergence and urgency of such questions reflects a growing sense that we face multiple and deepening crises—in the economy, our workplaces, the political sphere, the natural environment, the social fabric of our communities, and our international relations.
We suffer from the growing irrationality of our economic system. This system generates obscene levels of inequality in wealth and income. It periodically stalls, throwing millions out of work. It produces much that we do not need and indeed much that poisons us and the planet. And on the other hand, so many products and services that we desperately do need are not profitable enough for business to produce and so we must go without.

We face a pervasive crisis of disempowerment in the workplace. People aspire to have a voice in the decisions that influence them, but as employees, we have little influence, if any, over the major decisions that affect our lives at work.

Our political system is unresponsive to the popular will. We have a system we call democracy, but it functions like a plutocracy—rule by the rich.

We are confronted with a mounting environmental crisis. Climate change is just one aspect of this crisis, but it is likely to disrupt profoundly civilization in the coming decades because we have failed to wean ourselves off fossil fuels.

We are suffering from a widening social crisis. In our gender and race relations; in our families, neighborhoods, cities, and regions; and in our systems of childcare, eldercare, justice, healthcare, housing, and education, our communities are constantly at war with business interests and with the government agencies supporting those interests.

And finally, our relations with other countries are rivalrous and domineering, when humanity so desperately needs international collaboration in resolving challenges such as climate change, war and the risk of nuclear conflagration, famine, and poverty.

The good news is: it doesn’t have to be this way. The world has the resources and technological capabilities we need to offer everyone material comfort, human dignity, and opportunities for growth. But the social system that governs how this wealth is created and distributed leaves us insecure, fearful, and frustrated. We have a system that works for the one percent; but we could have one that works for the 99 percent.

Progressives in the United States—the “we” that I often refer to in this book—have engaged a debate on the origins of these crises and how best to address them. Some emphasize the need for more socially responsible leadership by the business sector. Some emphasize the role of government, advocating stronger social and environmental regulations, expanded welfare provisions, and limits on political campaign contributions. Some blame adversarial relations between business, government, and labor, and advocate Nordic-style social democracy. I argue that the origins lie deeper than these reforms can reach. These crises are endemic to capitalism itself,
and as a result, while such reforms are surely worth pursuing, they cannot resolve our crises. If the root cause of these crises is capitalism, the solution is a more radical, democratic-socialist transformation.

Capitalism is a system of production for profit, not for people or for the planet. Yes, over the past decades and centuries capitalism has stimulated remarkable scientific and technological advances and has led to real improvements in the material conditions of many. But these improvements are only intermittent. They are shared very unequally. And they come with escalating social and environmental costs. Government is dependent on the profitability of the business sector for its legitimacy and resources and therefore cannot adequately address those costs. That’s why we face a world in crisis.

If we are to overcome these crises and create an economy for the 99 percent, we need to change the way enterprises make decisions about investment, products, and work. These decisions need to be guided by the needs of people and the planet—not just by profitability considerations. They need to be made democratically, informed by deliberation and debate not only at the enterprise level, but also at the regional, industrial, and national levels—not made by CEOs and boards of directors doing the bidding of private investors. To make this happen, we need to replace private ownership of enterprise with socialized, public ownership. And this will enable us to shift from business-dominated government to a truly democratic political system. More modest reforms are worthwhile, but they are simply too limited to resolve the crises we now confront.

The goal of this book is to show why this socialist transformation is necessary and how such a society would work. This is not a blueprint for 21st-century socialism, let alone a step-by-step plan for getting there. Large-scale societal change doesn’t work that way: it is by nature a zigzagging, experimental process. But our efforts as progressives need to be guided—as is every human project—by a vision, a mental model, of the society we want to create. I argue that democratic socialism provides the most reliable guiding vision if we are to overcome the crises we face.

In making this case, this book focuses on the United States. The same general argument, however, applies in other countries. And the probability of success in overcoming these crises will be much greater if we engage this socialist transformation together.

There are many hurdles facing us if we want to move from capitalism to democratic socialism, and this book aims to help us overcome one of the most important—our lack of confidence that such a system could work.
To replace corporate hierarchy with democratic management within enterprises, and to replace market competition with democratic management of the entire economy, we will need to restore people’s confidence in democracy—in our ability to make decisions together that benefit us collectively, that benefit the public good. But democracy has lost its luster. The failure of successive administrations, both Republican and Democratic, to serve the interests of working people has created widespread cynicism about the very idea of democracy. Indeed, the support among working people for Donald Trump in the 2016 presidential elections showed the depth of the frustration they felt with the “elites” and with the empty democracy that these elites dominate. Hilary Clinton’s campaign promises of stronger regulations and safety-net provisions rang hollow, and her support for foreign wars repelled many. In their frustration, working people turned to the candidate who seemed at least to recognize their predicament. If he sounded like an authoritarian populist, why would that deter them, when our country’s vaunted democracy had failed them so abjectly?

But this cynicism is the most powerful weapon of the elites that rule today. This book aims to overcome that cynicism by sketching a world in which democracy—expanded and enriched—works for, rather than against, the public good.

I teach in a business school, and, yes, it is unusual to find a business-school professor advocating socialism. However, my research has given me the opportunity to study the management of some of our most sophisticated business enterprises, and this research has led me to two conclusions that both point toward democratic socialism.

First, while capitalist industry has been remarkably successful in many respects, it is impossible for the private-enterprise business sector to solve the big crises we face. In any society whose economy is based on competing, profit-seeking, capitalist firms, there are severe limits to what can be achieved by appeals for greater social and environmental responsibility on the part of business leaders, customers, or investors. Moreover, in any such society, national prosperity hinges on the profitability of the business sector, and as a result, there are also severe limits to the scope of government regulations, welfare programs, and international cooperation. To overcome the crises we face and to realize the better world that is within our reach, we need to find our way past those limits. We need a socialist transformation that allows us to decide democratically on our economic,
workplace, political, environmental, social, and international goals, and to manage strategically our resources to pursue those goals.

Putting these two ideas together—\textit{decide democratically} and \textit{manage strategically}—may strike some people as incongruous. We are so accustomed to seeing management, strategic or not, as something done \textit{to} us by people called managers—people over whom we have little influence and whose objectives are often quite antithetical to ours.

But management is far too important to be left to managers. To overcome the crisis of workplace disempowerment, we need to democratize the management of our enterprises. We need to put these enterprises under the control of boards representing workers, customers, and the broader community, and to replace top-down autocratic control with all-round participative management. Moreover, to overcome the other crises we face, we need to manage democratically not only each individual enterprise but also our society’s overall economic activity. We can no longer afford to leave the direction of the economy to the roller-coaster market process, nor to rely on undemocratic agencies such as the Federal Reserve to moderate that process. We need to manage our economy to target our shared goals of well-being for people and sustainability for the planet.

The idea of such economy-wide strategic management for the public good—the idea that we could set goals, plan, organize, direct, coordinate, and evaluate and compensate performance for entire regions and industries, indeed for the economy as a whole—has been largely absent from recent discussions of alternatives to capitalism. Indeed, the idea of socialism rings alarm bells for many people because they do not see how such economy-wide strategic management (aka “government economic planning”) could be democratic or effective, let alone both.

Socialism in the 21st century must be democratic. Not only because the principle of equality is dear to us but also because progress requires democracy. Authoritarian socialist planning may have been effective in forcing feudalistic Russia and China rapidly into the industrial age, but it came at a terrible cost. And today, in our postindustrial era, we can tackle the crises we face and assure the progress we need only if we mobilize widespread, creative problem-solving at every level in both our enterprises and our government. Democracy is an essential precondition for that active engagement.

But how can we ensure that our management of the economy is not only democratic but also effective? That is where the second conclusion from my research fits in. I have found that management innovations in some of our largest corporations show us how this combination can be assured. To coordinate their internal operations, many of these firms rely on strategic management, not on market competition between their subunits. And in some
of these firms—in particular, the “high road” firms, those that try to create competitive advantage by engaging the creativity of their employees—strategic management is not a rigid, top-down process where top managers dictate a plan that tells everyone else what to do. It is rather an ongoing, highly participative dialogue about shared goals. Moreover, some of these high-road firms are truly massive—bigger than many smaller nations, employing sometimes millions of people in operations spanning the globe. If these high-road firms can manage so effectively and so participatively on such a massive scale, then we should be able to use similar strategic management practices to bring under democratic control the economic activity of enterprises, regions, industries, and the entire nation.

Employee participation in the strategic management of these high-road capitalist firms is, of course, limited and far from our democratic ideals. Participation by the wider community is even more limited. Even in these high-road firms, CEOs are still accountable primarily to investors, and employees are still essentially help for hire. In a socialist society, we would institutionalize much wider and deeper participation within enterprises, and we would use these democratic strategic management principles to guide our efforts to manage the economy at the wider levels. A radical socialist transformation is therefore not entirely a leap into the unknown. Capitalist industry is laying both technological and managerial foundations for democratic socialism.

To be sure, even with such foundations, the idea of democratic socialism has an inescapably utopian quality. Obviously, this transformation is not possible in the next election cycle, for example. But that should not deter us. Part of our challenge is to have the courage to believe that a better world is possible. As has often been said recently, it has become easier to imagine the end of the world than the end of capitalism. But capitalism is just the latest in the historical sequence of forms of society, and it is hard to believe that a system as flawed as capitalism represents the highest possible form of human civilization. The sketch of democratic socialism that I offer is thus a utopia—in Oscar Wilde’s positive sense:

A map of the world that does not include Utopia is not worth even glancing at, for it leaves out the one country at which Humanity is always landing. And when Humanity lands there, it looks out, and, seeing a better country, sets sail. Progress is the realisation of Utopias.
The socialist utopia is an idea on which many have “landed” and toward which many have “set sail” over the past two centuries—ever since capitalism emerged as the basic structure of modern society and since its limitations became obvious. Over that period, each generation with a passion for social and economic justice has articulated its own vision of this utopia and its own strategies for how we might achieve it.

Looking back on the experiences of these earlier generations, I am struck by the fact that when the radical transformations they worked for did not happen in their own time or turned out to be disappointing, many activists gave up on the socialist vision, and quite a few even turned against it. I want to arm us against such despair. My message is at once urgent, hopeful, and optimistic.

Urgent: while the development of capitalism has brought many benefits, it also engenders crises, and these crises deepen and multiply over time. Given the suffering already created by this increasingly obsolete capitalist system, and given the very high likelihood that this suffering will be magnified in coming years—most notably, by climate change—socialist transformation is urgent.

Hopeful: even when prospects for radical change look slim, capitalism’s failures fuel deepening and widening frustration, and this means that opportunities for a radical rupture might open at any moment, surprising us all. While there is a real danger that reactionary demagogues might capture these frustrations—the election of Donald Trump to the presidency in 2016 parallels similar events in several European countries—progressive activists can mobilize such frustrations to work toward a better world.

And optimistic: yes, we confront huge challenges, but we have means with which to meet them. Yes, this will require a fundamental change in our form of society, but we already have foundations on which this new form can be built. Yes, it is frustrating that this change has not happened yet, but over the longer term, capitalism’s own development makes socialism progressively more feasible and more likely.
CHAPTER 1
Six Crises

The prevailing political-economic system—I call it neoliberal capitalism, but we could also call it financialized capitalism—is failing us. In this system, most businesses compete to maximize profits while ignoring the social and environmental consequences of their activity. They employ people who accept management direction in exchange for a wage or salary, squeezing them ruthlessly, hiring and dismissing them at will as business conditions dictate—or they outsource responsibility for all this nasty business. Government buttresses business interests through its statutes and legal system. It imposes the lightest possible taxation on the wealthy and minimal regulation on business. It facilitates the global mobility of capital while restricting the mobility of labor. It offers the bare minimum of collective services. And it outsources those services to the private sector as far as possible.

We have experienced nearly 40 years of this neoliberal system, since efforts to roll back progressive government regulation and welfare were inaugurated by Ronald Reagan in the United States and Margaret Thatcher in the United Kingdom. Before we diagnose the source of this system’s failures and or propose solutions, we should rapidly survey the damage.

ECONOMIC IRRATIONALITY

Let us not be distracted by the huge volume of books and articles on our irrationality as individuals: the irrationality of the economic system we will live under is far more consequential and far more dangerous. We have obscene levels of income and wealth inequality, far above anything plausibly
related to productive contribution. Our economy is productive enough to provide amply for everyone; yet economic growth stalls periodically—at least once a decade—and when it does, millions of Americans are thrown out of work.\(^2\) Our economy produces an extraordinary amount of goods and services we do not need and too little of what we do. Let’s expand on each of those points in turn.

Inequality has come back into focus in recent years, partly because the trends have been so dramatic and partly because the Occupy movement was so successful in catalyzing discussion about it. Few deny that people who work harder or make bigger contributions to our well-being deserve some recognition and reward. But there is something profoundly offensive about the fact that eight people, six of them in the United States, now own as much in assets as the entire bottom 50% of world’s population.\(^3\)

In the United States, in 2010, the richest 1% held 48% of all stocks and mutual funds, 64% of all financial securities, and 61% of all business equity.\(^4\)

At the other end of the spectrum, we find pervasive economic insecurity. In 2017, four out of 10 Americans could not cover an emergency expense of $400 without borrowing money or selling some of their possessions. Over one-fifth of American adults were not able to pay their current month’s bills in full. Over one-fourth of all adults skipped necessary medical care because they were unable to afford the cost.\(^5\)

The risk of job loss haunts many working people, and that risk depends largely on forces outside our control—that is, on the roller coaster of the broader economy. When the economy slows down, people lose jobs, and we have had such slowdowns in at least one year in almost every decade since the government began keeping records in the mid-19th century. Work is not the only thing nor the most important thing in life, of course; but in a capitalist system, working is the main way people earn what they need to live, and the proportion of people in the US labor force who were officially counted as unemployed reached close to 10% or exceeded it in the 1870s, 1890s, 1930s, early 1980s, and in the wake of the 2008 crisis.

Moreover, that official measure seriously understates the extent of unemployment. The undercount results from two factors. First, the official, “headline” unemployment figure ignores many people who should be counted. It does not count people who are forced to work part-time when they need full-time jobs, nor people who tell the government surveyors that they have given up looking for work because they were discouraged by the dearth of decent jobs. In mid-2018, for example, the official...
unemployment rate was unusually low, at 3.9%; but when you add in those two groups, the rate was 7.8%—nearly one in every 12 people.7 Moreover, many people who struggle to find work eventually give up and no longer see themselves as part of the labor force. When we count all the working-age people who are not working, in school, or in prison, the true unemployment rate in 2018 was about 12%—nearly one in every eight people. We should also note that many people are forced into jobs that underutilize their capabilities. Estimates of the size of this group vary considerably, but in 2014, at least 25% of college-educated people were in jobs for which they were overqualified.8

Second, the unemployment rate measures only the proportion of people unemployed at a single point in time. In reality, about three times as many people experience unemployment at some time during any given year. With the recent growth in temporary “gig” work, that number is rising.9 Moreover, the average duration of spells of unemployment has trended upward over the past half-century, reaching nearly 40 weeks in the wake of the 2008 crisis.

The suffering caused by such unemployment is deep. Even short periods of unemployment have long-term effects on people’s earnings. And lengthy periods of unemployment—which have become so common in recent years—have huge negative consequences for people.10 Unemployment is the single biggest cause of homelessness, and on any given night this year, over a half a million Americans are homeless, sleeping outside or in an emergency shelter or transitional housing program. (Notwithstanding the fact that at the same time, some 17 million homes are unoccupied.) Unemployment also increases the likelihood of cardiovascular disease, anxiety disorders, depression, and suicide. Unemployed people have poorer diet and fewer physician visits. They get less exercise, and they smoke, drink, and use drugs more, and their health is far worse.11 Controlling for multiple other factors (including health conditions prior to losing employment), the risk of death is 63% higher for unemployed than for employed people, and this risk remains notably elevated for about a decade following a spell of unemployment.12

In economic down-cycles, it is not only people that end up underemployed but also productive resources like machinery, factories, and stores. Comparing the level of output that industrial buildings and equipment are physically able to produce—our economy’s productive “capacity”—with what they in fact produce, the extent of capacity underutilization is appalling. The precise extent varies with the boom-and-bust cycles, but over the past 50 years, things appear to have progressively worsened.13 In the best years since 2000, fully 20% of our economy’s capacity was idle, and in
the worst, an astounding 34%. Yes, to respond to the environmental crisis, we will need to downscale material production; but that’s not what’s in play here. Yes, it makes sense to leave a little capacity “cushion”—otherwise, we would suffer a lot of shortages; but these rates are far higher than those needed for a cushion. Moreover, when they are left unused for more than a brief period, buildings are usually torn down and equipment is usually sent to the recycler or dump, if only to make sure that new investment does not have to compete with it. Consider all the effort invested in building that capacity. And consider the missed opportunity for meeting people’s needs if this capacity had been put to good use. What waste!

The crisis of economic irrationality has a third, less visible face: our economy produces escalating amounts of goods and services we do not need. Products are designed to be thrown away rather than repaired, reused, or recycled. The result is an ever-growing quantity of waste, much of it destined for the landfill. Some 20 to 50 million metric tons of e-waste—much of it toxic—is generated worldwide every year, and the amount is growing rapidly. We generate over 1,500 pounds of municipal waste per person each year. And upstream, industry generates about the same amount too. What an enormous amount of human effort and ingenuity, not to speak of natural resources, that is literally thrown in the trash!

Waste takes less visible forms too, with so much energy and creativity invested in economic activities that add nothing to our real well-being but afford industry nice profits. Junk food and cigarettes are Exhibit 1 for the argument that our individual irrationality is often induced by the irrationality of the system. Much of this waste is altogether outside our individual control. We pay private insurance companies for health insurance, when we know that if government were the single payer the country could save hundreds of billions of dollars each year. And consider the waste created by companies rushing to offer me-too products, such as the many dozens of brands of breakfast cereals or toothpaste on the shelves of our supermarkets.

A final facet of our crisis of economic irrationality is even less visible: we lack many necessities. Auto companies aggressively market their big SUVs as status symbols, even though most of us would be better off with more public transportation options and with smaller cars that have better mileage. Cures are developed for the ailments of rich and where profits promise to be high (such as cancer and heart disease), while the ailments of the poor (such as malaria and tuberculosis) are ignored.
Numerous journalistic investigations have revealed how many people hate how they are treated in their jobs even if they enjoy the work itself. Most of us have no real say or “voice” at work. Despite all the talk about modern management’s embrace of employee involvement, only 45% of employees feel their employers listen to their ideas or concerns, and only 31% feel their employers “show concern for employees not just for the financial bottom line.”

Avenues for collective voice are even narrower. Only some 11% of employees today have any union representation—less than 7% in the private sector, and about 35% in the public sector—even though some 50% of nonmanagerial employees who are currently without any union representation say they want union representation. In the absence of a union, some firms have management-run forums where employee representatives meet with management and talk about wages and benefits. But these forums are available for only about 34% of employees not already represented by a union, and it is hard to see employees speaking with much frankness in these forums if they lack union protection. When it comes to the bigger decisions in the business, employees might have some influence in very small firms, but most people work in large firms, and very few such firms afford employees any significant influence. Among large firms in the United States, there are fewer than a dozen that have institutionalized employee participation in strategy setting, and many efforts at such “labor-management cooperation” do not last.

It is hardly surprising then that people feel disengaged at work. The Gallup organization polls many employees on behalf of their employers, asking about engagement in terms of whether at work they feel they can do what they do best, their opinions count, they are committed to quality, they have opportunities to develop their skills, and so forth. The results show that the levels of employee engagement in US industry are on average startlingly low. In a 2016 survey, only one-third (33%) of US employees were “engaged” in this sense. Half of all employees (51%) were “not engaged.” Another 16% were “actively disengaged.” Other polls show that for fully 55% of private-sector employees, their job is “just what they do for a living,” rather than something that gives them any sense of purpose or identity.

If the term “crisis” seems exaggerated here, I think that is because we have grown habituated to this powerlessness. But the human cost of this disempowerment is obvious. And its economic and social cost is massive. Gallup finds huge differences between the results of those business units that score in the top quartile of engagement as compared to those in the
bottom quartile. Organizations in the top quartile have 70% fewer safety incidents, 40% fewer product defects, 17% higher productivity, and 21% higher profitability.  

**UNRESPONSIVE GOVERNMENT**

Disempowerment in the workplace is paralleled by disempowerment in the political sphere. Consider the big issues in politics in recent years: the dominance of business interests is all too obvious. Consider NAFTA—the North American Free Trade Agreement between the United States, Canada, and Mexico: it was opposed by a majority of Americans, but proceeded nevertheless.  

Public opinion has long favored government action to ensure universal healthcare insurance (most supporters prefer a single-payer model, and some prefer a mixed public/private model), but instead, we got Obamacare—a very modest half-step forward. Consider the repeated failure to raise the minimum wage sufficiently: public opinion has long supported a substantial increase, but business interests have prevailed here too over the preferences of the average American.  

Or consider something that has never even made it to a vote—the Employee Free Choice Act, which would assure union recognition as soon as a majority of employees sign cards endorsing it. Measures like this that facilitate union recognition have been supported in public opinion polls for years, with absolutely no movement in Congress. The political system is rigged in favor of big business, and that influence extends deep into the Democratic and Republican parties alike. Indeed, our government is remarkably unresponsive to public opinion. In polling, Americans say they want more rather than less government intervention when it comes to energy (77%), environment (75%), healthcare (72%), and the economy and job growth (68%). A majority support more rather than less government action on initiatives such as providing a decent standard of living for the elderly (73%), ensuring food and drug safety (73%), ensuring access to affordable healthcare (73%), reducing poverty (69%), and ensuring clean air and water (67%). By a margin of 69% to 31% people say we need government to handle complex economic problems rather than relying solely on the market. While it’s true that such polls are hardly straightforward reflections of robust commitments, when we combine such data with the other evidence the conclusion seems inescapable: our preferences as citizens are systematically ignored by our legislators.
Given government’s unresponsiveness, it is hardly surprising that so many people are so cynical about and so disengaged from politics. In 2015, only 19% of Americans said they can trust the government always or most of the time. Only 20% described government programs as well run. Some 55% say “ordinary Americans” would do a better job of solving national problems than elected officials. The Bernie Sanders campaign of 2016 showed that this cynicism does not necessarily lead to disengagement, but we are fighting an uphill battle. A 2014 study found that just 35% of adults in America voted regularly in elections, and just 22% of people under 30. Only 8% had volunteered for any political campaign in the past two years.

ENVIRONMENTAL UNSUSTAINABILITY

We are creating ever more stress on the planet’s ecosystems through climate change, species extinction, and overexploitation of land and sea resources. By 1970, humanity had already exceeded the carrying capacity of the planet—our population was using more than the available natural resources could sustain. Today, humanity is using the planet’s natural resources nearly 60% faster than they can be replenished. And here in the United States, we are consuming these resources seven times faster than the sustainable rate. In the aggregate, humanity has as a result, already crossed a number of “planetary ecological boundaries”—visible not just in accelerating climate change and forest destruction but also in the loss of biodiversity and disrupted nitrogen and phosphorus cycles. We are killing off other species at an extraordinary rate. Between 1970 and 2012 alone, the populations of terrestrial species tracked by scientists fell about 38%. Marine populations fell by 36%. Freshwater animal populations fell by 81%. We are on the edge of a sixth mass extinction—this one caused by people, not by natural geological forces.

Fearful of paralyzing potential supporters with anxiety, environmental activists often tone down their messages about collapsing ecosystems, disappearing ice, failing coral reefs, continued growth in greenhouse gas emissions, and so forth. But to talk straightforwardly: we are already over the precipice. Climate change is already costing 400,000 lives a year globally—directly due to extreme weather, indirectly through the greater incidence of disease, and through civil wars and social strife created by crop failure and water scarcity. Air pollution is already causing 5.5 million premature deaths annually. And the road ahead looks much darker still. By 2100, unless carbon emissions are aggressively reduced, sea-level rises will
likely displace one billion people worldwide, and between 13 and 20 million in the United States alone.\textsuperscript{41}

To bring all this down to the city level, consider New York, for example. Higher sea levels will mean more floods like the inundation brought by Hurricane Sandy in 2012. That single storm caused nearly $20 billion in damage. It killed 43 people and injured many more. It shut down the city’s airports, trains, subways, and highways. It incapacitated hospitals and wastewater treatment plants. It flooded electrical facilities and crippled cellphone systems. Sandy-scale floods used to happen about every 400 years; but with global warming, by the end of this century, they are likely to happen about every 23 years. The New York flood zone is expected to double in size, covering 99 square miles of the city.\textsuperscript{42}

To be clear: to address this climate change threat requires much more than a shift to renewable energy. That would be a huge task in itself, but primary energy production accounts for less than a quarter of our CO\textsubscript{2} emissions. Most of our emissions come from transportation, agriculture, steel, cement, and chemicals. Vast swaths of our industrial system must be replaced.

\section*{SOCIAL DISINTEGRATION}

We are experiencing a progressively widening set of interacting social crises in our gender and race relations, in our families, neighborhoods, cities, and regions, and in our systems of criminal justice, healthcare, childcare, eldercare, housing, and education.

Consider the #MeToo movement’s revelation of pervasive abuse of women by men. In 2017, some 54\% of American women reported receiving “unwanted and inappropriate” sexual advances.\textsuperscript{43} This reflects the persistence of a deep power asymmetry between men and women in economic, social, and sexual relations. Harassment and abuse of women are commonplace in the workplace, where men are often in power positions as bosses, and where they use their power to abuse women, to cover up their crimes, and to force women to accept nondisclosure agreements that prevent women from alerting others to the danger. Child abuse and violence against LGBTQ people are also rampant.\textsuperscript{44}

Consider the challenge women face in balancing work and nonwork. Pushed by the economic difficulties created by the stagnation in the earnings among nonsupervisory employees, and pulled by the social changes wrought by the women’s movement, women (unmarried, married, with and without children) represent a growing proportion of the wage-earning
labor-force. But they still carry most of the burden of child-rearing and housework. Many work part-time to deal with the resulting tensions. But that makes it much more difficult to earn an adequate income, let alone build a career and assure some reasonable salary advancement. And part-time work itself has become more arduous, as businesses have demanded more flexibility in hours and greater availability outside working hours. So, for most working people—and for working women in particular—working hours are too long relative to home demands, and too short relative to their economic needs.

Not surprisingly, stress has reached a pandemic level. The American Psychological Association surveys adults, asking them to rate their stress level on a 10-point scale, where 1 is “little or no stress” and 10 is “a great deal of stress.” Respondents typically reported an average stress level of 5.1 as compared to the 3.8 level that they believe would represent a healthy state. Some 24% of adults reported extreme stress—a rating of 8, 9, or 10 on the 10-point scale. Women reported even higher stress levels than men—on average, 5.3 for women versus 4.9 for men in 2016. For both men and women, money and work were the biggest sources of stress. And many people reported mental health–related symptoms because of stress in the past month, such as feeling nervous or anxious (42%), feeling depressed or sad (37%), and constant worrying (33%).

Consider our society’s race relations. While real progress has been made since the days of Jim Crow, many white Americans are still very much attached to their privilege. And that attachment comes out in particularly ugly forms when economic growth stalls and, as a result, people fear that the advance of other groups jeopardizes their own economic chances. Discrimination in the job and housing market is still rampant. Poverty rates are far higher in minority communities, as are incarceration rates. While most white Americans express confidence that racial discrimination is a thing of the past, most African Americans feel its bite every day. According to the FBI, of all the hate crimes in the United States between 2008 and 2012, fully one-third were directed against African Americans.

Consider our neighborhoods and regions. People are increasingly likely to live in economically and socially homogeneous neighborhoods. At the same time, people no longer know their neighbors: they have never even learned their names. Minority-dominated neighborhoods are underfunded, with poorly maintained infrastructure, high crime rates, militarized policing, food deserts, and overcrowded housing. As a nation, we confront growing disparities of life conditions across regions. Rural areas and small towns are left in economic distress and young people desert them for the cities.
Once-thriving cities like Detroit are allowed to slide into rubble when industries relocate.

Consider our criminal-justice system—widely acknowledged as a national disgrace. One out of 140 people are in prison in our country (as compared to 1 out of 531 in Canada), and another 1 out of 31 are on parole. With 4% of the world’s population, we have 22% of the world’s prisoners. And it is not that criminality is more frequent in the United States: we have about the same rate of victimization as many equally wealthy countries. Our system is just much more punitive. The average sentence for burglary is 16 months in the United States, compared to 5 months in Canada and 7 months in England. And much of this harshness is a result of racism. The racial inequities of our system beggar belief. For 20 years until 2010, distribution of 5 grams of cocaine in the form of crack (the cheaper form of cocaine, used disproportionately by poorer people and African Americans) carried a minimum 5-year federal prison sentence. But if the crime involved powder cocaine (the more expensive form, used disproportionately by richer people and whites) a 5-year sentence required 500 grams—100 times as much. As a result of such inequities, we now find 4.7% of African Americans behind bars compared to 0.7% of whites. African Americans and Hispanics together account for about 30% of the population but 60% of the prison population. The vast majority of the people in prison are there for nonviolent crimes such as drug possession, or crimes against property, not against people. Once in prison, our fellow citizens encounter a world of violence and extortion, and opportunities for rehabilitation are rare. Not surprisingly, some 67% of prisoners released are rearrested within three years.

Consider our systems of care for the sick and the elderly. Men in suburban Maryland (wealthy, mainly white) live 17 years longer than men in directly adjacent Washington, DC (poorer, mainly minority). If they make it to the age of 35, men in Harlem live less long than men in Bangladesh. These disparities reflect not only race but also education and income. Among both children (infant mortality, health status, activity limitation, healthy eating, sedentary adolescents) and adults (life expectancy, health status, activity limitation, heart disease, diabetes, obesity) poorer and less educated people are far less healthy, and those patterns hold both overall and within racial/ethnic groups.

Consider housing. The for-profit housing market is failing us. Across the entire United States, there is not a single county that does not have a severe shortage of affordable housing. For every 100 extremely low-income households, there are only 29 rental units that are adequate, affordable, and available. In the faster-growing cities, home ownership has become too expensive for most working people. The share of all renters forced
to pay over 30% of their income on rent has doubled from 23% percent in the 1960s to 47% percent in 2016. It is therefore heartbreaking but not surprising that on any given night in 2017, over 550,000 people were homeless in the United States. Of these, 21%, were children under 18 years old—114,000 children. And 35% of the total, some 192,000 people, were not in any shelter. Over the course of a year, somewhere between 2.3 million and 3.5 million Americans experience homelessness, and at least 7 million more have lost their own homes and are doubled-up with others due to economic necessity. And all this even though the number of vacant housing units is many times greater than the number of homeless people.

Consider too our education systems. Education is increasingly important to the economic future of both individuals and the country, and this leads to ever-higher demands on our schools and universities. Nevertheless, our primary and secondary schools are starved for resources, and our teachers are paid 35% less than their peers with comparable education working in other occupations. Not surprisingly, our 15-year-olds perform far worse on tests of their math, reading, and science ability than in many other countries that are poorer than us, ranking in those areas 26th, 24th, and 25th, respectively. Higher education is financially out of reach for many families. Those who take out loans to finance higher education find themselves deeply in debt, unable even to declare bankruptcy to avoid its crushing burden. Total student debt is now an astonishing $1.3 trillion, and as many of 40% of people with student debt are likely to default on that debt by 2023.

INTERNATIONAL CONFLICT

Finally, we live in a world that cries out for international collaboration to address so many problems—climate change, wars, the risk of nuclear conflagration, the persistence of abject poverty, diminishing water resources, famines, migration, contagious diseases, to name just a few—but such collaboration is stymied by international rivalries. And the United States is aggravating rather than helping. We are the most powerful nation and among the richest, but instead of helping heal the world, we are pursuing a nationalist, America-first policy. Our commitment to global cooperative efforts to combat climate change was only ever tepid—limited by worries that China might gain an economic advantage if we joined the Kyoto Protocol but they did not. And then President Trump announced his intention to pull the United States out of the 2015 Paris Agreement.
Even in the period when the United States was more actively engaged in multilateral efforts, our willingness to assert our “national interests” by violence has been monstrous. The record of foreign military interventions since World War II is dismal, so many of them being in support of repressive regimes that happen to be useful allies. In that period, we have helped overthrow at least 36 governments, interfered in at least 84 foreign elections, attempted to assassinate over 50 foreign leaders, and dropped bombs on people in over 30 countries. Some of this record can be attributed to Cold War conflict, but the trajectory since then is not much better. We still provide aid to three-quarters of the world’s dictatorships. We still maintain a network of over 800 military bases in over 70 countries. Our nuclear arsenal remains on “hair-trigger” alert aimed at cities in Russia and China, risking nuclear catastrophe that would be just as devastating as the coming climate catastrophe.

As concerns civilian assistance, our commitment to transcending national self-interest is just as shamefully weak. During the 2010–2015 period, for example, we were the country with the biggest annual contribution to overseas nonmilitary development (roughly $30 billion a year), but as a share of our national income, we contribute less than 0.2%—that’s not 2 cents in every dollar, but 2 cents in every 100 dollars—which is one-fifth the level of Sweden. And over this same period, we were by far the biggest source of international arms sales, with Saudi Arabia as our biggest client—notwithstanding successive presidents’ inspiring speeches about our commitment to human rights.

The good news—and at the same time, the saddest part of this story—is that so much of this suffering, alienation, and frustration is unnecessary. Our world has all the resources and technology we need. Yes, perhaps our species’ capacity for greed and stupidity make some level of human suffering inevitable. But not this level, and not this systematically. If we suffer economic waste, frustrated desires for engagement at work, political dysfunction, natural resource devastation, and social and international conflict, these are not the results of our genetic inheritance. They reflect something terribly wrong with the way our society works.