

# Does capitalism work? Depends on who you ask

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Corporate summit at Trump Tower: Tech executives worth more than \$3 trillion joined Donald Trump in New York, highlighting the tight grip of Big Tech and Wall Street on U.S. politics.

A heated discussion about capitalism arose during a recent family gathering. It began with a defense of the capitalist system: Capitalism is the only system that works, they said, because it is based on the incentive for personal gain; it supposedly fosters competition, innovation, and individual freedom, resulting in economic growth.

That's when I pointed out that a worker whose labor is exploited to create profit for the capitalists might see things from the other side. As Karl Marx explained: Under capitalism, workers are paid the value of their labor-power — what it costs to keep them able to work — while the value they actually produce exceeds this. The difference is surplus value, the basis of profit, which the capitalist appropriates.

Words like incentive, innovation, and personal enterprise cloak the real relationship between the boss and the worker. They reinforce capitalist propaganda and deserve to be examined in real time. Starting with:

**Competition** — the basic drive of capitalism, where every enterprise must outdo others simply to survive. To extract bigger profits, bosses intensify exploitation of workers while degrading products and the environment. The entrepreneurs who grow most powerful — by crushing their rivals — end up competing with capitalists in other countries, fueling global rivalries and war.

**Innovation** — Name a few of the biggest capitalists. Did Elon Musk, Warren Buffett, or Donald Trump rise through the genius of their own innovations? No. Let's be honest: Workers are the ones who constantly innovate, using their skills and experience to increase efficiency and develop technology. While individuals may contribute ideas, the real source of innovation is collective labor. The billionaire class accumulates wealth not through brilliance but through inheritance, ownership, and exploitation.

**Freedom of choice and incentives** — This argument is especially galling. How

many people have the actual freedom to pursue their talents and reap the rewards? Those who manage to save enough to start a small business are often crushed by larger competitors. For the vast majority of people in capitalist countries, it is becoming harder than ever to secure decent employment. The system is failing to meet even basic human needs.

And the brutality of capitalism goes even deeper for those it has historically super-exploited. For people whose ancestors survived slavery in the U.S., or the genocide of Indigenous peoples, or who are forced to leave their home countries because of capitalist plunder and imperialist wars, the system's violence is ongoing.

The massive wealth of U.S. capitalism was built on this super-exploitation. The ruling class deliberately cultivates racism and bigotry to turn workers against each other, making it easier to erode the living standards of all. Today, figures like Donald Trump openly try to erase this grim history. His agenda is to roll back the gains won by the oppressed and their allies — all to enrich himself and his class.

### **So I asked: Why do capitalists believe they have the right to exploit the labor of others?**

I was told that capitalists profit as a reward for “taking risks” and because they own the means of production — the factories, businesses, and equipment. But who produced those factories, businesses, and equipment? Workers did. Capital expropriates what we create — just as it does with the value we produce every day.

Shouldn’t workers be able to use our labor to ensure everyone has healthy food, livable housing, health care, education — to meet all our needs? Shouldn’t we be working for a better society, free of racism and bigotry? Shouldn’t we be protecting the planet instead of serving the greed of a tiny minority?

We will do that when we reclaim what is ours — when workers collectively own and

control the means of production. That's socialism.

