

CAPITALISM

Need A Moral Manifesto > Ira Jackson, Director, Center for Business & Government, Kennedy School at Harvard

Capitalism is undeniably amoral. But it has emerged as our new global theology. So we have a global theology without morality. Without a bible.

It only offers a transaction manual for wealth creation and the efficient allocation of capital. And it does that superbly well. No one should question, in my opinion, the benefits of capitalism. And I think it's one reason why capitalism beat all the other ism's hands down. It wasn't even close at the end of the day. It took on communism, fascism, totalitarianism, socialism. Beat them all hands down.

Curiously capitalism which is a system that's derived and driven by competition has no competition of its own today. That's a very dangerous place for any successful ism or corporation or university to find itself.

... And I think if you look at a balanced global scorecard of where we find ourselves. It's undeniable that capitalism has created enormous wealth. Twenty-two million new jobs in the United States alone over the last ten years. Seven million millionaires, 590,000 thousand penta-millionaires, 250,000 deca-millionaires and 300 billionaires alone in the United States.

Three trillion dollars worth of wealth creation over the last, each of the last three years in the United States alone. And fifty percent of all us in the United States own stocks and participate through our 401K's in the miracles of the market. Again I think it's capitalism's self interest. It's in the self interest of the corporation to use this unprecedented prosperity and not to binge at the Ritz.

... I'm a reformer not a revolutionary. Although what I think capitalism needs is a new manifesto. Now Marx 150 years ago, as that corporation was being launched, offered a devastatingly brilliant analysis and critique of capitalism. And the premise of communism I think and the communist theory is still relevant and worth thinking about today. And he predicted that capitalists would ultimately hang themselves on their own excesses. And I'm not sure that we might not yet do that.

I think what we need today is the moral equivalent of a manifesto for capitalism. What was so seductive about Marx and the theory of communism was not only its penetrating analysis and its scientific underpinning. But the fact that it was a moral treatise. And absent morality, I don't know how we sustain a global cohesion if the unchecked, unbridled savage aspects of capitalism - to quote Solzhenitsyn - become ever more triumphant.

... If we were to ever now recalibrate capitalism and help to take it to its next stage. Operating alongside of a more responsible and accountable set of governmental interventions. And in partnerships, public, private, NGO. I think capitalism can yet save itself from itself. And refuel its profits. Create many more

customers and opportunities.

This is a very conservative argument at the end of the day because what I'm proposing is that capitalism engage in practices that expand the pie. And by creating hundreds of millions of potential new users and participants in the new capitalism eager and able to purchase goods and services from successful corporations. It's ultimately in the long term self interest of those corporations to actually promote social justice and social progress.

In most corporate boardrooms, and I've been in many, used to be an executive vice president of a major international bank. This would be considered an anathema even heresy. I believe that it's not only an appropriate part of the conversation but one that's absolutely indispensable.