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## **Capitalism is a Blessing**

### Guests:

For the Motion: John Mackey, Katherine Mangu-Ward  
Against the Motion: Bhaskar Sunkara, Richard D. Wolff  
Moderator: John Donovan

| <b>AUDIENCE RESULTS</b>   |                          |
|---------------------------|--------------------------|
| <b>Before the debate:</b> | <b>After the debate:</b> |
| <b>56% FOR</b>            | <b>62% FOR</b>           |
| <b>21% AGAINST</b>        | <b>28% AGAINST</b>       |
| <b>23% UNDECIDED</b>      | <b>10% UNDECIDED</b>     |

Start Time: (00:00:00)

John Donovan:

Mom, apple pie, and capitalism, that's how it has seemed for most of our lifetime. The American way has been the free market way. Free enterprise has been a keystone value of how we live and how we organize our society. And, sure, capitalism has had its critics all along, some of them quite ferocious, but they were always in a distinct minority. But, boy, has that changed now, with polls saying that only half the population has a clearly positive view of capitalism these days. And with serious contenders for the office of President of the United States from the Democratic side making capitalism, as practiced in the United States, their rhetorical punching bag and also the focal point of their plans to overhaul U.S. society. And given all of this, we at Intelligence Squared U.S. think it is time to put capitalism to debate, so that's what we're going to do. Yes or no to this statement: "Capitalism is a Blessing."

00:01:02

I'm John Donovan, and I stand between two teams of two who have fought and argued about this issue for years. That makes them experts in this topic. And we are looking forward to hearing what they have to tell us on the resolution, "Capitalism is a blessing." As always, our debate will go in three rounds, and then our live audience here at the Kaye Playhouse at Hunter College in New York will vote to choose the winner. And as always, if all goes well, civil discourse will also win.

One final reminder to our audience on the screens, for the last time, your chance to vote for or against the resolution or to tell us you're undecided, [IQ2US.org/vote](http://IQ2US.org/vote). Remember, it's going to be the difference between this vote and the vote we do at the end of the debate that will determine our winner. Our resolution is "Capitalism is a blessing." Let's meet our debaters. First, arguing for the resolution, welcome John Mackey.

[applause]

John, you are the cofounder and CEO of Whole Foods Market. You are author of the best-selling book, *Conscious Capitalism: Liberating the Heroic Spirit of Business*. Welcome to Intelligence Squared.

John Mackey:

Thanks. Thanks, John. It's great to be here.

[applause]

John Donovan:

Great to have you.

[applause]

And your partner, please, ladies and gentlemen, welcome Katherine Mangu-Ward.

[applause]

Katherine, you are editor in chief of Reason magazine.

00:02:06

We've had some of your colleagues debating with us before. One of them is a three-time winner, but I won't mention his name right now.

[laughter]

You are the co-host of the Reason podcast. You're a future tense fellow at New America. Thanks so much for joining us, Katherine.

Katherine Mangu-Ward:

Thank you for having me.

[applause]

And we have two debaters arguing against the resolution, first, please welcome Bhaskar Sunkara

[applause]

Hi, Bhaskar. You are the founding editor of Jacobin magazine and author of the new book, "The Specialist Manifesto: The Case for Radical Politics in an Age of Extreme Inequality." Welcome to Intelligence Squared.

[applause]

John Donovan:

And let's welcome your teammate. Ladies and gentlemen, Richard Wolff.

[applause]

John Donovan:

All right, Richard, you're a professor emeritus of economics at the University of Massachusetts-Amherst. You're currently a visiting scholar at the New School; you're founder of Democracy at Work. You're a prolific author, including your latest book Understanding Marxism. It's great to have you here, Richard.

00:03:03

Richard Wolff:

Thank you.

John Donovan:

Thank you. Ladies and gentlemen, here they are, our four debaters.

[applause]

And let's get started. Let's get started by moving on to Round One. Round One will be opening statements by each debater in turn. They will be six minutes each. Here to make his first -- here to make his statement in support of the resolution Capitalism is a Blessing, John Mackey, co-founder and CEO of Whole Foods Market. Ladies and gentlemen, John Mackey.

00:03:24

[applause]

John Mackey:

So, let me start out by saying, is capitalism perfect? No, it's clearly not. It never will be. Human beings are not perfect; human beings are always going to make mistakes. Human nature is probably selfish, probably greedy. However, I'll put this challenge to our opponents, and I'll also ask the audience this. This is the best time to ever be alive in the entire history of humanity. I challenge to tell me, if you could live another time in the past that's better than right now, tell me when we get into the Q&A. Is capitalism a

blessing?

Well, you can't answer that until you say, "Compared to what?" Compared to what? Is it a blessing compared to the past? I'm going to show you that it was. Is it a blessing compared to its only modern rival, socialism? Another challenge I'll put forth; there have been 40 socialistic experiments countries have done in the last 100 years. Every one of them has failed. There has never been the answer. It's been tried, and it fails every time. It'll always fail; it's deeply flawed. So, to my opponents, if you have an example of a successful, prosperous socialistic country that is ending poverty, tell us, because if you do, maybe I'll stop being a capitalist.

00:05:02

[laughter]

So, defining capitalism is going to take too long. I'm going to say I prefer the word "economic freedom." There's not a perfect capitalistic country in the world, and there's not a perfect example of a socialistic country in the world. North Korea probably comes closest to it -- total government control. So, we're all kind of on a continuum here.

[laughter]

All right, so here's a factoid for you tonight. Ninety-seven percent of all the wealth the humanity has created in the entire history of our race has occurred in the last 250 years: 97 percent. Here, you can see what's happened as capitalism took off. The GDP per capita raced up. The economic success of capitalism is unprecedented in the history of the world. Two hundred years ago, the world's economy was at the present level of Sierra Leone, and 94 percent of the people were poor. Since then, the per capita globally has increased by over 10X; it's increased 24X in the United States, 41X in Hong Kong, and 75X in South Korea, 23 percent just since 1960. Here's the 26 most economically free places in the world. Hong Kong is one, Singapore is two, the United States is number 12. Here are the six least economically free places in the world; they're all socialistic.

00:06:28

The Nordic countries; they are capitalist. I want to take this one off the table. They have very high degrees of economic freedom. The United States -- in fact, you can see they're all about equivalent to the United States. The Swedish model -- I could have done the Denmark model -- Sweden created most of its wealth back when it was strongly capitalistic in the early part of the 20th century. In the 1960s, they implemented a lot of socialistic policies; economic freedom declined, and so did their prosperity. Now, since then, Sweden has cut back on their government tremendously. Their corporate tax rate is 22 percent. They tried wealth taxes and got rid of them; they have 0 percent inheritance taxes, and they have educational vouchers for all their children. Sweden now ranks number 19 in the world in economic freedom. They're clearly capitalistic, with a strong

social welfare component.

00:07:29

Let's look at economic freedom and income per capita. You can see that mostly free -- the more economically free you are, the richer your country is. If you're going to be poor, be poor in a rich country, because you are going to have more money if you're in a rich country.

Declining global poverty; this may be the most important slide I'm going to show you. You can see that absolute poverty -- if you go back 200 years ago, 94 percent of the people alive lived on less than \$2 a day, 94 percent.

00:08:03

85 percent lived on less than \$1 a day. Now, 8 percent live on less than \$2 a day. Life expectancy for most of the history of the human race was 30. Now it's in -- getting into the middle and upper 70's. If you go back 200 years ago, 90 percent of everyone alive was illiterate. That's down to 14 percent now. Capitalism is not increasing inequality of income. This is going to be something we'll talk about tonight, I'm certain. You can see the U.S. income distribution has been relatively, fairly constant. It's changed, but almost since the founding of the Republic. Very close together. This is very important, because the poorest households in America over the last 50 years, there are 20 percent less of them. There's fewer in the middle income level as well. The highest income level has more than tripled. Now, almost 27 -- 29 percent of the households make over \$100,000.

00:09:01

Look at the economic freedom. The -- if you're going to be poor, the income equality is highest in -- it's highest in the high-income areas. Wealth isn't the problem. Poverty is the problem. Wealth doesn't cause poverty. Poverty is the natural default condition of the human race. Capitalism is creating wealth not for a few, but for billions of people. The problem is not that there's an unequal distribution of income in this world. There's an unequal distribution of economic freedom. To seek the causes of poverty -- I'll end with this. "To seek the 'causes' of poverty in this way is to enter into an intellectual dead end, because poverty has no causes. Only prosperity has causes," Jane Jacobs. Capitalism creates prosperity. Thank you very much.

John Donovan:

Thank you, John Mackey.

[applause]

Our resolution, "Capitalism is a Blessing," and here to make his opening statement against the resolution, Bhaskar Sunkara, founding editor of, "Jacobin Magazine." Ladies and gentlemen, Bhaskar Sunkara.

00:10:09

[applause]

Bhaskar Sunkara:

Well, let's be clear about what the question of this debate was. The question of this debate is, "Is capitalism a blessing?" not, "Was capitalism a blessing?" There's no doubt of the material gains of capitalist development, capitalism, of course, that has existed in a form that has been harnessed and shaped by mass democratic working class movements.

After all, the franchise and many of our most treasured basic civil liberties were not gifted to us by capitalists. Around the world, they were fought for and won often by workers movements that had as major parts of their components democratic socialists. So this is actually existing capitalism, and it's a capitalism that has been constantly shaped by anti-capitalist forces.

00:11:02

Now, capitalism today has made materially possible the old enlightenment dream of liberty, equality, fraternity. It's made possible a different world, but it's foreclosed its realization. Now, what capitalism has not been able to do is solve two problems that I believe an alternative system could solve. One problem would be a distributional question. So the distributional question is, "How come we have so much immense riches in the world, but so many other people are deprived of the basic necessities that need to fulfill their creative potentials?" whatever that might be. So, the very least we can say, "Capitalism in the United States, for instance, is not enabling people to reach their potential, because it's depriving them of housing, education, healthcare, and all these other core necessities of life." At the very minimum, we should demand that a different system offer people these access to these things.

00:12:02

Now, it is correct, and we'll get to this later -- by the way, my timer isn't working, so I'm -  
- yeah, but --

John Donovan:

So, you have four minutes.

Bhaskar Sunkara:

Yeah, just give me a hand signal.

John Donovan:

You're a third through -- I'm sorry it's dead on your side. I will let you know.

Bhaskar Sunkara:

But we are at a point when we need to say that, "Yes, the Nordic countries have actually

achieved certain of these minimums." We -- if you're born in a Nordic country, you could be assured a much greater chance of reaching your creative potential that you're born in the United States. And we'll get to the nature of this Nordic model and who created the Nordic model later. But the second question's of power, a question of ownership and distribution. We can't talk about markets when we're talking about capitalism. We can't conflate the two. Markets existed before capitalism, and markets will exist after capitalism. I think there's a -- is an important role for markets to play in a post-capital system for both price calculation questions and for incentives, to motivate each other, to produce efficiently and whatnot. We have to decide, of course, what sphere we want markets in. I think there is no role for the market in the provisioning of basic healthcare. One's ability of access to the same should be a matter of social right. This is in fact something that the government can do well.

00:13:09

Now, when it comes to the creation of pencils and all sorts of other consumer goods, it would be a huge mistake to say that we could do this by state planning. And very few socialists propose today that state planning would be necessary in the spheres of consumer goods. So what we're arguing when we're arguing for capitalism is not an argument for -- it's not an argument for some sort of -- a form of growth that's driven by market and for prosperity. What it is an argument for is private ownership and a means of production. So I would argue that what we have in this society today is a society that enables people to reach their creative potentials, people that have access to the means of production. They have access to all sorts of avenues of success, while other people of equal talents are stuck working for them.

00:14:07

Now, what would an alternative be? We could collectively run our work places and elect our own management. Now, these self-managed firms would still have to be subjected to forms of discipline. These self-managed firms could compete against each other in the market. They could fail. That's fine, as long as the sectors and spheres that are failing are not core sectors like our healthcare, like our education, like things where we don't believe the market should have any part in. Then that will be fine. But what you're arguing when you're defending capitalism is not a system of productivity based on the market. What you're arguing for is market dependency, the fact that every single sphere of life, the important necessities be driven by market imperatives, and you're defending private ownership of the mean's production.

00:15:00

In my alternative, in a democratic socialist alternative, workers would be incentivized to work and contribute to production by, instead of receiving a wage, by receiving a dividend of production. So, what we propose, what we need to aspire to is a form where we no longer have workers and capitalists, when we simply have worker owners. This sort of society would have a bedrock of the de-commodified social safety net. Sweden

did not switch towards some socialist model in the 1960s. The Swedish social democrats have been in power since 1930s. The most important date in Swedish social democratic history is 1938 when the basic agreement was formed between labor and capital. The Rehn-Meidner plan, which set up sectoral bargaining, happened in 1952.

Over the course of the '20s, '30s, '40s, and '50s, and '60s, Sweden was transformed from an oligarchy, undemocratic country into a vastly prosperous, high-wage economy.

00:16:03

This happened because of the workers movement. It happened because of socialists, and it happened against the imperative of private capitalists in the market.

John Donovan:

Bhaskar Sunkara. Thank you very much.

[applause]

You've heard the first two opening statements and now on to the third. Debating for the resolution, here is Katherine Mangu-Ward, editor in chief of Reason magazine. Ladies and gentlemen, Katherine Mangu-Ward.

[applause]

Katherine Mangu-Ward:

So, I was going to start by thanking my partner, John Mackey, for making an incredibly powerful case for capitalism, but I also want to thank Bhaskar for making an incredibly powerful case for capitalism. Thank you very much.

[laughter]

Because capitalism is markets, and I am going to die on that hill. So let's go ahead and have that fight. The four horsemen of the apocalypse are in retreat as you saw on 10,000 rapid-fire slides just now. We are winning the battle against famine, war, pestilence and even death. That is thanks to capitalism. Our opponents are going to try and explain that away. They are going to say that it is some other thing happening, that maybe it was capitalism before but in the future it's going to be something else even better.

00:17:14

Don't believe them. What I want to argue is, however, not just that capitalism is all chubby babies and iPhones and, you know, expanding life expectancies. I am also here today to give you the other half of our argument, the moral case for capitalism. Capitalism not only makes people better off. It is also a morally better system.

I want to start with a very simple idea, the double thank you. Now, you know what this

is. You do this when you buy lunch. You go, you say, "Hi. I'd like a hot dog." The guy says, "I'll take your money." You swap, and then you say, "Thanks," and he says, "Thank you." That right there, that is capitalism's signature move. That is what capitalism is about.

00:18:04

Other systems don't have that. When you put it another way, we could say that market society is a game where you win by making sure that other people are better off with you than without you. The beauty of market capitalism is that it's built from voluntary interactions. All of these alternatives we're going to hear about today, everything that they made up that they want to see in the future that's socialist or whatever, that's all built on a moment where we have to radically reorder society in a wave of some kind of violence or confiscation. Capitalism doesn't need that. Capitalism will continue without that. And that is an enormous important moral difference.

Doesn't matter how beautiful your Utopia is. It does not matter how grand your grand plan is if it requires a huge consolidation of power. That power, that has to be done at the point of a gun. We're all morally better off when we're not complicit in that kind of theft.

Of course, it's true that every fortune made in a capitalism system is not just. Capitalism, as in every other system, there will be people who lie, people who cheat, people who steal. That capitalism alone among economic systems is not predicated on zero sum thinking.

00:19:17

It is not predicated on the idea that you need to take to have; instead, you can earn. Now, of course, we all know Adam Smith. We've met that guy and his old adage about the butchers and the bakers and how they're going to hook us up with a nice charcuterie platter or like a bologna sandwich not out of the goodness of their hearts but because they want to make money. But capitalism isn't just about the trade part of the double thank you. It's also about the innovation part.

And so, I want to talk about why we get a better baguette as well as getting a baguette for our cash. Also, they should not schedule these debates at dinnertime. Can we all agree? I'm starving.

[laughter]

So, the two moving parts of capitalism, the trade part and the competition part work together, but the competition part is doing a lot of money. Capitalist competition is not conflict. It is competition to produce a better widget or baguette.

00:20:09

You know who knows this? You know who's like totally down with this idea? It's your boy Bernie. There he is. He has said, and he's quite right, capitalism does a number of things very well. It helps create an entrepreneurial spirit. It gets people motivated to come up with new ideas, and that's a good thing. Right on, my man. Now, right after that, he has a big "but," and then he has a whole bunch of things about how capitalism is dead.

[laughter]

And since I am here representing Reason magazine, I don't want to leave Bernie up on the screen too long, so let's switch over to Uncle Milton. Nope. That's Bernie again. He's everywhere. There he is. That's Uncle Milton. Milton Friedman once said -- and he's quite right about this -- that underlying most arguments against the free market is a lack of belief in freedom itself. And that's where I want to leave you all tonight.

00:21:04

When socialists say stuff like, "The prime decision -- private decisions that have massive public implications must be subjected to popular control. Only then will we have a democratic society" -- Jacobin. What they mean is that people can't be trusted to make their own decisions. Just as surely as when theocrats say, "We must order the public square for the highest good," it is just as sinister. Do not be confused about what they are asking for. Capitalism gives people what they want, not what a group of powerful people think they should want, and that is a very different thing.

I find it hard to believe that a workers' collective or whatever alternate plan we're going to talk about here tonight will cheerfully produce the exact number of rosaries and birth control pills and wedding cakes and persimmons and hot dogs and whatever else it is that you guys want. They will tell you that you're not allowed to want some of those things, and that's wrong, because we started with the double thank-you, and I want to finish a just as important part, which is the "no, thank you."

00:22:15

This is even more important. Capitalism leaves room for weirdos. Capitalism leaves room for people who do not want to be part of your system. We cannot be moral without making choices; you cannot make choices without having options. Capitalism offers those choices. The heart is choice is morality. You must be able to say yes or no. Today, your choice is easy and clear. Capitalism is a blessing, and I urge you, of your own free will, to choose yes.

[applause]

John Donovan:  
Thank you, Katherine Mangu-Ward.

[applause]

Our final debater in this opening round will be speaking against the resolution Capitalism is a Blessing, Richard Wolff, professor emeritus of economics at the University of Massachusetts-Amherst. Ladies and gentlemen, Richard Wolff.

[applause]

Richard Wolff:  
So, I'm the professor.

[laughter]

And as the professor, I've got to start off with a little lesson.

[laughter]

Capitalism is not a market. Markets do not distinguish capitalism from other systems. We had slavery in this society, characterized above all by a market. Shall we celebrate the market, or are we ashamed of the market in human beings?

00:23:33

Think about it.

[applause]

Markets have done some of the ugliest things in the history of the human race, but that's not my concern, although if we were discussing markets it would be. Capitalism is a way of organizing the production of goods. It's different from slavery because it doesn't have a master and a slave; it's different from feudalism because it doesn't have a lord and a serf. But it's like them because it's divided society into two. One, as a minority, has all the power -- we call them nowadays employers -- and the other ones don't, and we call them employees, although in their dreams they know they're serfs and they're slaves.

00:24:13

If you want to criticize capitalism or defend it, you ought to know what it is and what it isn't. So, let me argue why capitalism is not a blessing. I'm going to give you four reasons. It's unstable; it's unequal; it's undemocratic; and it's unsustainable ecologically. Any one of them should do.

[applause]

Any one of them should make you a skeptic. All four of them should make you, like me, an opponent. So, let's do it quickly. Unstable; everywhere capitalism has settled --

everywhere, for 250 years or more -- it has produced an economic downturn every -- on average, every four to seven years. A recession; a depression; a downturn. A lot of words for this, because it has traumatized every society where capitalism has settled. Throughout the history of capitalism, every effort was made -- stop this, fix this, because the system shakes every time it collapses.

00:25:14

You know, like after 2008. That's why we're here tonight. And the system couldn't do it. In the 1930s, they even invented a new economics called Keynesian economics to try to do this. Couldn't do it. That's why we just had that terrible one in 2008. If you live with a roommate as unstable as capitalism, you would have moved out long ago.

[laughter]

Unequal; earlier speakers made statements that are -- again, I'm a professor, so I have to look at the statistics, boring as it is. Let me just give you one about equality and inequality. According to the Federal Reserve this last week, the richest 10 percent of Americans together have nearly twice the total wealth of the other 90 percent.

00:26:04

We live in a society that is rushing us back to the age of the pyramids in terms of inequality. That is a national shame, and that's the responsibility of capitalism that has brought us to this charming situation of grotesque inequality.

Undemocratic? Let's see. How is every enterprise organized? You know, 200 to 300 years ago, we got rid of kings. You know, we didn't like, as a community, to be told there was one guy who had all the power and the authority, and we were all his subjects. It didn't sound good. So, we got rid of those kings. Some of them went away nicely, and the other ones we arranged for a device that separated their heads from the rest of them.

[laughter]

And we got rid of those kings, but you know, we didn't really. They fooled us. We got rid of the big one, but we got lots of little ones. In every enterprise, there's a king: the owner, the director, the board of directors; a tiny group of people who make the decisions: what to produce, how to produce, where to produce, and what to do with the profits -- the profits everybody helped to produce.

00:27:18

Everybody lives with the results of where you produce, like if you move to China. Everybody lives with the technology used. Everybody lives with all the decisions over which they have no control. We claim to be a democratic society. We have never

permitted democracy inside our enterprises. We have ruled it out. We pretend to go around the world, bringing them a democracy we don't have. If you believe in democracy, explain to me why it has been exempted, this demand for democracy, from the institution in which most people spend most of their adult lives five out of seven days, the best hours of the day. You're in an institution that is not democratic and never was.

00:28:04

Capitalism organizes production, because that's what it is, a production system, not a market. That way, the kings are still alive. Women have figured it out, because they don't want the king in the castle to operate the way he once did. We needed to do that in the enterprises. And the one I don't need to spend much time on, because you're all kind of aware of it, is capitalism has done a number on the economic -- on the environment, on the ecology that we're all suffering from. The competition among capitalists produces the food we can't stand anymore, so we have a split society. You got some money, you go to the Whole Foods and you spend extra --

[laughter]

-- a lot extra, to get the organic food.

[applause]

But, if you don't, you go to the neighborhood Stop and Shop, and you eat the pesticides -- excuse me, the food.

[laughter]

This is a society that condemns those people who can't afford it to an early death, unnecessary disease, and a whole host of other consequences that lead me to urge you, "Vote, 'No,' on this proposition."

00:29:10

[applause]

John Donvan:

Thank you, Richard Wolff. And that concludes Round One of this Intelligence Squared U.S. Debate, where our resolution is, "Capitalism is a Blessing."

Now we move on to Round Two. And, in Round Two, the debaters address one another directly. They take questions from me, and from you, our live audience, here at the Kaye Playhouse, in New York. Our resolution is, "Capitalism is a Blessing." We have heard the team arguing for the resolution: John Mackey and Katherine Mangu-Ward. First of all, they're making no claim, whatsoever, that capitalism is perfect, but they say that, compared to everything else, it is unquestionably the best system and it's a blessing. It's a

-- it's the best system, because it has brought about an unprecedented degree of economic success not just in the United States, but around the world, during the time of its supremacy as a system. They make significant arguments for the value of economic freedom for the voluntary nature of exchanges that take place under capitalism. And they point out that profit is a way to indicate that, basically, a capitalist enterprise is on track, that things are working, that the people are being served.

00:30:17

They make the case that capitalism gives people what they want. The team arguing against the resolution, that would be Bhaskar Sunkara and Richard Wolff, they are -- they are conceding that the gains of capitalism over the last 200 years are real. However, they say that's not exactly the point, that there are other issues besides the material prosperity that has come about in aggregate sense, then. They say that capitalism leaves many problems unresolved, for example, its cyclical nature, that the system breaks down at regular intervals, that the fixes to the system inevitably involve some sort of socialist do-over. They say that it is essentially undemocratic because companies operate as -- you didn't use the word, "dictatorships," but I think you were saying that. You're nodding, so you're conceding that word.

00:31:08

Okay, just to cut to that.

[laughter]

And they're arguing also that it's wrong to talk about capitalism simply as being about markets because capitalism is really a system of production. So, there's some disagreement about what you each mean by capitalism, but I think there's enough inside the Ven diagram that we can proceed with this. And I want to just take some of the points that I heard and take this first to you, Bhaskar, and to respond to something that your opponent said, because I think it kind of sums up strongly everything that your opponents are arguing when Katherine said capitalism gives people what they want. What's your response to that?

Bhaskar Sunkara:

Well, I think it gives some people what they want, but if you're talking at the level of a consumer, than how would it be different if you were in the type of firm that Richard was talking about, if you were in a firm that's producing goods, that was democratically structured. You're still producing goods based on inputs from the market from consumers.

00:32:05

The question is, does it give people what they want at the point of production when they're work workers --

John Donovan:

I just want to encourage you to speak out to the audience.

Bhaskar Sunkara:

So I think this is the real question. Because the question of socialism is not a question of, saying should we have more equality, or should we have more freedom. It's a question of freedom for whom?

So, for example, I run a magazine, small -- far smaller magazine than -- than, you know, hopefully this is an enterprise. But let's say if I set up this magazine and I've built up all this infrastructure, and I invested a lot into the infrastructure, both time and material and whatnot, and I decide, and I enter into a contract with my employees and I say, "All right, you have to work 10 hours a day, and that's the way you'll get your salary, and we'll make good on this fixed investment that was made into this publication." But then the government comes along. Bernie Sanders is elected, or a figure like him, and he says, well, we're going to mandate a 35-hour workweek, and people have to be paid the full wage for the 35 hours --

John Donovan:

Bhaskar, Bhaskar, I apologize for interrupting.

00:33:09

I just need you to be a little bit tighter so that your opponents can respond as well. So you've been talking for about two minutes at this point, so can you --

Bhaskar Sunkara:

So I'll wrap up in 15 seconds. So the question is, I as a capitalist lose three hours, but my employees lose -- gain three hours, three hours to do whatever they want. I would just spend it watching, you know, NBA basketball and, you know, eating unhealthy food. It's not like we're going to create great works of art with that. It's a question of freedom for whom. I think that our reforms and the socialist impulse creates freedom for the majority even if it does constrain freedom for private capitalists to do what they want with production.

John Donovan:

Can -- so, can you take two more sentences on -- just on the question of, to the -- your opponents' response that capitalism gives people what they want. If you boiled what you just said down to two sentences, it would be --

Bhaskar Sunkara:

Well, fundamentally, if you're talking about at the sphere of consumption, then it's markets that are giving people what they want, not the dictatorial nature of capitalist production.

John Donovan:  
Okay.

Bhaskar Sunkara:  
That doesn't give people what they want.

00:34:09

John Donovan:  
Okay. So I want to bring that back to Katherine. So what I -- what I hear is, yes, he agrees with you that if people want stuff, it works really well for that. If people want, I guess, power in the workplace, it's very bad at that.

Katherine Mangu-Ward:  
Right.

John Donovan:  
So can you take that on?

Katherine Mangu-Ward:  
Yeah. Again, I appreciate Bhaskar making my case for me. If people want stuff, capitalism works really well for that. Just want to pause there. But then also, you know, I think a huge difference, maybe the key difference between what John and I are advocating and what our opponents are advocating is that just, in our system, his thing can exist. You are very welcome to open that store, structure it that way, open that magazine, structure it that way. To the extent that it can't exist, I think that's a political failure and a place where we agree.

In his system, our thing can't. We have space for him. We are generously making space for all these experiments. They don't have space for us.

00:35:07

And that gets back to the very, very fundamental idea that capitalism defends the rights of a minority, of people who want to do things differently. I am happy to defend your right to be economically different. I wish you would offer the same to me.

John Donovan:  
Rich Wolff?

Richard Wolff:  
I sometimes wonder in these conversations whether we inhabit the same planets here.

[laughter]

Giving people what they want. The defenders of capitalism have always talked in terms

of the outputs that people want. I assume most of you understand that output is not all that life is about. The consumption of objects isn't the royal road to happiness. It really has a lot more to do with relationships you have with other human beings that shape the quality of your life. And if the relationship you have is in an enterprise that is an autocratic, dictatorial, top-down operation that stifles your own initiative a 100 times a day, which most of you in your work lives know all about, and if you had a couple of drinks, out it would come, your frustrations.

00:36:17

And you're right, that vague sense you have at the end of the day that you've been ripped off, the reason that you have to, on the way home, stop at that bar which offers on the window "happy hour," as if to underscore the difference with the other hours of the day.

[laughter]

[applause]

Life is a --

John Donovan:

So, I want to let John Mackey get into this --

Richard Wolff:

Let me just -- let me just finish the point. Life is more than the question of consumption to whatever the system delivers you. If you really like Doritos all the time, you got them. But if you care about the relationships of life, you need a change in the way production is organized. And that's the critique of capitalism.

John Donovan:

Okay. Thank -- I want to bring --

[applause]

First of all, I really wish I had not been the one who introduced the word "dictatorial" into the conversation.

[laughter]

00:37:05

I was merely trying to paraphrase what I thought you said, but I am not taking sides in choosing that term. But I wanted to bring it to John Mackey, who has been a CEO. The -  
- kind of the challenge that Richard is bringing, that is --

John Mackey:

I'm not going to talk on that question, I guess. Everybody else did, but I don't get to talk on that one or --

John Donovan:  
Pardon me?

John Mackey:  
-- changing --

Katherine Mangu-Ward:  
He just called you.

John Mackey:  
Oh. Are you --

John Donovan:  
Yeah, yeah, yeah. Yeah, I'm looking for your take on what you had to say, yeah, yeah.

John Mackey:  
Well, I don't think Richard's ever opened a business, so I don't really think he knows what he's talking about.

[applause]

I put a challenge up. Capitalism isn't perfect, right? But compared to what? To a Utopian fantasy in his own mind? Maybe not. It may be not shaping up very well. But compared to real life socialistic tests, it looks really good. We talk about dictators, what about Stalin and Mao, and Castro and Chavez?

[applause]

00:38:11

Socialism murdered 129 million of its own citizens in the last -- it's comparative -- we have to compare these things. We had kings in the past. Yeah, now we have -- we have companies, and they have to serve customers. They have to organize. If they think they can do it better, let them try. You can do that in capitalism. You can have workers self-directed enterprises, which Richard writes about. You can do that. They just don't work that well. They don't compete that well. They don't deliver the goods and competitive prices to people.

So it's easy to just take pot-shots at capitalism and say, it's not perfect. You've got dictators telling people what to do. That's not fair and just. Where is the real life alternative? That's the challenge I've put out to them, and I challenge them again. Give us the answer.

Richard Wolff:  
John, can I respond?

John Mackey:  
Show us the country where it works, where your Utopia's playing out instead of just in your writings.

00:39:09

John Donovan:  
Richard Wolff to respond.

[applause]

Richard Wolff:  
Well, if you had done some homework and found out whether or not I'd ever run a business or started one, you might have had something to say. But what you asserted is false, which raises questions about the other things you say. I've started five businesses in my life, and I've had a lot of experience in running businesses. Maybe not interesting to you, but to suggest that I don't know what I'm talking about --

John Donovan:  
All right, so can --

Richard Wolff:  
-- on that basis -- let me make --

John Donovan:  
You know what, I'm --

Richard Wolff:  
There's a second point.

John Donovan:  
I need to step in for a moment. I just want us to calm down on the focus on individual's past experience one way or the other, on one side or the other. And, fair enough. I just want to --

Richard Wolff:  
Yeah, that --

John Donovan:  
-- step back from that.

Richard Wolff:  
Right.

John Donovan:  
Sure.

Richard Wolff:  
Then there was the final comment about, "give me an example." Well, I guess you're not familiar with the example, so I'll give you one.

00:40:03

It's called --

John Donovan:  
Again, you don't have to put down --

Richard Wolff:  
All right.

[laughter]

John Donovan:  
-- your opponent.

Richard Wolff:  
For everyone, I'm giving you all an example.

John Donovan:  
Thank you.

[laughter]

Now we're in the spirit.

Richard Wolff:  
It's called the Mondragon [spelled phonetically] --

John Mackey:  
Our country.

Richard Wolff:  
-- Cooperative Corporation.

John Mackey:  
Our country.

Richard Wolff:

Can I -- can I finish, or is that --

John Donovan:  
You can finish.

John Mackey:  
But you're not answering the question.

John Donovan:  
You can finish.

John Mackey:  
But you can talk, but you're not answering the question.

Richard Wolff:  
I'm giving the example you asked for.

John Mackey:  
The country, a socialistic country that's been successful.

Richard Wolff:  
No, that's not -- that's not the example. You asked for a business. The business -- the business I'm going to give you is the following. And I'll give you a region of a country as well if you'd like. But the business is the Mondragon Cooperative Corporation. It is the seventh largest corporation in Spain. It was started in 1956 with six workers and a Catholic priest. It, today, has over a 100,000 workers which is why it's the seventh largest. It's a collection, a holding company, a collection of about 250 worker co-ops. In every single one of them, the workers decide democratically what they get paid, what they -- how they function.

00:41:09

All of the decisions normally made by a dictator are made democratically by the workers there. Over that time, they have done very, very well. They've grown from six to a 100,000, an envious record for any capitalist corporation, and along the way they defeated many capitalist corporations in competition. They have a rule that the highest-paid person can't get more than eight times the lowest-paid. The ratio in this country is about --

John Donovan:  
Okay --

Richard Wolff:  
-- 300 to 1.

John Donovan:

Okay, I'm going to --

Richard Wolff:  
One last point.

John Donovan:  
Richard, I need you to let your opponents respond to some of what you're saying so far. So, Katherine, go ahead.

Katherine Mangu-Ward:  
Yeah, I -- just very briefly, I want to get back to the question -- John's --

John Mackey:  
I have their final [inaudible] --

Katherine Mangu-Ward:  
-- armed up with numbers, but --

John Mackey:  
-- here, so I can correct him.

[laughter]

Katherine Mangu-Ward:  
I just first want to talk about the fact that my -- our opponents at the end of their last answer said that you have to choose between Doritos and love.

[laughter]

00:42:02

And I'm not going to really dig into that, but I think it might suggest some flaws in the dichotomies that they're offering. I think that people all the time in capitalist societies, of course, make trade-offs. They make trade-offs about whether to keep a job, whether to oblige their employers, whether to go home to their kids. They take a lower salary; they take a different gig. These are options within capitalism where people do, in fact, choose love. But you can also have Doritos.

[laughter]

So, I know that seems light, but, again, it's -- it is a very serious point, which is that not everyone has the same rank ordering of goods, and capitalism gives space for people to make different choices.

John Donovan:  
Let me also weave that point into a question I want to put to Bhaskar, which goes back to

what John asked, because there is a legacy of socialist systems being associated with very, very oppressive states.

00:43:01

They're arguing freedom; they're arguing that the suppression came about because -- essentially, I think what they're saying -- and, again, I might be putting words in your mouth -- that capitalism is more natively -- is more instinctive, and that the kinds of things that socialism requires might have to be coercive and have been in these examples. You know what I'm talking about. I think the audience wants to get your response to that.

Bhaskar Sunkara:

Well, I think the authoritarian states of the Eastern bloc were -- among its first victims was anti-authoritarian socialists, democratic socialists, and so on. But parties with the same roots in Marxism also took power across much of Western Europe. And if you want an example of an attempt to construct an alternative political economy within the sphere of capitalism, but pushed by anti-capitalist forces, you should, in fact, look at Sweden and look at the Nordic model, and look at that transformation. Through uninterrupted rule, 50 years from the 1930s to the 1970s, a socialist party was elected in Sweden. What happened when they lost? There was a peaceful transference of power in 1976, and they were reelected in 1982.

00:44:08

But even in those cases, we use political coercion because, in fact, there needs to be forms of coercion. The question is, what kinds of coercion? I am more than happy to take away someone's right as a capitalist to do whatever they want -- certain aspects of their right to do whatever they want, but I'm not happy to take away any of their individual rights as a human being, their life right to basic speech and other freedoms and so on. The question, in other words, is freedom for whom? But unions, sectorial bargaining, regulations -- these are all, in political coercion, by and pushed by the majority on the minority. That's what it is. It just isn't an extreme form, and that's what democratic socialists have always advocated.

John Donovan:

Let me take that to John Mackey. So, the theme from your opponents has been that -- there's a theme that capitalism is essentially anti-democratic. They were explicit about that. Can you take that point on?

John Mackey:

I can, but I do want to really quickly --

John Donovan:

Sure.

00:45:06

John Mackey:

-- say that I'm quite familiar with the example Richard used, and they have many admirable things about them, but they are smaller than Whole Foods Market is, 50 percent smaller in revenues. They don't have a 100,000 people working for them; I have their financial statement right here; 81,000 people. Their EBITDA is not that great, and they're not really -- they're worker-owned, but they're not worker-managed. They're -- and they're not a utopia by any means. Women are not particularly empowered, and they don't have a very good track record on the environment either. So, he holds them up as the great example, but they're nothing special from my perspective.

John Donovan:

And how about their theme of capitalism being essentially anti-democratic?

John Mackey:

Capitalism is not ant-democratic. In fact, democracy and capitalism go together. They go together. Where do you think democracy came from? It's come up through capitalism. What strong -- any country that has high degrees of economic freedom also has high degrees of personal freedom. They also have democracy.

00:46:09

These things tend to go together. And once socialism gains power, democracy begins to disappear over time. First, you lose your -- he said -- Bhaskar said that -- Bhaskar said that he believes in sort of civic rights, but maybe not economic rights. But, when you begin to take away economic rights, civic rights will follow eventually. When power gets concentrated, that's what happens.

[applause]

Katherine Mangu-Ward:

I also --

John Donovan:

Richard -- okay, you go ahead, and I'll let Richard --

Katherine Mangu-Ward:

Sure, I just wanted to again come back to the statement that I read earlier from a recent issue of Jacobin, "Only when the private decisions that have massive public implications are subjected to popular control will we have a democratic society." If that's what you mean by a democratic society, if you mean any private decision that affects others is subject to popular control, I don't want a part of that, and I don't think that's a right understanding of democracy. I think, instead, the right understanding of democracy is to let people make their own choices outside of a narrow political sphere, and capitalism offers that.

00:47:16

John Donovan:  
Richard.

Richard Wolff:

If you ever take a course in what democracy is, the first chapter of that course will tell you it's something we inherited from Athens many thousands of years ago. Heracles, you remember from your civics class? Democracy was invented in those days, and we celebrated, and it's been studied ever since. That society was based -- and the majority of people in it, were slaves. The democracy only applied to the minority of the people who weren't slaves. There's no one-to-one relationship between democracy and capitalism. There never was.

The mystique is to suggest that, because we go through a voting procedure in politics, we should be blind to the exclusion of democracy where we work. And we depend more on the realities of our jobs than we do on those strange political animals who work in Washington.

00:48:15

That's why the democracy is lacking, and that's why the problem is legitimately raised against capitalism, that it has excluded democracy from the beginning in its workplace.

John Donovan:  
Bhaskar, I want to let you have --

[applause]

-- a turn here, because I gave this side two in a row. So if you have something to add, or you can pass.

Bhaskar Sunkara:

Yeah, I think the key is we have political democracy, which was, one, through a popular struggle. It wasn't given to us by capitalists. It was won through popular struggle. But we need to extend democracy to be in truly democratic society, and to social and economic spheres.

And the most important sphere of our life is where we spend 9:00 to 5:00, at best -- if we're lucky, 9:00 to 5:00. And that's a sphere where we want to introduce democracy. Does that mean that there is no private sphere? No, of course not. There is certain actions that are actions we shouldn't control. There's certain property that's personal property, not private property.

00:49:12

But, all around the world, when we've intruded upon private property, so the rights of owners to own, we've actually been able to expand the scope of freedom for ordinary people. That's what the Nordics show us. Obviously, they're still within the confines of capitalism, but by eroding aspects of capitalism, by eroding the market from certain spheres, we've been able to expand freedom.

That's what health insurance is. Are you free to choose your health insurance provider now? We end up with fewer care, and we end up with providers we don't like. Many of us end up completely uninsured. In other countries, we've eroded that freedom for capitalists to operate in that private market, and in countries with single payer systems, they have higher outcomes, and it's something that people don't have to worry about. That's freedom.

John Donovan:

Okay, I want to go to audience now for questions. And I had two questions that I wanted to get to. So, if you have that question, you -- ]

Female Speaker:

I think a "blessing" assumes a morality, and I would like to ask the capitalism side, "Do you argue that capitalism moral with inequality, with pollution, ecological disasters, maybe child labor, everything else?"

00:50:16

You haven't spoken about it, and I think inequality's part of it. So how do you address it?

John Donovan:

That's a perfectly --

John Mackey:

That's like five questions.

John Donovan:

-- perfectly phrased question. So thank you very much. That's the model, everybody.

[applause]

Would you like to take it, then?

Katherine Mangu-Ward:

I can [unintelligible].

John Donovan:

I -- it's to your side, and so you can both answer that, if you'd like to, and then I'll go to the other side.

John Mackey:

Which -- I mean, there were like five questions there. Which one did you want us to go to?

John Donovan:

Let's start with inequality, then we talked about impact on climate and --

John Mackey:

Right.

John Donovan:

Yeah.

Katherine Mangu-Ward:

Yeah, I mean, I think, you know, the "blessings" framing obviously here is very relevant. And, you know, I think if you think about, well, what kind of blessings do people want? What do people pray for? And your framing was characterization of what our world looks like now, and I think one that many people agree with. But another way to think about it is to say, well, what do people want? They want peace, they want prosperity, they want health, they want a better future.

00:51:10

And, you know, again, we are not arguing capitalism is perfect, whole and entire exactly as it exists. But I do think, even for those problems that you named, including, you know, when people say, "I am worried about inequality," I think what they often mean is not just inequality, but more specifically, I am worried about the people who are the least well off. I am worried about the poorest people. And that is morally praiseworthy. You should be worried about those people, and I think that as some of John's charts showed and as the defenders of capitalism will talk your ear off about, it really is still a market system, a capitalist system that improves the lot of those people.

John Donovan:

So --

Katherine Mangu-Ward:

The inequality piece being secondary.

John Donovan:

So the presumption of the question -- I'm sorry to interrupt. The presumption of the question seems to be -- it's an inequality question that capitalism is responsible for the inequality. And you're saying no.

Katherine Mangu-Ward:

I -- right. I mean, I think John -- you know, John touched on this, and he can take

this. But the natural condition of man is poverty then equality. And capitalism is a remedy I really believe.

00:52:09

John Mackey:

I also showed a slide that showed that the most economically free nations, the poorest people actually have a higher percentage of the total income than the less economically free places. So, I mean, let's take what happened to China for example when it was a socialistic. It's still socialistic, but it's now moved with more economic freedom which is -- as it's gotten more economically free, hundreds and millions of people have escaped from poverty. We go back into the peak, which China -- 1958 to 1962, 35 million people starved there. 35 million people starved there. They actually had black markets for human flesh because people couldn't get any food. That's what happens. Capitalism ends poverty. When they began -- when China began to move back towards economic freedom, their inequality went up.

00:53:15

It's much higher today than it was 40 years ago. But is China better off because they liberalized parts of their economy and went back to economic freedom? Unquestionably, they are because they're not starving to death. And the number of people that -- if you go back to 1962, 48 percent of Chinese lived under the poverty line of \$3.20 by the World Bank. What percentage lives under that poverty line today?

John Donovan:

Okay.

John Mackey:

One percent.

John Donovan:

So the -- your bottom line to the question is that on all those points, that capitalism is the -- is morally preferable.

John Mackey:

Absolutely.

John Donovan:

Morally. Okay.

John Mackey:

It's ending poverty on this planet. Capitalism is ending poverty. It's morally superior.

John Donovan:

Take it to Richard -- Richard Wolff, please.

[applause]

Richard Wolff:

In logic, there are syllogisms, and they work something like this: If a society is doing better off, it must be capitalist. That's what he just told you.

00:54:15

The Chinese call their society socialist. I'm sure they're wrong. John has it right. No, they call it socialist. The government decides a whole lot of things. It directs the government, and it decided to allow certain levels of capitalism highly under the government control.

Here's two facts that you need to deal with in economics if you're going to talk, A, about China, and B, about people dying. Very dangerous choice. The two fastest growing economies in the world, one in the 20th century and one in the 21st, the fastest growing economy in the 20th century was the Soviet Union which did not bring in capitalism the way the Chinese socialist Communist Party did. And the one in the 21st century that grew fastest was the People's Republic of China, which it is now able to challenge the United States.

I'm not endorsing those societies. I'm talking about the economics that they set out to achieve, which was to stop being as poor as John illustrated and to become much less poor. And they achieved that with a powerful central government and a socialist program full of all kinds of things I don't like. But that's a separate matter because they set out to grow their economy, number one. Number two, this reference to the people who die in China. Terrible thing. But are we really going to compare systems by counting bodies? If you want to choose that, then let's do it properly. Let's ask how many people died under the socialist regimes, good and bad ones? And then let's ask, what was the death count of capitalism over the last 200 years. Let's see, World War I, World War II, the colonial period.

00:56:05

You know why we got slaves out of Africa? To feed the sugar and cotton industries that were capitalist. This is a -- I don't believe in this way of thinking.

John Donovan:

Richard.

Richard Wolff:

But if you're going to do it, then you've got to do it in a way that isn't the lopsided defensive way that was offered.

John Mackey:

World War II was started by the Nazis, which were socialists.

Richard Wolff:

Yes.

John Donovan:

Okay. I'd like to go to another question, please.

Female Speaker:

So part of what makes a democracy a free enterprise, which has been equated a lot here tonight, is that people have a freedom to choose to participate or not. So, for example, for better or for worse, a majority of our country doesn't even vote in elections. So, to the team against the resolution, what would you say to workers who just want to go to work, earn money to live, go home, and don't want to participate in the decisions of their company?

John Donovan:

Bhaskar, can you take that?

Bhaskar Sunkara:

Yeah. Well, I think that, to begin with, people don't have the freedom to participate or not because -- because our choice is essentially work or starve.

00:57:05

We're all in a condition of market dependence. If we had an extremely cushy welfare state and we could drop in and out of production, we could decide to take an art PhD, not something I'd be ever interested in, but whatever else, then we would truly have freedom to choose whether or not to work. But I would say that we don't want life to be endless meetings. So, how would democracy work at large firms? Now, it'll work like representative democracy works. You'll elect managers. There'll be some oversight. There will be degrees of hierarchy because society's complex and you need a division of labor in a complex society. But it'll be held to democratic account. If, you know, you have a kid and your kid is 9, 10, 11 years old, then you have certain amounts of coercion over your kid. There's a hierarchy there, but it's held within certain bounds. You can't abuse your child, you can't do certain things and so on.

I imagine that forms of hierarchy would exist in any sort of society, but we believe in holdings those forms of hierarchy that happen to exist to democratic account, and we believe that ordinary people have capacities that's not being utilized and tapped because of the nature of capitalist production.

00:58:13

John Donovan:

I'd like to move on to another question if you're good with that, okay? I just want to

always give you a chance, but I think that's a case that was directed to one side. Sir. Yes, sir, you did that? That's you, yeah.

Female Speaker:

Oh, yes. Hi. My name is -- and I guess my question is specifically to you, Mr. Mackey. Arguably, very arguably, you deserve to make more money than like the people who work at your checkout lines as the CEO of Whole Foods. But do you really think that the gap of pay between you and your workers is really justified? Do you think it could --

[applause]

John Mackey:

I absolutely don't.

John Donovan:

John -- I just -- John, I just want to say, I like to discourage questions that aim at personal experience. But if you're good with it --

John Mackey:

Oh, I'm very good with this.

John Donovan:

Okay.

[laughter]

John Mackey:

So, there is a huge gap between what I get paid and what the team members at Whole Foods get paid. I make \$1 a year, and I have for the last 13 years.

00:59:11

[applause]

All my stock options -- all my stock options were donated also to our charitable -- to our - - to our three foundations to end poverty, school nutrition and gardens, and to whole cities -- the inner cities. So, it's a pretty big gap, but I can afford it.

Male Speaker:

You have a great imagination.

John Mackey:

Thank you.

Male Speaker:

You've accomplished so much, and you're so fair in what you're doing with your own wealth. Are you comfortable with what other CEOs are doing, or can't you imagine something better for society?

John Mackey:

So, that's a good lead-in to -- the world is evolving. Consciousness is evolving. And I wrote a book, *Conscious Capitalism* -- I brought 250 copies here; I'm not selling them to you, as a good capitalist would. I'm going to give them to you, so make you grab one on the way out.

01:00:09

So, the world is changing. The business roundtable just adopted basic conscious capitalism principles and announced them publicly. Capitalism is evolving, and it has the potential for a higher purpose. It has the potential to create value for all the stakeholders; it has the potential to create organizations where human beings can flourish at higher levels. It has the ability to create leaders that are servant leaders. That's what I've done with my business for the past 42 years --

[applause]

-- and others are doing it as well. So, if you go to [ConsciousCapitalism.org](http://ConsciousCapitalism.org), you will find there's a whole movement for this. That's my answer to that question.

[applause]

John Donovan:  
Richard Wolff?

Richard Wolff:

Simple arithmetic. John decided to take the millions, or billions -- I'm not sure -- that he could have taken like most CEOs do; he decided not to, and he decided to do something else with it. His personal decision.

01:01:08

His alternative, if he didn't want to get paid all that money, would have been to lower the prices at Whole Foods, and everybody else would have save the money that he is not taking anyway, and that would have distributed much more democratically what it is he chose not to take. When you distribute income and wealth in a highly unequal manner so that some people get the vast bulk and the rest of us don't, you're leaving the power of the purchasing overwhelmingly in the hands of a minority that shapes what gets produced. That's the question of whether you are free or not, to use their language, or you live in a society that skews who gets produced -- what gets produced, because you're giving a disproportionate amount of the income to a tiny portion of your population. That's the issue.

John Mackey:

That would be true if we had a monopoly, but we don't. People can shop wherever they want to. That's capitalism.

01:02:05

[applause]

There's competition.

Richard Wolff:

You sold your company to a monopoly. You know that.

[laughter]

John Donovan:

Question here in front of the camera, and if you could stand up and tell us your name, please.

Female Speaker:

Sure, my name is -- I have a question as somebody who grew up in a socialist country that doesn't exist anymore: the Soviet Union. Empirically, why do you think people from countries that John listed who have less economic freedoms want to come to more economically freedom -- countries with more economic freedom, and very few people want to go the other way?

[applause]

John Donovan:

Bhaskar, can you take that, please?

Bhaskar Sunkara:

Well, people rightly want to go to -- from less developed countries to more developed countries. My parents came from Trinidad and Tobago, a perfectly capitalist country, a country with also a dysfunctional health system and so on, and they moved to the United States because there was more money and opportunity here. So, I think that's behind a lot of it.

01:03:06

But also, rightfully, people left authoritarian countries because they wanted to come to countries with great liberties. They wanted to come -- they wanted to leave countries like in the Eastern bloc where you couldn't form an independent trade union, for instance, and come to a society with -- where workers' movements led by people who were, in most cases, anti-capitalist created the space and the rights for democratic freedoms. So, I think

the societies we live in today are a combination of lots of different forces, but we can't credit everything in society today to capitalists. In fact, there were reformers, and a hell of a lot of them were anti-capitalists who created many of the great virtues of the society we live in today.

John Donovan:  
Katherine?

Katherine Mangu-Ward:  
I don't have anything to add. I just wanted to thank you for your question, which I think is quite on point to our resolution.

John Donovan:  
Oh, you can't pander to the audience.

Katherine Mangu-Ward:  
Oh, yes, I can, and I just did.

[laughter]

Female Speaker:  
Hello, my name is Diana -- it's a question for the side arguing for capitalism. Why would you -- and it's related to -- anyway, my question is, "Where would you draw the line? Can capitalism go too far?"

01:04:09

John Donovan:  
Good question, that --

Female Speaker:  
And if you want to --

John Donovan:  
I'm going to put a question mark right there.

Female Speaker:  
-- very quickly, and if you want to add on the period of distribution [spelled phonetically] to help your answer.

John Donovan:  
Okay. Let's see. Can capitalism go too far?

John Mackey:  
Can economic freedom go too far? Yes, it could. I mean, it has in the past. There can be -- people can cross the line. There needs to be -- they're not arguing, "There should be no

government, there should be no regulations." We need the rule of law. We need to do it in an intelligent way. And that's what the debate should be about, "How do we make capitalism better? How do we make it more responsible? How do we make it more caring?" That's what this debate should be about, not whether capitalism's a blessing.

[applause]

John Donovan:

And Richard Wolff, the softball question of the night to you, "Can capitalism go too far?"

[laughter]

01:05:00

Richard Wolff:

I -- it's already gone too far. The answer --

[applause]

-- the answer to this -- the answer to this is -- this conversation, "Can it go too far?" but we need rules and regulations. If you give 10 percent of the people the overwhelming bulk of the wealth, they buy the rule makers. You know it and I know it, and they make the rules --

[applause]

-- to serve the continuation of their inequality.

John Donovan:

And that concludes Round Two of this Intelligence Squared U.S. Debate --

[laughter]

-- where our resolution is, "Capitalism is a Blessing."

Now we move on to Round Three. Round Three are closing statements by each debater in turn. These will be two minutes each. The debaters will stand up for this debate for this round as they did in the beginning. Making her closing statement in support of the resolution, "Capitalism is a Blessing," Katherine Mangu-Ward, editor in chief of "Reason Magazine."

[applause]

Katherine Mangu-Ward:

Thank you. This has been just a fantastic, lively conversation, especially with the running. And I've been really happy to be here. But, you know, sometimes I'm not in a

great mood, and so I want to tell you guys what I do when I'm grumpy, which is I go online and I search for a certain type of YouTube video.

01:06:22

You've probably seen these. They're the videos of children or adults getting their cochlear implants turned on. You've seen those, right? They follow a very predictable pattern. Usually there's a sort of bunch of patter and people stumbling around, and then it comes on, and there's a kind of [gasps], and then everybody cries. They always cry. Usually somebody's mom says, "I love you." And, you know, they didn't have to choose between Doritos and that.

[laughter]

And what I want to say is that everything about YouTubing happy cyborgs is what capitalism offers.

[applause]

I just can't -- I can't -- you know, I know that people think -- the people who love capitalism are just calculators with charts, and they're, you know, unfeeling machines.

01:07:21

But it's the opposite. It's mothers saying, "I love you" to their cyborg babies for the first time. That is the blessing of capitalism. In any other time, that would have been a literal miracle, a blessing, a reason to start an entire religion. When the lame walk, when the deaf hear, that was an unheard of magic, all of human history, and now it happens every day. Every audiologist is a saint. Capitalism is a blessing.

John Donovan:

Thank you, Katherine Mangu-Ward.

[applause]

And now making his closing statement against the resolution, here is Bhaskar Sunkara, founding editor of Jacobin magazine.

Bhaskar Sunkara:

Well, when I want to feel depressed, I look at a video or a search on social media for the tale of someone who can't afford penicillin or --

[applause]

-- especially because penicillin was invented decades ago, and it was invented -- one of the inventers was a socialist.

01:08:24

He's also a Canadian. We won't hold that against him.

[laughter]

But it was invented unintentionally, it was created without a patent. It was created so that it would be to the benefit of the public good. And instead, what we have is penicillin is affordable around the world, but in the United States it's so expensive -- it's so expensive that people have to cut their doses, and they put themselves in material harm. And to me is the essence of what capitalism does when it's in these spheres where it shouldn't be. And it's socialists who are advocating, right now, basic reforms that actually do have popular support.

01:09:06

Now, when I talk in the abstract, when Richard talks about taking over workplaces and this higher vision of a socialism after capitalism, this is something I profoundly believe in, but it doesn't yet have mass support. Why? Because if we can't put Medicare For All on the table, are we going to put worker ownership of the means of production on the table? It doesn't make sense. When we start with winning Medicare For All, with winning a Green New Deal, with winning these important reforms. But then what would happen? Capitalists would still hold within society the ability to withhold investments. And with this ability, with this ability to pursue capital flight, with this ability to rule the markets, they will undermine all the gains that we have made to this point.

This is what happened in Europe when the welfare states when their peaks -- from the very peaks of humanity in the 1970s were undermined. The case for a socialism beyond capitalism is a case to take away this power to withhold investment from capitalists. That means converting private capitalist firms into worker-owned cooperatives. If you live in Cleveland, you're not going to pick up and move, take your family to China to seek lower wages. That's a case for socialism beyond capitalism.

01:10:19

John Donvan:  
Thank you, Bhaskar Sunkara.

[applause]

The resolution again, "Capitalism is a blessing." And here to make his closing statement in support of the motion, John Mackey, cofounder and CEO of Whole Foods Market.

John Mackey:  
I'm going to end by telling you a story. So I was in Chicago a few years ago. How many

of you use an Uber driver at some point? So, I'm in the car, and he's got -- he's got a funny accent. I can't quite place it. So I say, "Well, where are you from?" He said, "I'm from Bhutan." And I think, what do I know about Bhutan? I've never been there. Oh, Bhutan, happiest place in the world, right? That's what we know about Bhutan. I said, "Well, why did you leave Bhutan to come to the United States?" Because Bhutan's the happiest place in the world, why would you leave?" He said, "Yes, Bhutan is very happy. But happiness is overrated."

01:11:06

[laughter]

And I thought, "Well, why do you think it's overrated?" And he says, "My daughter -- my daughter is in medical school. My daughter, she's going to be a doctor. She could not be a doctor in Bhutan."

"I came here for my daughter." There are 45 million people living in the United States right now who are not born here. They came here because of capitalism. They came here to make a better life for themselves and a better life for their families. I put a challenge to the other side. Just name one country, one country, that's socialistic that's been successful that you can hang your hat on and say, "This is the way forward." I'm still waiting for that. Maybe Richard will do it in his closing statement.

The way forward is capitalism. We can do it better. We can do it in a more conscious way. Companies are doing it better all the time. We are evolving as a planet, as a species. But our future will be with capitalism. We just need to do it more consciously. Read my book. Thank you very much.

01:12:18

John Donovan:

Thank you, John Mackey.

[applause]

And the resolution, one more time, "Capitalism is a Blessing." And here to make his closing statement against the resolution, here is Richard Wolff, professor emeritus of economics at the University of Massachusetts Amherst.

[applause]

Richard Wolff:

So I began as the professor, and I'll end that way. Every economic system in the history of the world can be described as having three phases. It was born, it evolved, and it died. The village economy, slavery, feudalism, you name it, born, evolved, and died. What could we say about capitalism? It clearly was born. It's clearly evolved, which suggests

the next phase, doesn't it?

[laughter]

No, I mean it.

01:13:10

The human race has tried for a long time to move forward. The slave system, the slaves particularly thought you could do better than to be a slave. And the serfs thought you could do better than to be a serf. And every society had the people who got the short end of the stick in that arrangement decided, you know, you could do better than the slavery and the feudalism.

Here is a piece of exciting news. You can do better than capitalism, too. And the mentality that thinks you can't is the mentality that doesn't go along with the notion that human beings have the possibility to make the lives they live and the societies they have and the institutions available to them to do a better job for the vast majority of the people, not the 10 percent who are doing real well. But the average mass of people, the desperate desire to hold on, to predict, as John just did, the future of capitalism violates the born, evolution, and death.

01:14:21

And the real question for us is, are we going to let a declining system take us down with it? Thank you.

[applause]

John Donovan:

Thank you, Richard Wolff. And that concludes our closing statements. And now it's time to learn which side you feel has been most persuasive in their arguments. I want to ask you again to go to your mobile device and cast your second vote. While we're doing that, this was certainly one of the more spirited debates that we've had. And I think we stayed mostly on the rails. And I want to thank you all for bringing a passion and an honesty and an integrity to this, for doing your homework, for caring so much, and for helping us mostly to raise the level of public discourse. So, thank you very much for the way that you all did this.

01:15:09

[applause]

Intelligence Squared exists as a philanthropic organization. I know that you paid for your tickets to get in here tonight, and I sincerely appreciate that. All of you who are new to

Intelligence Squared, I really would love to see you in our audience again, so please know that that means a lot to us. However, I want to point you that what we produce is a podcast and a radio broadcast we put out into the world for free. We are picked up by lots of universities, high school classes, just people around -- literally around the globe who go to us to learn about complex issues in a way that's palatable and engaging, and it's something we're very, very proud of. But we depend on support of individuals for that that goes well beyond the ticket sales, so I want to ask you to consider making a gift to Intelligence Squared. You can do that also through the website at IQ2US.org. We have a friends' program; there are a number of you who are part of that program, and if you join that you get tickets to all of the debates. And we have post-debate events like dinners and cocktail receptions with me and other members of the community, and our debaters as well, and you can chat with them all, and it's a really good experience.

01:16:16

So, I just -- I'm just asking you, you know, to consider helping us out and keeping us going and helping us do more and more of this and getting bigger and bigger, which is -- it's our goal. And I also -- as we're waiting for the results, I want to ask -- this is not competitive at this point, but at the beginning of the evening we talked about why we were doing this debate, and it's now -- and I would just like to poll each of you, starting with you, Katherine, on the fact that the Democratic candidates are challenging capitalism as never before. I want to -- I just want to get your take on that. Primarily, do you think that that's going to last? Is that -- is this a fad, or is this a strong new direction, do you think, for the Democratic Party?

Katherine Mangu-Ward:

The thing that I'm actually struck by is that the Democratic candidates are being joined by conservative intellectuals in challenging capitalism, which those strange bedfellows should make us all pretty nervous, I think. And as for predictions, Donald Trump taught me not to try.

01:17:16

[laughter]

John Donovan:

But that's -- you do find it concerning as somebody who thinks capitalism is a blessing?

Katherine Mangu-Ward:

Yes, very -- I lay awake nights.

[laughter]

John Donovan:

Bhaskar, what about you? What do you think is going on there?

Bhaskar Sunkara:

Well, I don't think there's any candidate necessarily challenging capitalism. I think there's candidates trying to speak to people's needs, and the key need right now is Medicare For All. We have an inhumane health insurance system, and there's a majoritarian support for Medicare For All, and that means challenging capitalism insofar as it's capitalism in the private health insurance industry. But a lot of these abstract questions are not on the table; it's not relevant to people. They're not affirmatively choosing either side, because it's just an abstract issue, and they have enough stress in their life with day-to-day concerns. I hope that in the long run people on the left of the political spectrum can better speak to them, and if it has to be the right, I would rather libertarians than right populists and racists, but, you know, I think that's a real choice going forward. I think it's either going to be right populism or democratic socialism.

01:18:17

John Donovan:

John?

John Mackey:

I've learned never to talk about politics when I'm on a stage.

[laughter]

John Donovan:

All right, fair enough.

John Mackey:

But I will make one comment, which is that -- since he went to Medicare For All. We do not have a capitalistic health care system. I'd like to see -- if you want good examples out there that we could maybe pay attention to, I'd say Singapore is maybe the best, and Switzerland is the next best. So, those would be two. I'd like to see America move in those directions rather than Medicare For All.

[applause]

John Donovan:

Richard?

Richard Wolff:

Everything in my experience teaches me that the last 10 years have been a sea change in American politics. It is the undoing and the reversal of what happened at the end of World War II, when the successes of the New Deal and the alliance with the Soviet Union in World War II so frightened the business community in this society that they committed themselves to a vast project of undoing the New Deal.

01:19:18

And when that got into full gear, giving us the neoliberalism culminating in Mr. Trump. For me, the American people in the crash of 2008 figured out that that recipe of going backwards, undoing all the gains that had been made, was exhausted, and they are now open to the issues of the kind of debate we've had tonight. The system itself, after having been exempted from criticism for 75 years is now finally on the table again. And we can have a conversation we should have had those 75 years, but the taboo blocked it. The taboo is broken, and I feel real good about it.

[applause]

John Donovan:

So the opposite of your nightmare. Okay. All right, thank you. I'm -- very interesting to hear all of your points on that. But I want to tell you this. It's now all in. I have the final results. Remember, it's the difference between the first and the second vote that determines our winners.

It went like this. On the resolution, "Capitalism is a Blessing," before you heard the arguments, 56 percent agreed that capitalism is a blessing, 21 percent were against the resolution, 23 percent were undecided. One more time, I'm going to explain those are the first results. It's going to be the difference between that and the numbers I'm about to reveal that determine our winner. In the second vote, the team arguing for the resolution, "Capitalism is a Blessing," their first vote was 56 percent. Their second vote was 62 percent. They pulled up six percentage points. That is the number to beat. The team against the resolution, their first vote was 21 percent. Their second vote was 28 percent. They pulled up seven percentage points.

[applause]

By one point, the team arguing against the resolution our winner. Congratulations to them. Thank you from me and Intelligence Squared U.S. We'll see you next time.

01:21:06

[end of transcript]

**This is a rough transcript. Please excuse any errors.**