

Is capitalism the most effective
way to advance society?

It depends.

The essence of the arguments so far...

Yes

Capitalism is the best system available.

No

Capitalistic growth is unsustainable. The best alternative is blended socialism.

The “Yes” and “No” positions are each problematic...

The current system isn't sustainable.

Entrepreneurial capitalism has created vicious structural inequality, the prospect of climate suicide, and humanitarian disasters as well as a lot of wealth.

Socialism threatens democracy.

Governmental planning over the deployment of privately owned resources concentrates power, is inefficient, and puts civil liberties and freedoms at grave risk.

... but they each also make valid claims.

Democracy is most compatible with decentralized control.

Governments are failing to respond effectively to large-scale crises.

Entrepreneurial capitalism unleashes **creativity**, supports human **actualization**, rewards **hard work**, and challenges **authority**.

Governmental planning over the deployment of **government-owned** resources **is wildly overdue**.

To advance society, we need system innovation...

... that preserves the best features of capitalism while protecting against the worst features

... that supports the strategic allocation of public resources in ways that are rational and coordinated and efficient and at the tech frontier

There are some well-known lynchpins...

Private-sector capitalism must be **constrained** to operate under:

- Prohibition of **exploitative resource use** and of **illegitimate human-resource** practices
- Effective controls over **climate** impact
- **Transparent reporting** requirements and coverage by **sophisticated free media**
- ...

Amplification of governmental capabilities over the deployment of **government-owned** resources **is wildly overdue**.

- Comprehensive safeguards on **privacy, data ownership,** and **platform control**
- Less politics, more **management**
- Deeper capacity to **collaborate across sectors**
- Better planning at various **levels of government**
- ...

Conceptually, the biggest opportunity is to innovate on fundamentals...

- What types of **governance innovations** are necessary to direct capitalistic activity – markets and entrepreneurship – toward resolving climate change and other grand challenges?
- What types of institutions for governing communities cannot withstand market-based capitalism? **What do we lose with capitalism**, and how can we deal with that problem?
- How can **robust public-sector capabilities** develop contemporaneously with private-sector capabilities?
- What types of digital governance processes are essential to assure that capitalism's impact is sustainable?
- How is **risk** borne differently across sectors and how can that be internalized institutionally?

Is capitalism the most effective way to advance society?

It depends on robust institutions that constrain, enable and encourage private-sector organizations to act in the public interest