

Business versus Democracy

Business corporations strive to present their best faces for consumers and communities in which they operate. This is a smart agenda for businesses because folks will buy more products from "good guy" organizations. Businesses like to be known as "concerned corporate citizens" who will redirect some of their profits toward charitable community-oriented projects.

However, the marketplace doesn't award businesses that do good turns simply to improve their public images. The marketplace awards profitable winners and shows no mercy for losers. Corporations cannot afford generous gestures unless they record substantial profits. CEOs must reduce charitable practices when their bottom lines show red ink.

Democratic governments need to aid the casualties of technologic change. At any epoch, free markets will abandon "sunset" industries in favor of innovative corporations that produce goods & services faster, cheaper and more efficiently. Governments must support and retrain "sunset" workers who get shafted in the upheavals of progress.

Businesses and governments have different aims and goals. Businesses want to make profits. To be sure, public businesses (listed in stock markets) are obligated to shareholders to generate greater and greater profits. On the other hand, governments are obligated to citizen aims. Governments want prosperous economic regimes that generate plentiful jobs. Both governments and business benefit from economic boom times. Businesses generate more jobs, and governments collect more taxes. When the economy turns sour, profits vanish, workers lose their jobs and democratic governments must pay for unemployment benefits.

Democratic governments regulate the economy to minimize casualties from economic welfare. For instance, regulators ensure that food is healthy and nontoxic. Regulators punish corporations that sell products that don't perform as advertised or mistreat their employees.

Governments hope to maintain robust economies that offer jobs and general prosperity. Poor economies encourage discontent and social unrest.

Both governments and businesses yield to the law of supply and demand. Consumer demand will raise prices. Abundant supplies of products will lower prices. The marketplace decides if prices rise or fall. Governments can influence the economy to some degree by regulating the money supply. Businesses can influence prices by raising or lowering productive inventories.

In boom times, everyone benefits. Governments collect enough revenues to improve the national infrastructure. Highways, bridges, railways and ocean ports facilitate trade and encourage business expansions.

Liberal free-market economists expect governments and businesses to observe marketplace incentives. This works fine during the periods of prosperity. But when the economy falters, governments are left with the fallout. Businesses downsize their workforces, putting more citizens in need of social support. Governments must take up the slack while they receive fewer tax revenues.

Government policies allow corporations a kind of no-fault insurance. Businesses can shave payrolls and send jobless workers to government caretakers. If worse comes to worse, businesses may seek bankruptcy protection and write off most of their debts. Governments must foot the bill for all of this. The process is called monetary inflation which means that cash loses spending power and salaries lose longterm value. Ultimately, citizens are ones that foot the bill when they forfeit income and sales taxes.

If you think businesses are getting off Scott-free, you're absolutely right. And this is just the tip of the iceberg.

Our current economic system requires so-called "market makers" to function efficiently. Market makers buy & sell commodities, financial

IOUs and shares of public corporations. Spin doctors and advertisers influence market makers which in turn regulate the trends of supply and demand. All of the above parasites determine what retail prices consumers will pay. As much as 20% of the total economy is garnered by financial market makers, spin doctors and advertisers. The prices of everything you buy (smartphones, bus fares and tomatoes) are hiked to cover the fees of parasites.

Financial market makers, spin doctors and advertisers produce absolutely nothing but expectations. Citizens of democratic nations would see cheaper retail prices if they got rid of the parasites that skim frosting from the cake of economic production.

Here comes the big question: why don't we trash the parasites?

One big reason: wealthy elites would scream bloody murder. They represent 1% of the population yet own 90% of the profitable assets. If some idealist tried to reform the current economic system, the elites would bend over backwards to discredit the reformer as a whacko anarchist.

Another big reason: the parasites are interwoven with the money system. When you dump the parasites, you devalue your money to zero because modern currencies are worthless beyond consumer expectations and government guarantees.

The changeover to a parasite-free economy requires a huge paradigm shift. Citizens would need to adopt an economic system where governments and corporations are far more transparent than they are today.

Consumers as well as producers would have to live within their means. Debit cards would replace credit cards. Corporations would have to earn the right to borrow by demonstrating their new products will benefit society as a whole. Citizens would need to accept more responsibilities. They would need to be better informed and able to distinguish between truth tellers and con artists. In short, citizens

would have to exercise their democratic duties and become fully involved with public policies.

Neither governments nor businesses have crucial answers. Only citizens can take the bull by the horns and achieve the promise of democracy.