**Woke capitalism**

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Just like the trickle-down economics of a generation ago, stakeholder capitalism provides a moral justification for the pursuit of corporate self-interest while inequality gets worse and worse.

Each January Larry Fink, billionaire boss of asset management firm BlackRock, sends a letter to the CEOs of the corporations his company invests in. In these letters he takes it upon himself to outline his views on the most important issues affecting the business world.

A well-known advocate of ‘corporate purpose’, in the past Fink’s letters have addressed the responsibility of corporations’ environmental sustainability, workforce diversity, and the impact of business on society. His mantra has been that people have lost trust in governments that are failing to solve social and political problems, and it’s time for business to step up.

In this year’s letter released on January 17, Fink had a slight change in tack. He still goes on about stakeholder capitalism and how corporations should pursue the interests of the customers, employees, suppliers, and communities, rather than just shareholders. What he added in 2022 was a direct statement that his approach to business is not ‘woke’ and ‘is not about politics’.

Stakeholder capitalism, according to Fink, has nothing to do with ideology, it is simply the best way to do capitalism. What could be less woke than that! “We focus on sustainability not because we’re environmentalists, but because we are capitalists and fiduciaries to our clients,” he opines.

Fink’s anti-woke position comes at a time when conservatives have been attacking corporations for meddling in social and political issues. As US Senator Marco Rubio put it, “instead of the patriotic leaders that capitalism needs, today America’s corporate elite kowtow to the woke, Marxist mobs that dominate the internet and Hollywood.” The same sentiment is heard around the world.

The global hoo-ha about whether or not corporations are embracing left-wing politics is a perfect distraction. The idea that corporate bosses are becoming Marxists is entirely ignorant of corporate behaviors and of even the most rudimentary tenets of Marxism. That Rubio would suggest it is nothing more than a rabble-rousing attempt to gain political clout. That Fink would respond is simply risk management to maintain his capitalist cred.

A generation ago we were fooled into believing the myth that the supply-side economics promoted by Ronald Reagan would lead to a trickle-down effect. We were told that tax cuts to rich people and big corporations would yield benefits that would flow down to us all. Everyone’s a winner with capitalism! All that happened was that rich people got richer. It turned out that trickle-down economics was a supreme con that operated through a false morality professing that that market capitalism would benefit everyone.

The question now is whether stakeholder capitalism is the new trickle-down economics. While the means are different, they both serve the same purpose of making a fundamentally unfair economic system appear like it will benefit everyone. All we have to do is make sure that rich corporations call the shots.

Worrying about whether Fink and his CEO buddies are woke is just like a magician misdirecting attention to hide the trickery and sleight of hand. If we get all worked up about corporate wokeness, we might not see that things are getting worse when it comes to basic matters of economic justice.

On exactly the same day that Fink sent his CEO missive, Oxfam released its report, ‘Inequality Kills’. There was no evidence in that report to support the promises of shareholders capitalism – quite the contrary. Oxfam described how Covid-19 was a boomtime for billionaires, with the top ten doubling their wealth. Meanwhile, 99 percent of the world’s population ended up financially worse off.

The reality of economic inequality is the polar opposite of the promise of stokeholder capitalism. It exists because people with economic means take a greater share of the world’s wealth for themselves, leaving the rest to struggle, suffer or die. Oxfam reports inequality is a contributing factor to the death of 21,300 people each day. It is getting worse. 2021 saw the biggest growth in billionaire wealth on record.

Excerpted: ‘Is Woke Capitalism the New Trickle-Down Economics?’

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