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How Predatory Capitalism Ate America From the Inside Out

Or, Predatory Capitalism is Going to Implode. The Only Question is Into What.



A strange and terrible thing is happening in America. One which I think there is a growing sense of — but perhaps not a full awareness of. That something is that predatory capitalism is reaching its terrible and final breaking point.

First let me explain what I mean by predatory capitalism, how it ate America alive, then what I mean by “breaking point”, and afterwards, the implications, both grim and hopeful, for this strange episode in history.

In Britain, an EpiPen — a simple device that saves lives in the case of severe allergic reactions — costs \$70. In France and Germany, roughly the same. In America, it costs \$600. But in 2007, it cost in America what it did in Britain, France, and Germany. What happened? A drug company called Mylan bought the rights to it — and then it didn't just send prices soaring, it uses all kinds of shady tactics to maximize profits from insurance companies and healthcare systems both. How?

Well, what does it cost to “make” an Epipen? Not a whole lot. It’s just a device for delivering a dose of epinephrine. The dose used in it “costs” maybe \$1. I put “cost” in quotes because even those numbers are mostly fictional — the marginal cost of producing a basic chemical like this is pennies. In fact, the real problem is that epinephrine became too cheap to manufacture — so cheap that many producers stopped making it altogether. And so a company like Mylan swooped in, put two and two together: corner the supply, gain a monopoly on the demand side, and hey presto — mega profits.

That’s predatory capitalism — a drug that should cost pennies, if the economy were run a little more sanely, costs hundreds, without any regard for the human possibility that is destroyed. Mylan didn’t create any real value whatsoever, only extracted it, siphoned it off. Lost years of life, health, happiness, connection are the result. Everyone is worse off in a world where Epipens cost \$600, but should only genuinely cost a few dollars, and that is because every dollar that goes to line Mylan exec pockets’ is one that could and should have been invested more productively and wisely, for example, in working healthcare systems, education, media, infrastructure, finance, or the myriad things Americans genuinely need.

But is the example of Mylan the way the economy works now generally — or is it some kind of strange outlier? Here are some larger scale trends. Most Americans can’t scrape together \$1000 for an emergency. At the same time, life expectancy is falling, the young will never retire, cannot afford to move out, and are delaying starting families. What do those trends point to? What do they really mean?

They suggest that Americans do not have much more left to give. First predatory capitalism ate their jobs. Then their middle class. Then their incomes. Then their benefits. Then their college funds, retirement accounts, savings. Then their kids futures. Then their social systems, their safety nets and protections. The social contract itself. Then, finally, their democracy itself, corroding, corrupting, mutilating it. So what’s left?

Americans have been preyed upon and preyed upon by predatory capitalism to the point that quite literally have run dry. They have no assets left — not just as in emergency savings, but as in society, democracy, prosperity. Perhaps you think I’m kidding. They are at the genuinely dire point of trading years of life tomorrow, for survival today — that is how severe predatory capitalism, American style, has grown. Think about that for a second.

Predatory capitalism wants to keep taking, squeezing, extracting — but there is not much that Americans have left to give. Breaking point. Predatory capitalism is going to implode. The only question is into what.

What might it implode into? It’s a common mistake to say, “but Americans own homes!” Yes, they do. But homes are not “assets” in the same way that savings are. If Americans try to sell their homes all at once, to pay their debts, then nobody’s home will

be worth much — but perhaps that's all the better to predatory capitalism, because it can acquire them on the cheap.

So the first thing predatory capitalism might implode into is something like a reversion to a peasantry, vassalage, and serfdom — where people do not really own anything at all, and must lease every part of their lives and livings back. Many forces point that way — technology and its obsession with efficiency, for example, making everything “shareable”, which is to say, rentable. So Americans may indeed be forced to sell the last thing they have left — homes — to feed the maw of predatory capitalism. But such a society will not be what John Rawls once envisioned as a “land-owning democracy” — it will be something more like a society of a large number of techno-peasants, and a tiny number of people who have come to own more or less everything in society, leasing life itself back to them.

The second thing that predatory capitalism might implode into is something beyond peasantry and serfdom still — something more like a brutally dystopian authoritarianism. Imagine that Americans somehow find more resources to sell, to feed the hungry jaws of the machine with. Now we enter sci-fi dystopias. Perhaps they will start selling their kids' blood. Maybe their organs. Maybe they will start selling “shares” in themselves and their kids. Maybe they will sign contracts more or less equivalent to indentured servitude. Who knows? You and I might think these things are outside the realm of possibility — but the truth is that few imagined America would be here even a decade ago, did they? So we should consider such things at least a little seriously — not least because there are already startups clamouring to make such dystopian dreams reality.

But what do people become in this grim and grotesque future? They are even less than peasants. Peasants, at least, have their dignity. They're something more like crops, as the Matrix once envisioned. Just things, resources, meat, to be farmed, to be cut down once they are useless, divided into more profitable and less profitable castes, whose fates are effectively sealed the moment they are born.

What does a society in which people are quite literally selling the inviolable, whether their rights, bodies, futures, or families, to feed predatory capitalism look like? Well, it cannot really be a democracy, because its most fundamental principle — that a people's rights cannot be sold out from under them, that some are inalienable — no longer exists. It is likely to be a genuinely brutal and horrifying place to be, one where such things as decency, humanity, and trust simply cannot flourish at all. It is likely to be something like a techno-autocracy, a place where the erasure of rights, the emergence of authoritarianism, and the teeth of predatory capitalism all converge and combine to form a system for the near-perfect plundering and perversion of human possibility.

Now. Those are two pretty grim outcomes. But there is also a third and a fourth. Third is a glorious socialist revolution, so beloved of the fringe American left. LOL, do you see that happening anytime soon? I don't. So let's dispense with that one (sorry, Brooklyn).

So fourth is reform and renewal of the system of predatory capitalism that is at breaking point. Perhaps Americans will understand all the above, and demand working institutions again. Maybe their leaders will alter laws, codes, and rules, to set hard limits on how much profit is allowed at the cost of severe harm to people, society, cities, towns, and kids.

And perhaps their own leaders of commerce, industry, and business will act a little more constructively. Maybe they will realize that being predatory capitalists is not a worthwhile goal — not just because it fails at providing meaning, but because increasingly, predatory capitalism will be a tough sell outside America. And that is really the point.

I fear that it is too late for Americans to learn the difficult and terrible lesson of the hypergrowth of predatory capitalism. Remember how fast Epien prices spiked? **Once a predatory system is created, and it begins to feed, it begins to consume that which created it — and it will not often stop until it is done.** So predatory systems are dangerous playthings — something like mythical demons or witches, they grow more ravenous the more they are fed, and are only satisfied when they have destroyed the very fallow fields of their own creation. That is the monstrous lesson in American predatory capitalism eating its way through everything until nothing, at last, was left.

Humans being are little, blind things. Sometimes, it's easier to keep on feeding the machine — even if it's eating you alive, limb by limb — than it is to build a new one. And that is the problem inside the problem. So while Americans may now be incapable of really learning the lesson predatory capitalism teaches, because they have been taught for too long that being feasted upon is a sign of virtue and goodness, the world is surely watching all this, appalled. It is shaking its head, and saying, “those poor Americans. What hope do they really have?” Are they right? Only history will tell.

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