



Global Ethics Corner: Market Capitalism Questioned

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The financial crisis may severely erode the ability of the United States to promote market capitalism. The ability to preach persuasively on the virtues of market reform is gone. Backlash against markets will probably go too far, with adverse results for economic recovery and democracy around the world.

We are seeing increased anti-Americanism, since the global economic slowdown is rooted in the U.S. mortgage market. We may expect heightened state intervention, protectionism, and mercantilism as governments enter into arrangements that guarantee preferential domestic outcomes.

When the global financial meltdown makes life worse for the world's poor, many may link the U.S. model of democratic capitalism with global misery. The financial crisis also makes American taxpayers and NGOs less able to provide foreign aid to help the world's poor. U.S. investors will be under considerable pressure to create jobs at home. U.S. tax policy is likely to favor domestic job creation and investment.

Will people associate U.S. power with "global misery" or with the opportunity and pluralism that Obama's victory represents? There is clearly a need to reflect on the future of market capitalism.

What are your views?

Adapted from an [article](#) by [Devin Stewart](#) on [Policy Innovations](#)

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