

Kajsa Ekis Ekman was born in Stockholm 1980. She is a journalist and author of two books, “Being and being bought” about trafficking in women, and “Stolen Spring” about the eurocrisis and its consequences for Greece. Her books have been translated into several languages and she lectures around the world about crisis theory, women’s rights and Latin American politics. She is a critic at Sweden’s major daily Dagens Nyheter and an op-ed writer for the newspaper ETC. She is the founder of the climate action movement Klimax and the solidarity network NFG.

Following is the full text of her TEDx Talk: Everybody Talks About Capitalism – But What is It? at *TEDxAthens*.

TRANSCRIPT:

We heard today about inventions, about economy and about war, but there’s one word that has not been mentioned the whole day and, yet, is the force that drives all of these things.

Okay, I’m not a Jehovah’s Witness that’s talking about God, right? It’s another word, “capitalism.”

Do you know what that is? What is it then? I didn’t hear anything.

See, that’s the interesting thing. When I went to school, I learned that we were living in a society that was governed by democracy, right? And if you didn’t know exactly how many MPs were in your parliament, you didn’t pass the test.

So when I got out of school and I looked for a job and I got a job, I didn’t see no democracy there. The boss was ruling like in a dictatorship.

When I was going to buy my first apartment, I didn’t see no democracy

there either. When you go to the stores, where's democracy?

And I realized there is another force that's guiding society that's much more powerful than democracy, and this force is capitalism.

Now, I know what you're thinking now, that I'm going to talk about capitalism being bad and all that. It's not the point.

The point is we have to understand what this thing is, we have to understand the mechanisms of it. I came to this point when I came to Athens in 2011 to write my book about the euro crisis.

This was at a time when — When I landed in Athens, Syntagma was full of tents, full of people talking, having meetings and things like that, sharing experiences. It was a time when the whole European media was talking about Greeks being lazy, not working enough, retiring too early and so on, facts that later on have been disproven.

I mean, I've been an investigative journalist for about ten years. I don't think it's ever been so easy for me to check facts. I looked at the ECB, the OECD, the ILO, Eurostat, and you see that nowhere are those facts to be proven.

However, when I was going around Sweden and talking what were the causes of the crisis, I realized that crises today are much more difficult to understand than, say, 500 years ago. Five hundred years ago, as the historian Fernand Braudel describes really well, crises were easy to explain.

There were too many people and too little food.

When population grew at the same time as there was a natural disaster, all of a sudden people didn't have enough to eat. Today's crises look very

different.

We have stores full of food, but outside, there are people who are hungry and begging for money. So, there must be something wrong in the mechanism.

Now, let me give you a definition of capitalism. A lot of people think capitalism is free market, it's free choice, it's individualism - No. Capitalism is production for profit in private hands, as opposed to, for example, what's happening in China, where we have state's capitalism, where the state produces for profit, but it's not owned in private hands; or as opposed to production in private hands that's not made for profit.

So, capitalism is when the production of goods and services is done for the sake of profit and is in private hands.

Now, this is the total opposite of a market. In a market, the principle, as Marx described, is product - money - product. A farmer might go to the market with eggs, get money for the eggs, and with this money, buy some milk, right? So, the money is just a tool.

Now, a capitalist works the other way around, starts with money. Either you take a loan or you have money to invest. You make your product just to end up with more money than you had in the beginning.

So, the principle is money - product - more money, right?

Now, capitalism isn't good or bad in itself. It doesn't have a moral. The point is it doesn't have a plan, it doesn't have a responsibility, because in every company's goal is only that thing: to end up with more money at the end.

It doesn't have a responsibility for the climate, or the economy, or the country, or the world.

Now, the point is here that capitalism isn't the same all the time. It takes many forms. It can take the form of imperialism, as we know; it can take the form of a free-market type of capitalism; it can take the form of vampire capitalism as we saw in Russia in the '90s, when people were just robbing the hell out of the economy.

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What I'm going to try to describe here is the changes that capitalism has gone through over the last 40 years, which has brought us to this period where crises are happening one after the other in the whole world.

Because capitalism, mind you, doesn't always lead to crisis. As the economist Andrew Kleiman has said, you cannot blame capitalism for crisis. That is as blaming plane crashes on gravity. I mean, gravity is always there, right? But planes do not always crash.

And as a matter of fact, in the post-war period, 1945 to 1973, the West didn't see a single crisis. It was a time when profits went up at the same time as salaries went up. The working classes became consuming classes for the first time in big parts of the West, could buy a TV, could buy cars, could go on vacation and things like that.

Now, in 1973, what happened? The oil crisis. After the oil crisis, all of a sudden, profits went down all over the West.

Now, of course, bearing in mind that if you have a company the point is to make profit, what does a company do when they no longer can make profit? Well, one way is to go bankrupt. Another way is to cut costs.

So, companies all over the West started cutting costs, meaning the cost of labor, lowering salaries, which of course meant also attacking trade

unions. You had to do that in order to be able to push down salaries, as much as they did.

They got political help in the beginning of the '80s with Regan and Thatcher, who launched major attacks on trade unions all over Britain and America.

Another strategy when profits went down was financialization. Now, as you might remember, finance had been a very repressed part of the economy since the Great Depression. Of course, because in the Great Depression, in 1929, they saw what would happen if you had an unregulated financial sector.

It led to a big bubble that then crashed, and millions were unemployed. So, after the Great Depression, they installed regulation for finance. Right?

Now, in the beginning of the '80s, investors were pushing for these regulations to be taken away, in order to - as you remember, the formula money - product - money - to shorten this formula and make money off of money.

So, just money - money; that is the finance sector.

So, also in Britain and in America, regulations were taken away. So, all of a sudden, banks could lend as much as they wanted, they could have as high interest rates as they wanted, they didn't have to have a distinction between the money that people put in the bank to save and the money they use for speculation.

The so-called Glass-Steagall law was taken away as well. So, this led to financial explosion, and later on when new innovations came in finance, they were totally freed from regulation.

The third strategy was privatization. Now, this is very smart, if you think about it, for a capitalist because if your product is, like, chewing gum, in a crisis, maybe that's not the first thing that people are going to buy. It doesn't matter, like, if you make a new package, or if you put a green-tea taste, or ginger taste, or mix all these different things in your chewing gums.

If people don't have money, that's not the first thing they're going to get. But if you look at the important things of life - what are these? Water, electricity, communications, health, school, education, things like that - The problem was you couldn't make profit off of these because these used to be owned by the state.

Now, capitalists all over the West said, "Why don't we try to get in there? Because of course, if there's a crisis people will still want water, they're still going to want education."

So, all these sectors were privatized, from the '80s and onwards, bit by bit. And I know that people here tend to think that Sweden is this kind of social democratic paradise, where everything is public and we all get money for free.

Let me tell you that we have actually gone further than most countries in deregulating and privatizing things. I mean, today in Sweden, you can buy a school - McDonald's can buy a school, and take money off of the state, put a half of it in Cayman Islands and go bankrupt.

So, Sweden isn't really what it used to be either. So, these three strategies, combined of course with the fact that China and Soviet Union later on were included in the whole capitalist world economy, have changed a lot of things.

Now, what happened was, in the U.S., they managed to put salaries so low

that people in the U.S. now needed to have two, three jobs to survive. How then were they going to consume products? And that's like every capitalist dilemma, because what you want is of course your workers should not earn that much, so you cut costs, but the workers of all the other companies should earn a lot, ideally, so they can buy your products.

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Now, if all the companies succeed in pushing down wages, nobody is there to consume. So that was a problem.

But then, what came in? The loans. Remember the second strategy, financialization. So, loans came in, so now all these people in the U.S. working three jobs were told, "Well, you can just take loans! If you take loans, you can get a new house and so on. Don't worry, the interest rate is very low."

Nobody saw that it went up after two or three years. So, when all that got together, we had the breakdown that we had in 2008.

Normal people in the U.S. had one capitalist on each shoulder. One of them of course is the company owner that you work for, that's, you know, taking off of your work every day. The other one was the bank.

When one of them wasn't paying enough to satisfy the needs of the other one, things broke down. Who had to step in and solve the whole thing? The taxpayers again, these same workers.

Now, going back to Europe, the European industrialists had their own strategy in attacking falling profits. In 1983, the major European industrialists met in Paris; the initiative of the CEO of Volvo, a Swedish guy – I don't know if I should be proud – Pehr Gustaf Gyllenhammar. He called his colleagues up in Europe and he said, "Listen, guys, we have a

problem. The European industry is going bad, Japan is going ahead of us, the US is going ahead, we need to do something.”

So, they all met in Paris. Of course these were all like competing companies that normally would have hated each other, but now they decided to collaborate. They said, “The problem in Europe is we have too many different governments, that decide different things, right? So, we need a unit that can impose the same rules in the same market, in the whole of Europe.”

Now, before that, I don’t know if you remember, we had the European Community. If you opened a newspaper in the 1970s and tried to read about the European Community, there wouldn’t be anything there about it. Why? Because the European Community wasn’t really that much of a thing.

What it was was fine words about peace, and about brotherhood, agricultural subsidies, but not much more than that.

Now, these industrialists that met decided to develop the European Community into what is now known as the European Union. Unfortunately, they haven’t really gotten credit for it, and a lot of them are writing memoirs saying, “Why are people giving credit to politicians when it was us, you know, the capitalists. We did this. Nobody’s thanking us!”

So, they wrote a manifesto back in 1983 called “Europe 1990,” that then became the basis of the Maastricht Treaty, that laid the foundation of what is now the European Union, and later transformed into the euro.

So, we can see that the same thing happened when the American crisis came over to Europe, mutated into euro crisis, and all of a sudden the flaws of the scheme were exposed.

Now, I'm realizing I only have a couple of minutes here to preach, like, a world revolution, so I don't think that's going to happen.

But I want to ask you to think of something: with the crisis that we have today, the crisis of the three Es - economy, ecology and energy - do you think this system will be able to solve this crisis by itself? Are there mechanisms in companies that are taking care of these things?

You know, there's a famous quote: "The market is a good servant, but it's a bad master, and it's a worse religion."

Now, I want you to think of: what if we brought back democracy as it was intended to be? And some of you will tell us, "No, of course we already have democracy." Yeah, in one sense, we do, but if you were to understand the full meaning of what democracy might be, not only voting every four years, but having democracy in all sectors of society, democracy also in the workplace, democracy everywhere, I think there's only one thing that cannot be democratic, and that's love, unfortunately, you know.

It's just bound to be like that, you can do nothing about it, though you might have democracy in your relationship once you get one. But I want you to think of that. Are they going to solve it? And if they're not going to solve it, who will?

Thank you.

Recommended Book/Course for Further Reading:

[Capitalism in Crisis: The global economic crisis explained](#)

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