DOWNLOAD PDF MONEY MANAGER CAPITALISM AND REVERSE REDISTRIBUTION

Chapter 1 : The differences between capitalism and socialism

Book description: The "managerial revolution," or the rise of management as a distinct and vital group in industrial society, might be identified as a major development of the modernization processes, similar to the scientific and industrial revolutions.

As the U. Each side minimizes the concerns of the other, and each seems to believe that its desired policies are sufficient to ensure prosperity and social stability. Inequality is indeed increasing almost everywhere in the postindustrial capitalist world. But despite what many on the left think, this is not the result of politics, nor is politics likely to reverse it, for the problem is more deeply rooted and intractable than generally recognized. Inequality is an inevitable product of capitalist activity, and expanding equality of opportunity only increases it -- because some individuals and communities are simply better able than others to exploit the opportunities for development and advancement that capitalism affords. Despite what many on the right think, however, this is a problem for everybody, not just those who are doing poorly or those who are ideologically committed to egalitarianism -- because if left unaddressed, rising inequality and economic insecurity can erode social order and generate a populist backlash against the capitalist system at large. Over the last few centuries, the spread of capitalism has generated a phenomenal leap in human progress, leading to both previously unimaginable increases in material living standards and the unprecedented cultivation of all kinds of human potential. Much of the political and institutional history of capitalist societies, in fact, has been the record of attempts to ease or cushion that insecurity, and it was only the creation of the modern welfare state in the middle of the twentieth century that finally enabled capitalism and democracy to coexist in relative harmony. In recent decades, developments in technology, finance, and international trade have generated new waves and forms of insecurity for leading capitalist economies, making life increasingly unequal and chancier for not only the lower and working classes but much of the middle class as well. The right has largely ignored the problem, while the left has sought to eliminate it through government action, regardless of the costs. Neither approach is viable in the long run. Some of its elements have existed in human societies for ages, but it was only in the seventeenth and eighteenth centuries, in parts of Europe and its offshoots in North America, that they all came together in force. Throughout history, most households had consumed most of the things that they produced and produced most of what they consumed. Only at this point did a majority of the population in some countries begin to buy most of the things they consumed and do so with the proceeds gained from selling most of what they produced. The growth of market-oriented households and what came to be called "commercial society" had profound implications for practically every aspect of human activity. Prior to capitalism, life was governed by traditional institutions that subordinated the choices and destinies of individuals to various communal, political, and religious structures. The advent of capitalism gave individuals more control over and responsibility for their own lives than ever before -- which proved both liberating and terrifying, allowing for both progress and regression. Commodification -- the transformation of activities performed for private use into activities performed for sale on the open market-allowed people to use their time more efficiently, specializing in producing what they were relatively good at and buying other things from other people. New forms of commerce and manufacturing used the division of labor to produce common household items cheaply and also made a range of new goods available. The result, as the historian Jan de Vries has noted, was what contemporaries called "an awakening of the appetites of the mind" -- an expansion of subjective wants and a new subjective perception of needs. This ongoing expansion of wants has been chastised by critics of capitalism from Rousseau to Marcuse as imprisoning humans in a cage of unnatural desires. But it has also been praised by defenders of the market from Voltaire onward for broadening the range of human possibility. Developing and fulfilling higher wants and needs, in this view, is the essence of civilization. Because we tend to think of commodities as tangible physical objects, we often overlook the extent to which the creation and increasingly cheap distribution of new cultural commodities have expanded what one might call the means of self-cultivation. For the history of capitalism is also the history of the extension of communication, information, and entertainment -- things to think with, and about. Among the earliest modern commodities were printed books in the first instance, typically the Bible , and their shrinking price and increased availability were far more historically momentous than, say, the spread of the internal combustion engine. So, too, with the spread of newsprint, which made possible the newspaper and the magazine. Those gave rise, in turn, to new markets for information and to the business of gathering and distributing news. In the eighteenth century, it took months for news from India to reach London; today, it takes moments. Books and news have made possible an expansion of not only our awareness but also our imagination, our ability to empathize with others and imagine living in new ways ourselves. Capitalism and commodification have thus facilitated both humanitarianism and new forms of self-invention. Over the last century, the means of cultivation were expanded by the invention of recorded sound, film, and television, and with the rise of the Internet and home computing, the costs of acquiring knowledge and culture have fallen dramatically. Formal or informal barriers to equality of opportunity, for example, have historically blocked various sectors of the population -- such as women, minorities, and the poor -- from benefiting fully from all capitalism offers. But over time, in the advanced capitalist world, those barriers have gradually been lowered or removed, so that now opportunity is more equally available than ever before. The inequality that exists today, therefore, derives less from the unequal availability of opportunity than it does from the unequal ability to exploit opportunity. And that unequal ability, in turn, stems from differences in the inherent human potential that individuals begin with and in the ways that families and communities enable and encourage that human potential to flourish. The household is not only a site of consumption and of biological reproduction. It is also the main setting in which children are socialized, civilized, and educated, in which habits are developed that influence their subsequent fates as people and as market actors. To use the language of contemporary economics, the family is a workshop in which human capital is produced. Over time, the family has shaped capitalism by creating new demands for new commodities. It has also been repeatedly reshaped by capitalism because new commodities and new means of production have led family members to spend their time in new ways. As new consumer goods became available at ever-cheaper prices during the eighteenth century, families devoted more of their time to market-oriented activities, with positive effects on their ability to consume. Male wages may have actually declined at first, but the combined wages of husbands, wives, and children made higher standards of consumption possible. Economic growth and expanding cultural horizons did not improve all aspects of life for everybody, however. The fact that working-class children could earn money from an early age created incentives to neglect their education, and the unhealthiness of some of the newly available commodities white bread, sugar, tobacco, distilled spirits meant that rising standards of consumption did not always mean an improvement in health and longevity. And as female labor time was reallocated from the household to the market, standards of cleanliness appear to have declined, increasing the chance of disease. The late eighteenth and early nineteenth centuries saw the gradual spread of new means of production across the economy. This was the age of the machine, characterized by the increasing substitution of inorganic sources of power above all the steam engine for organic sources of power human and animal , a process that increased productivity tremendously. As opposed to in a society based largely on agriculture and cottage industries, manufacturing now increasingly took place in the factory, built around new engines that were too large, too loud, and too dirty to have a place in the home. Work was therefore more and more divorced from the household, which ultimately changed the structure of the family. At first, the owners of the new, industrialized factories sought out women and children as employees, since they were more tractable and more easily disciplined than men. But by the second half of the nineteenth century, the average British workingman was enjoying substantial and sustained growth in real wages, and a new division of labor came about within the family itself, along lines of gender. Men, whose relative strength gave them an advantage in manufacturing, increasingly worked in factories for market wages, which were high enough to support a family. The nineteenth-century market, however, could not provide commodities that produced goods such as cleanliness, hygiene, nutritious meals, and the mindful supervision of children. Among the upper classes, these services could be provided by servants. But for most families, such services were increasingly provided by wives. This caused the rise of the breadwinner-homemaker family, with a division of labor along gender lines. Many of the improvements in health, longevity, and education from the mid-nineteenth to the mid-twentieth century, de Vries has argued, can be explained by this reallocation of female labor from the market to the household and, eventually, the reallocation of childhood from the market to education, as children left the work force for school. In such societies, as Marx noted, the economic system was oriented toward stability -- and stagnancy. Capitalist societies, by contrast, have been oriented toward innovation and dynamism, to the creation of new knowledge, new products, and new modes of production and distribution. All of this has shifted the locus of insecurity from nature to the economy. This posed a problem, because in a dynamic capitalist market, unemployment was a distinct possibility. The division of labor created by the market meant that many workers had skills that were highly specialized and suited for only a narrow range of jobs. The market created shifting wants, and increased demand for new products meant decreased demand for older ones. Men whose lives had been devoted to their role in the production of the old products were left without a job and without the training that would allow them to find new work. And the mechanization of production also led to a loss of jobs. From its very beginnings, in other words, the creativity and innovation of industrial capitalism were shadowed by insecurity for members of the work force. The bourgeoisie has, through its exploitation of the world market, given a cosmopolitan character to production and consumption in every country. To the great chagrin of reactionaries, it has drawn from under the feet of industry the national ground on which it stood. All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilized nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the production of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations. In the twentieth century, the economist Joseph Schumpeter would expand on these points with his notion that capitalism was characterized by "creative destruction," in which new products and forms of distribution and organization displaced older forms. Unlike Marx, however, who saw the source of this dynamism in the disembodied quest of "capital" to increase at the expense, he thought, of the working class , Schumpeter focused on the role of the entrepreneur, an innovator who introduced new commodities and discovered new markets and methods. The dynamism and insecurity created by nineteenth-century industrial capitalism led to the creation of new institutions for the reduction of insecurity, including the limited liability corporation, to reduce investor risks; labor unions, to further worker interests; mutualaid societies, to provide loans and burial insurance; and commercial life insurance. In the middle decades of the twentieth century, in response to the mass unemployment and deprivation produced by the Great Depression and the political success of communism and fascism, which convinced many democrats that too much insecurity was a threat to capitalist democracy itself , Western democracies embraced the welfare state. Different nations created different combinations of specific programs, but the new welfare states had a good deal in common, including old-age and unemployment insurance and various measures to support families. The expansion of the welfare state in the decades after World War II took place at a time when the capitalist economies of the West were growing rapidly. The success of the industrial economy made it possible to siphon off profits and wages to government purposes through taxation. The demographics of the postwar era, in which the breadwinner-homemaker model of the family predominated, helped also, as moderately high birthrates created a favorable ratio of active workers to dependents. Educational opportunities expanded, as elite universities increasingly admitted students on the basis of their academic achievements and potential, and more and more people attended institutions of higher education. And barriers to full participation in society for women and minorities began to fall as well. The result of all of this was a temporary equilibrium during which the advanced capitalist countries experienced strong economic growth, high employment, and relative socioeconomic equality. Economic liberalization in China, India, Brazil, Indonesia, and other countries in the developing world has allowed hundreds of millions of people to escape grinding poverty and move into the middle class. Consumers in more advanced capitalist countries, such as the United States, meanwhile, have experienced a radical reduction in the price of many commodities, from clothes to televisions, and the availability of a river of new goods that have transformed their lives. Most remarkable, perhaps, have been changes to the means of self-cultivation. As the economist Tyler Cowen notes, much of the fruit of recent developments "is in our minds and in our laptops and not so much in the revenue-generating sector of the economy. Many of the great films of the twentieth century, once confined to occasional showings at art houses in a few metropolitan areas, can be viewed by anybody at any time for a small monthly charge. Soon, the great university libraries will be available online to the entire world, and other unprecedented opportunities for personal development will follow. In , the sociologist Daniel Bell noted that in the advanced capitalist world, knowledge, science, and technology were driving a transformation to what he termed "postindustrial society. In a postindustrial, knowledge-based economy, the production of manufactured goods depended more on technological inputs than on the skills of the workers who actually built and assembled the products. That meant a relative decline in the need for and economic value of skilled and semiskilled factory workers -- just as there had previously been a decline in the need for and value of agricultural laborers. In such an economy, the skills in demand included scientific and technical knowledge and the ability to work with information. The revolution in information technology that has swept through the economy in recent decades, meanwhile, has only exacerbated these trends. One crucial impact of the rise of the postindustrial economy has been on the status and roles of men and women. Women, in contrast, whether by biological disposition or socialization, have had a relative advantage in human skills and emotional intelligence, which have become increasingly more important in an economy more oriented to human services than to the production of material objects. The portion of the economy in which women could participate has expanded, and their labor has become more valuable -- meaning that time spent at home now comes at the expense of more lucrative possibilities in the paid work force. This has led to the growing replacement of male breadwinner-female homemaker households by dual-income households.

Chapter 2 : Capitalism and Inequity - Joseph Conlin English

Contents: Situating "global corporate management" -- Managing in the middle kingdom: three investment projects in China -- Presencing projects: a social reality of construction -- High finance and contemporary crisis capitalism -- The turn to enchantment: investing in projects -- Wagging the dog: the financialization of sociality -- Money manager capitalism and reverse redistribution -- In.

What are the differences between capitalism and socialism? By Osi Momoh Updated January 6, â€" 3: Their distinctions are many, but perhaps the fundamental difference between capitalism and socialism lies in the scope of government intervention in the economy. The capitalist economic model allows free market conditions to drive innovation and wealth creation; this liberalization of market forces allows for the freedom of choice, resulting in either success or failure. The socialist-based economy incorporates elements of centralized economic planning , utilized to ensure conformity and to encourage equality of opportunity and economic outcome. Ownership In a capitalist economy, property and businesses are owned and controlled by individuals. In a socialist economy, the state owns and controls the major means of production. In some socialist economic models, worker cooperatives have primacy over production. Other socialist economic models allow individual ownership of enterprise and property, albeit with high taxes and stringent government controls. Equity The capitalist economy is unconcerned about equity in the sense of equality. The argument is that inequality is the driving force that encourages innovation, which then pushes economic development. The primary concern of the socialist model, in contrast, is an equitable redistribution of wealth and resources from the rich to the poor, out of fairness and to ensure "an even playing field" in opportunity and outcome. Efficiency The capitalist argument is that the profit incentive drives corporations to develop innovative new products that have demand in the marketplace. It is argued that the state ownership of the means of production leads to inefficiency because without the motivation to earn more money, management, workers and developers are less likely to put forth the extra effort to push new ideas or products. Employment In a capitalist economy, the state does not directly employ the workforce. This can lead to unemployment during times of economic recession. In a socialist economy, the state is the primary employer. During times of economic hardship, the socialist state can order hiring, so there is full employment even if workers are not performing tasks that are particularly useful. Mixed Economy Some countries incorporate both the private sector system of capitalism and the public sector enterprise of socialism to overcome the disadvantages of both systems. These countries are referred to as having mixed economies. In these economies, the government intervenes to prevent any individual or company from having a monopolistic stance and undue concentration of economic power. Resources in these systems may be owned by both state and individuals.

Chapter 3 : The Bear Market Economics Phenomenon: Reverse Wealth Redistribution: The Reverse-Mortg

No amount of redistribution of wealth under capitalism, through government spending, union contracts or any other method, can overcome the class inequality that flows from the right of the capitalists to own not only the means of production, but all the products of production.

Megan Erickson Tech tycoons, beloved entertainers, and dazzling athletes nearly always come up in heated debates over taxes. What about Harry Potter? Neoliberal economists argue that figures like Steve Jobs, J. Rowling, and LeBron James should make more money than the rest of us. After all, we â€" the consumers â€" are the ones buying their products. Their higher pay creates the incentive necessary for the hard work and innovation that even the lazy among us benefit from. Advocates for low taxes on the wealthy deliberately choose examples from tech and entertainment, suggesting that the elite are great innovators truly cut from a different cloth. His great contribution to the human endeavor? Most people understand this and believe the rich should pay more in taxes. But the socialist justification for taxes is grounded in a view â€" not often captured in opinion polls â€" about how capitalist wealth is actually created. To explore it, we first need to understand what taxes are and what non-socialists think about them. Tax policy does two things in capitalist society. First, it determines what share of the total economic pie will be managed by the public, in the form of government revenue, and how much will be left to the use of private actors like individuals and corporations. Second, it stipulates how that public share is divvied up between the competing needs and wants of individuals, organizations, and corporations. The first is about resource control while the second is a matter of allocation. Even when a government takes in high tax revenue, it does not necessarily put it to progressive ends. In a capitalist economy, where productive resources remain privately owned, socialists call for a significant portion of the social product to be controlled publicly and democratically redistributed downward. In this view, even if the government has decided democratically to tax the rich at a higher rate, taxation remains fundamentally unjust. But socialists should not fall back on the common liberal criterion for taxation: First, that taxes are a kind of necessary evil for those that are being taxed. Or, alternatively, that taxing the rich more is just being fair. Should fairness then trump individual rights? Why do socialists hate freedom so much? The socialist view of redistribution within a capitalist society must reject an important premise at play in nearly all tax policy debates: The capitalist economy is not self-regulating. The first precondition for firms to earn profits is state-enforced property rights, which give some people ownership and control over productive resources while excluding others. Second, governments have to manage labor markets to help ensure that the skill needs of firms are met. States do this through setting immigration and education policies. All capitalist states also try to mitigate labor market risks, whether it be the risk of labor scarcity for firms or unemployment for workers. Third, most capitalists want states to enforce anti-trust, contract, criminal, property, and tort laws, as it makes market interactions more predictable and reliable. And finally, the capitalist economy needs a working infrastructure. Even most libertarians argue that state control over the money supply and interest rates is necessary to spur or slow growth when the economy needs it. All of this is done with taxes. In short, the very notion of pre-tax income or profits is a bookkeeping trick. The socialist case for taxation and progressive redistribution is built from three basic factors of how capitalism works. First, as just explored, personal incomes and corporate profits are not simply the result of individual work and business competition â€" instead they are part of a broader social product. The total income generated in a capitalist society is the result of a collective social effort, made possible by a specific social and legal architecture, and channeled through both publicly funded and privately controlled and financed institutions. Second, the class inequality that results from making this social product is relational. Capitalists are able to accumulate large stores of wealth only because workers do not. All things being equal, firms can raise their profits in inverse proportion to the labor costs they bear. The condition for this relationship is, once again, political and maintained through tax revenue. Of course, hard work, guile, and luck afford some workers the ability to become capitalists. But the basic structure of capitalism, in which a small number own most of the productive assets, guarantees that the vast majority of people will at best spend their lives earning wages, but never profits. Taxation provides a partial remedy to that essential, structural inequality of capitalist society. Third, redistribution through taxation is a means of extending individual freedom â€" not curtailing it, as libertarians contend. Freedom, according to the liberal theorist Isaiah Berlin , has a dual composition. With respect to coercion, taxes fund a variety of public provisions that offer citizens some measure of freedom from the private tyranny of firms. They form the entire basis of the state apparatus that, in a capitalist system, is the only force whose power exceeds that of the capitalist class as a whole. Without laws prohibiting slavery , written by legislatures and enforced in courts sustained by the public coffers, people would be compelled by threat of violence or starvation to work for no money at all. Without regulations, like those that demand at least minimal workplace safety or the ones that compel management to engage in collective bargaining, workers would lose what little say they have in how their work is organized. In the context of tax policy, however, positive freedom matters as well. Such freedom requires resources. In capitalist societies with low levels of redistribution, positive freedom is a zero-sum game in which a few enjoy a great deal of such abilities at the expense of many others. Tax policy that divides the social product in such a way that allows some people to live opulent lives while others scrape by cannot be said to promote freedom. The public education system , for example, which offers citizens the opportunity to develop knowledge and skills in pursuit of both collective and individual ambitions, is a bedrock of positive freedom that can only be sustained through taxation. In a truly socialist society, the combination of political and economic equality would offer everyone a far greater degree of both negative and positive freedom than they enjoy under capitalism. Until we realize that world, progressive redistribution through taxation is both a means to redress structural inequalities and the primary way we can expand and extend freedom to as many people as possible. But we are headed down the wrong path. Over the past few decades, financial gains from growing labor productivity have primarily flowed to the top while tax rates on top earners have been drastically lowered and now approach pre-New Deal levels. Such increases also go a long way in generating the revenue needed to finance a universal health care system, increase Social Security benefits, and rebuild our crumbling infrastructure. Most would agree that we all deserve to live in a society where we are given what we deserve, are free, and have the capacity to be creative and reach our potential. As unglamorous as it may seem, redistributive taxation is a step in this direction.

Chapter 4 : Why Welfare and Redistribution Saves Capitalism from Itself - Evonomics

Chapter 6 Money Manager Capitalism and Reverse Redistribution (pp.) A brief note on some of the commonplace ideas and widespread misconceptions about the idea of "global capitalism" is appropriate before proceeding with the inquiry.

Posted by Donna Rosato For an elderly person with few assets, a reverse mortgage can be a lifesaver: It enables cash-poor retirees to tap equity in their house for living expenses, home repairs or health care needs. If the amount owed is more than the value of the house, the lender eats the difference. In the meantime, the loan provides income, which you can take as a lump sum, monthly payout or line of credit drawn on as needed. But make no mistake: Reverse mortgages, which come with high fees and hefty interest charges, are a costly option and often sold by aggressive salespeople who push inappropriate financial products on vulnerable seniors. Louis on reverse mortgages. A year and a half ago, Sen. Comptroller of the Currency John Dugan earlier this month said reverse mortgages bear a striking similarity to the risky sub-prime mortgages that got so many Americans in financial hot water. Yet the number of people getting reverse mortgages keeps rising. Even as home values are falling leaving seniors with less equity to tap , more than , reverse mortgage loans were made in , up from about 22, in , according to the National Reverse Mortgage Lenders Association. Monthly reverse mortgage loan volume is setting records too, with nearly 9, reverse mortgages made in May. My colleague Walter Updegrave wrote about the problems with reverse mortgages last year, spelling out how greedy salespeople not only persuade seniors to take out high-commission reverse mortgages, but also convince them to spend the proceeds on high-priced financial products such annuities, boosting their commissions even more. Retiree advocates at AARP say that predatory lenders are also attempting to get seniors to use proceeds of their reverse mortgage to buy expensive long-term-care insurance. But in most cases, it makes more sense for seniors to use the payout for actual long-term care, not a hard-to-use insurance policy. Do you know anyone who is considering a reverse mortgage or has had a negative experience taking out a reverse mortgage? Tell us about that experience. I commented about my loan below. However, reading all the comments no one mentions the problem of loan management. The servicers at Bank of America seem to have turned over loan management to data collector CoreLogic. If you are living in your home with a HECM very difficult if you have no access to information and the Bank is supplied the wrong information about your account. Unlike a regular mortgage, you must adhere to an extremely difficult criteria for elderly people. If you are out of your home for more then 2 months, you must tell the Bank. Why is not clear. They appear to be constantly worried about this. So, if you are ill and in rehab, this could be a stressful time with the Bank. If you are out of your home for more then one year, even if it is health related and family is taking care of your home for you, you will hear from the Bank and it will be foreclosed. So, the most vulernable population, aging and with unpredictable futures, cannot rely on family to help even if they would. If you cannot have home care, you have no home, That is traumatic for those that are able to eventually live in their home and receive care but need medical intervention. You pay your taxes. But the Bank stalks you. It is wise to send them receipts every month because if you do not and they get the wrong information, it can become extremely difficult to fix. That happened to me because of CoreLogic. I pay taxes quarterly but someone I kept on hearing I was not paying my taxes. I also heard they were checking with a county. I pay my taxes to a city who pays the county. I have a grace period of 10 days before being late. Bank of America servicer says that will not be agreed to. And on I commented about my loan below. And on and on. Try to unwind that mess. I tried with NJ Banking and Insurance. Immediately told me to contact Comptroller. Comptroller literally puts it right back to the Bank and the Bank never acknowledges letters, calls, etc. Terrible people to deal with. The phone is the only tool. For senior citizens that can be very difficult. No ability to sit down and talk with someone about the problem. Very very bad arrangement for a loan. So, when you are old and you need the most help and the most patience, and you need to have a home, difficult to find employment, the HECM is the very worst loan you can get. And yes, the fees are outrageous! You pay a servicing fee up front to the year you turn You have to have mortgage insurance and that was 2 percent for me. Now it is less. I think that the attitude of customer service people dealing with the elderly is also very different then any customer service people I have spoken with during my life as a consumer. Not helpful and long silences so that you think they have hung up. You will need HUD counseling to get this loan but it is totally inadequate in preparing the consumer with the details of what will be required. YOu will also have to keep the house in good repair and of course, no one tells you what that is. Imagine, an old person in an old house and unless FHA says it needs repair, it is assumed all is well. Ask the building inspector in your town if your home is to code? That is the law. You also are able to see all the documents you are to agree to and sign BEFORE the day they come to have you sign them. Ask HUD these questions. What are your rights? Do not listen to any salesman. March 15, Again, this guy pretended to be affiliated with Countrywide. I asked him about the information I was hearing about Countrywide and he told me not to worry -- that is a" different division then the division I work for. As to the broker, he is an independent and has a webpage that says this. He came to my house a second time before I knew this and brought his own attorney. He and the attorney were paid and I have tried to figure out if the closing fees were bogus or reasonable. FHA never warned me in counseling about these types of brokers. I did not understand that this was going on. When I bought the house, I went to a real estate company and they were regulated and they were my agent. When I went to closing, I hired the attorney. One thing is broker said that I am sure is a lie -- the FHA has different standards for houses that they finance under a reverse mortgage then a regular mortage. Thus, no documentation about the survey, the deed, the insurance, etc. How can this be true? What is FHA doing here? Now there are complains in Washington about Reverse mortgages?? I dont reccomend a reverse mortgage unless you get a lawyer while you do it. One thing is broker said that I am sure is a lie -- the FHA has different standards for houses that they finance under a reverse mortgage then a regular mortgage. I dont recommend a reverse mortgage unless you get a lawyer while you do it. Posted By Sandra from Colorado: March 12, 1: January 20, 8: He came to my house and spent 1 hour here. He did not tell me he was not an employee. In fact, he made it seem as if he was an employee of Countrywide Bank. I did not know that Bank of America had already planned to buy the bank. He arranged for a FHA inspector. I assumed all was well. I later found out that the inspector filed a bogus report and that he had been reprimanded by the State of NJ that licensed him. The broker never sent me anything so I had no knowledge of the report until after the sale. I told the broker I was going to use the proceeds to bring my home up to code. It was all the money I had and all that I could do to stop the damage and the leaking. This was a house. I had little money and this house was all I had. November 16, 9:

Chapter 5 : Donâ€™t the Rich Deserve to Keep Their Money?

The allure of capitalism: an ethnography of management and the global economy in crisis. manager capitalism and reverse redistribution Money manager.

Instead of planning economic decisions through centralized political methods, as with socialism or feudalism, economic planning under capitalism occurs via decentralized and voluntary decisions. Capitalism and Private Property Private property rights are very important in capitalism. Once owned, the only legitimate means of transferring property are through trade, gifts, inheritance or wages. Private property promotes efficiency by giving the owner of resources an incentive to maximize its value. The more valuable a resource, the more trading power it provides the owner. In a capitalist system, the person who owns property is entitled to any value associated with the property. When property is not privately owned, but shared by the public, a market failure can emerge, known as the tragedy of the commons. The fruit of any labor performed with a public asset does not belong to the laborer, but is diffused among many people. There is a disconnect between labor and value, creating a disincentive to increase value or production. People are incentivized to wait for someone else to do the hard work and then swoop in to reap the benefits without much personal expense. For individuals or businesses to deploy their capital goods confidently, a system must exist that protects their legal right to own or transfer private property. To facilitate and enforce private property rights, capitalist societies tend to rely on contracts, fair dealing and tort law. Capitalism, Profits and Losses Profits are closely associated with the concept of private property. By definition, an individual only enters into a voluntary exchange of private property when he believes the exchange benefits him in some psychic or material way. In such trades, each party gains extra subjective value, or profit, from the transaction. Voluntary trade is the mechanism that drives activity in a capitalist system. The owners of resources compete with one another over consumers, who in turn compete with other consumers over goods and services. All of this activity is built into the price system, which balances supply and demand to coordinate the distribution of resources. A capitalist earns the highest profit by using capital goods most efficiently while producing the highest-value good or service. Profits are an indication that less valuable inputs have been transformed into more valuable outputs. By contrast, the capitalist suffers losses when capital resources are not used efficiently and instead create less valuable outputs. Capitalism and free enterprise are often seen as synonymous. In truth, they are closely related yet distinct terms with overlapping features. It is possible to have a capitalist economy without complete free enterprise, and possible to have a free market without capitalism. Any economy is capitalist as long as the factors of production are controlled by private individuals. However, a capitalist system can still be regulated by government laws and the profits of capitalist endeavors can still be taxed heavily. Although unlikely, it is possible to conceive of a system where voluntary individuals always trade in a way that is not capitalistic. Private property rights still exist in a free enterprise system, although private property may be voluntarily treated as communal without government mandate. Many Native American tribes existed with elements of these arrangements. If accumulation , ownership and profiting from capital is the central principle of capitalism, then freedom from state coercion is the central principle of free enterprise. Skilled workers lived in the city but received their keep from feudal lords rather than a real wage, and the farmers were essentially serfs for landed nobles. It took the Black Plague, one of the most devastating pandemics in human history, to shake up the system significantly. By killing scores of people in both town and countryside, the various plagues of the Dark Ages actually created a labor shortage. Nobles fought to hire enough serfs to keep their estates running and many trades suddenly needed to train outsiders, as entire guild families were wiped out. The advent of true wages offered by the trades encouraged more people to move into towns where they could get money rather than subsistence in exchange for labor. As a result of this change, birth rates exploded and families soon had extra sons and daughters who, without land to tend, needed to be put to work. Mercantilism Mercantilism gradually replaced the feudal economic system in Western Europe, and became the main economic system of commerce during the 16th to 18th centuries. Mercantilism started as trade between towns, but it was not necessarily competitive trade. Originally, each town had vastly different products and services that were slowly homogenized by demand over time. After the homogenization of goods, trade was carried out in wider and wider circles: When too many nations were offering similar goods for trade, the trade took on a competitive edge that was sharpened by strong feelings of nationalism in a continent that was constantly embroiled in wars. Colonialism flourished alongside mercantilism, but the nations seeding the world with colonies were not trying to increase trade. Most colonies were set up with an economic system that smacked of feudalism, with their raw goods going back to the motherland and, in the case of the British colonies in North America, being forced to buy the finished product back with a pseudo- currency that prevented them from trading with other nations. It was Adam Smith who noticed that mercantilism was not a force of development and change, but a regressive system that was creating trade imbalances between nations and keeping them from advancing. His ideas for a free market opened the world to capitalism. Fortunately, a new gold mine was found in the mechanization of industry. As technology leaped ahead and factories no longer had to be built near waterways or windmills to function, industrialists began building in the cities where there were now thousands of people to supply ready labor. For the first time in history, common people could have hopes of becoming wealthy. The new money crowd built more factories that required more labor, while also producing more goods for people to purchase. Contrary to popular belief, Karl Marx did not coin the word, although he certainly contributed to the rise of its use. Wages increased, helped greatly by the formation of unions, and the standard of living also increased with the glut of affordable products being mass-produced. This led to the formation of a middle class that began to lift more and more people from the lower classes to swell its ranks. The economic freedoms of capitalism matured alongside democratic political freedoms, liberal individualism and the theory of natural rights. This is not to say, however, that all capitalist systems are politically free or encourage individual liberty. Economist Milton Friedman , an advocate of capitalism and individual liberty, wrote in "Capitalism and Freedom" that "capitalism is a necessary condition for political freedom. Capitalism and Economic Growth By creating incentives for entrepreneurs to siphon away resources from unprofitable channels and into areas where consumers value them highly, capitalism has proven a highly effective vehicle for economic growth. There is no historical evidence of any society experiencing compound economic growth prior to the rise of capitalism in the 18th and 19th centuries. Research suggests global per-capita income was unchanged between the rise of agricultural societies through approximately , when the roots of the first Industrial Revolution took hold. In subsequent centuries, capitalist production processes have greatly enhanced productive capacity. More and better goods became cheaply accessible to wide populations, raising standards of living in previously unthinkable ways. As a result, most political theorists and nearly all economists argue that capitalism is the most efficient and productive system of exchange. The Differences Between Capitalism and Socialism In terms of political economy , capitalism is often pitted against socialism. The fundamental difference between capitalism and socialism is the scope of government intervention in the economy. The capitalist economic model allows free market conditions to drive innovation and wealth creation; this liberalization of market forces allows for the freedom of choice, resulting in either success or failure. The socialist-based economy incorporates elements of centralized economic planning , utilized to ensure conformity and to encourage equality of opportunity and economic outcome. In a capitalist economy, property and businesses are owned and controlled by individuals. In a socialist economy, the state owns and controls the major means of production. In some socialist economic models, worker cooperatives have primacy over production. The capitalist economy is unconcerned about equitable arrangements. The argument is that inequality is the driving force that encourages innovation, which then pushes economic development. The primary concern of the socialist model is the redistribution of wealth and resources from the rich to the poor, out of fairness and to ensure equality in opportunity and equality of outcome. Equality is valued above high achievement and the collective good is viewed above the opportunity for individuals to advance. The capitalist argument is that the profit incentive drives corporations to develop innovative new products that are desired by the consumer and have demand in the marketplace. It is argued that the state ownership of the means of production leads to inefficiency, because without the motivation to earn more money, management, workers and developers are less likely to put forth the extra effort to push new ideas or products. In a capitalist economy, the state does not directly employ the workforce. This can lead to unemployment during economic recessions and depressions. In a socialist economy, the state is the primary employer. During times of economic hardship, the socialist state can order hiring, so there is full employment. In addition, there tends to be a stronger "safety net" in socialist systems for workers who are injured or permanently disabled. Those who can no longer work have fewer options available to help them in capitalist societies. The proper role of government in a capitalist economic system has been hotly debated for centuries. Capitalism operates on two central tenets: These dual concepts are antagonistic with the nature of government. They do not engage voluntarily, but rather use taxes, regulations, police and military to pursue objectives that are free of the considerations of capitalism. Strictly speaking, any government intervention in a capitalist economy takes place outside the defined confines of capitalism. In fact, some argue that a capitalist society needs no government at all. Anarcho-capitalism , a term coined by Austrian-school economist Murray Rothbard, describes a market-based society with no government. Politics and taxes would not exist in an anarcho-capitalist society, nor would services like public education, police protection and law enforcement that are normally provided by government agencies. Instead, the private sector would provide all necessary services. For example, people would contract with protection agencies, perhaps in a manner similar to how they contract with insurance agencies, to protect their life, liberty and property. Victimless crimes, such as drug use, and crimes against the state, such as treason, would not exist under anarcho-capitalism. Assistance to the needy would be provided through voluntary charity instead of compulsory income redistribution welfare. The idea is that an anarcho-capitalist society would maximize individual freedom and economic prosperity; proponents argue that a society based on voluntary trade is more effective because individuals are willing participants and businesses have the profit incentive to satisfy customers and clients. Classical liberals, libertarians and minarchists free-market proponents argue that the government must have authority to protect private property rights through the military, police and courts. In the United States, Keynesian economists believe that macroeconomic forces within the business cycle require government intervention to help smooth things out; they support fiscal and monetary policy as well as other regulations on certain business activities. In contrast, Chicago School economists tend to support a mild use of monetary policy and a minimal level of regulation. When government does not own all of the means of production, but government interests may legally circumvent, replace, limit or otherwise regulate private economic interests, that is said to be a mixed economy or mixed economic system. A mixed economy respects property rights, but places limits on them: Property owners are restricted with regards to how they exchange with one another.

Chapter 6 : Wealth distribution and capitalism

The primary concern of the socialist model, in contrast, is an equitable redistribution of wealth and resources from the rich to the poor, out of fairness and to ensure "an even playing field" in.

No country has ever joined the modern, high-productivity, rich-country club without massive doses of redistribution, and universal government programs for social support and financial security. There are a zillion other measures you could plot, but they paint roughly the same picture. In this measure, the richest countries all devote fifteen to thirty percent of GDP to social spending. Now contrast these countries to all the countries that have eschewed those freedom-sapping, serf-ifying government programs, and that have emerged as thriving, prosperous utopias of liberty. How can we explain the complete and abject failure of those predictions? An explanation is perhaps not far to find. Along with its immense, world-changing, manifest benefits, market capitalism labors under that inescapable burden. A poorer person is more likely to spend an extra dollar in wealth or income than a richer person. And less spending means less production. Because lots of people spend money to buy them. How many iPhones would Apple have sold if all our wealth were concentrated in a few hands? Over the last year, by the way, Apple has sold circa 10 million devices. To get a feel for that: Absent those programs, countries never make it into the the rich-country club. Nobody would claim that those programs are sufficient to make a modern country rich. That would be silly. But based on the bare facts over the last century or two, it seems safe to say that they are necessary. Or to put it another way, and bring it right home to America: The New Deal saved capitalism from itself. FDR proved him wrong. Using a host of government programs, it resurrected the mighty American market engine from the depths of The Great Depression, and over three or four decades delivered the greatest burst of growth, productivity, and prosperity that this country â€” and this world â€” has ever seen. How did that happen? The New Deal shared the wealth in manifold and diverse manners, using a plethora of government programs, rules, and institutions. Cooperation, altruism, and sharing are what got us to the top of the food chain. We have another word for that: Competition is widely fetishized as a cure for all ills, but its adherents fail to realize its fundamental and undeniable virtue: Only a tiny handful of species, out of millions that have evolved over 4. Eusociality exists among a number of insect species, some crustaceans, and just a few mammal species â€” mole-rats, and notably, humans. Maybe because of our capacity for language, humans have developed as the globe-dominating eusocial species, sharing on a scale of millions and billions of individuals. Some wise souls will certainly point to another universal human activity â€” trade â€” as the greater driver of human success. I, for one, would not contest that. Very few of those countries have joined the club. As labor productivity spirals ever-upward â€” producing ever-more goods with less and less human labor â€” and as an ever-greater slice goes to owners 0f things versus doers of things, it gets harder for humans to lay claim to those goods merely through the sweat of their brows and the content of their character. Absent those widespread or universal claims to a decent slice of the pie â€” and the widespread iPhone-buying power that results â€” the machinery of market capitalism loses its necessary fuel, sputters, and grinds ever slower than it could or would otherwise. Happily, we know the solution to that problem. To put it simply: Prosperity requires a welfare state. Or to put it another way: Widespread prosperity both causes and is greater prosperity. I need to reply proleptically to the inevitable objections that always come up: Singapore and Hong Kong â€” city-states with populations of the Detroit and Philadelphia metro areas, respectively. Circa ninety percent of Singapore residents live in government-built housing. The health care system is based on a nationalized health insurance plan, and includes both subsidies and price controls. Hong Kong is a protected trading area operating under the authority of external nations â€” Britain, then China. Like Singapore, it has its Mandatory Provident Fund, other social support programs, and free public health care. Just out from this author, check out the latest figures on growth and prosperity in big-government Europe versus small-government U. And Changing the World. We spend hundreds of hours and lots of dollars each month creating, curating, and promoting content that drives the next evolution of economics.

Chapter 7 : Redistribution of income and wealth - Wikipedia

Money is good, therefore, because capitalism is good. It delivers the goods, literally, and better--broadly and individually--than does any other system. Hugo Chavez would argue that point, but he.

History[edit] In ancient times, redistribution operated as a palace economy. Another early form of wealth redistribution occurred in Plymouth Colony under the leadership of William Bradford. Free-market capitalist economies tend to feature high degrees of income redistribution. Likewise, the socialist planned economies of the former Soviet Union and Eastern bloc featured very little income redistribution because private capital and land income â€" the major drivers of income inequality in capitalist systems â€" was virtually nonexistent; and because the wage rates were set by the government in these economies. In his article Redistribution, [14] Dwight R. Instead, government takes from the relatively unorganized e. The most important factor in determining the pattern of redistribution appears to be political influence, not poverty. Another way is by restricting competition among producers. The inevitable consequenceâ€"indeed, the intended consequenceâ€"of these restrictions is to enrich organized groups of producers at the expense of consumers. Here, the transfers are more perverse than with Medicare and Social Security. They help relatively wealthy producers at the expense of relatively poor and, in some cases, absolutely poor consumers. Many government restrictions on agricultural production, for example, allow farmers to capture billions of consumer dollars through higher food prices see agricultural subsidy programs. Most of these dollars go to relatively few large farms, whose owners are far wealthier than the average taxpayer and consumer or the average farmer. Two other common types of governmental redistribution of income are subsidies and vouchers such as food stamps. These transfer payment programs are funded through general taxation, but benefit the poor or influential special interest groups and corporations. Social Security program redistributes income from the rich to the poor, but the majority of those receiving Social Security earned their benefits through tax withholding from their paychecks or quarterly income statements, and most benefits are indexed to the actual earning levels of individual workers. Only the highest- and lowest-income workers fall outside normal rates. Contrary to popular belief, a recent study [18] found that, overall, the Social Security System was slightly regressive against the poor and not redistributive, once important factors were taken into account for example, the longer life expectancy of the wealthy when compared to the poor gives them more years to collect benefits. Governmental redistribution of income may include a direct benefit program involving either cash transfers or the purchase of specific services for an individual. Medicare is one example. This is a direct benefit program because the government is directly providing health insurance for those who qualify. The difference between the Gini index for the income distribution before taxation and the Gini index after taxation is an indicator for the effects of such taxation. Before-and-after Gini coefficients for the distribution of wealth can be compared. Objectives[edit] The objectives of income redistribution are to increase economic stability and opportunity for the less wealthy members of society and thus usually include the funding of public services. One basis for redistribution is the concept of distributive justice , whose premise is that money and resources ought to be distributed in such a way as to lead to a socially just , and possibly more financially egalitarian , society. Another argument is that a larger middle class benefits an economy by enabling more people to be consumers , while providing equal opportunities for individuals to reach a better standard of living. Seen for example in the work of John Rawls ,[citation needed] another argument is that a truly fair society would be organized in a manner benefiting the least advantaged, and any inequality would be permissible only to the extent that it benefits the least advantaged. Some proponents of redistribution argue that capitalism results in an externality that creates unequal wealth distribution. This view was associated with the underconsumptionism school in the 19th century, now considered an aspect of some schools of Keynesian economics ; it has also been advanced, for different reasons, by Marxian economics.

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"money manager capitalism." Others have used terms like "financialization," "casino capitalism," or even "neoliberalism" (outside the United States) and "neoconservatism".

Chapter 9 : Emil A. RÃ¸yrvik: The Allure of Capitalism (ePUB) - ebook download - english

A year and a half ago, Sen. McCaskill began investigating problems associated with reverse mortgages, including predatory lending, aggressive marketing and the potential risks to the federal government -- which insures 90% of reverse mortgage loans.