

Why neoliberalism is failing

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This is [from the FT](#) this morning:

For every dollar the top US public companies spend on investment, they are returning eight or nine dollars to shareholders.

In one sentence the whole crisis of neoliberal capitalism is succinctly summarised. And it is not that much different here.

When the cost of capital is low and investment should, as a result, be a top priority for business it is investing tiny amounts and is instead fuelling inequality by paying exceptional dividend returns and by buying back shares to boost share prices and so trigger executive bonus schemes.

No wonder people have no faith in big business.

No wonder the rhetoric of the capitalist entrepreneur is so hollow.

No wonder no one believes the claim that business needs tax cuts in order to invest: it already has all the cash it needs to do that.

But it uses that cash to fuel inequality.

This is what it's game is about. And radical reform is needed.