

In Episode 1, John and Ellen introduce two stories that people sometimes tell about capitalism:

John Biewen: People can, and do, tell simple, one-sided stories about capitalism. Here's one: It unleashed human ingenuity, leveraged the power of investment and technology and competition, and sparked unimaginable leaps in the material lives of most people on the planet.

Ellen McGirt: Here's another: Capitalism triggered a new epoch of exploitation and extraction, and produced unheard-of inequality and alienation, all while doing catastrophic damage to our natural world.

John Biewen: Is either story too simple by itself? What if both are essentially true?

Think about what John and Ellen share about each story. (It may be helpful to listen to [Episode 1, 10:19-15:03](#), or skim the [Episode 1 transcript, pp. 10-15](#), to refresh your memory.)

Then, examine sources that present some of the evidence people point to when making different arguments about capitalism's impact. As John and Ellen suggest, these two stories do not necessarily cancel each other out. Notice how some people and sources provide evidence connected to both stories, and consider how the stories might complicate or add to one another.

Part	Guiding Questions
Part 1 One Story About Capitalism	• What evidence do people point to when arguing that capitalism has helped create greater prosperity, innovation, and higher material standards of living? • Where, if at all, do you see examples of these ideas in your own life, your community, or the wider world?
Part 2 Another Story About Capitalism	• What evidence do people point to when arguing that capitalism has also contributed to inequality, economic insecurity, and environmental damage? • Where, if at all, do you see examples of these ideas in your own life, your community, or the wider world?
Part 3 Reflect on Both Stories	• How do the sources in Part 2 complicate, qualify, or add to the ideas presented in Part 1? • What picture of capitalism emerges from the sources you examined? • What are your biggest reflections and questions?

Part 1 One Story About Capitalism

These sources present some of the evidence people point to when arguing that capitalism has helped create greater prosperity, innovation, and higher material standards of living.

Source

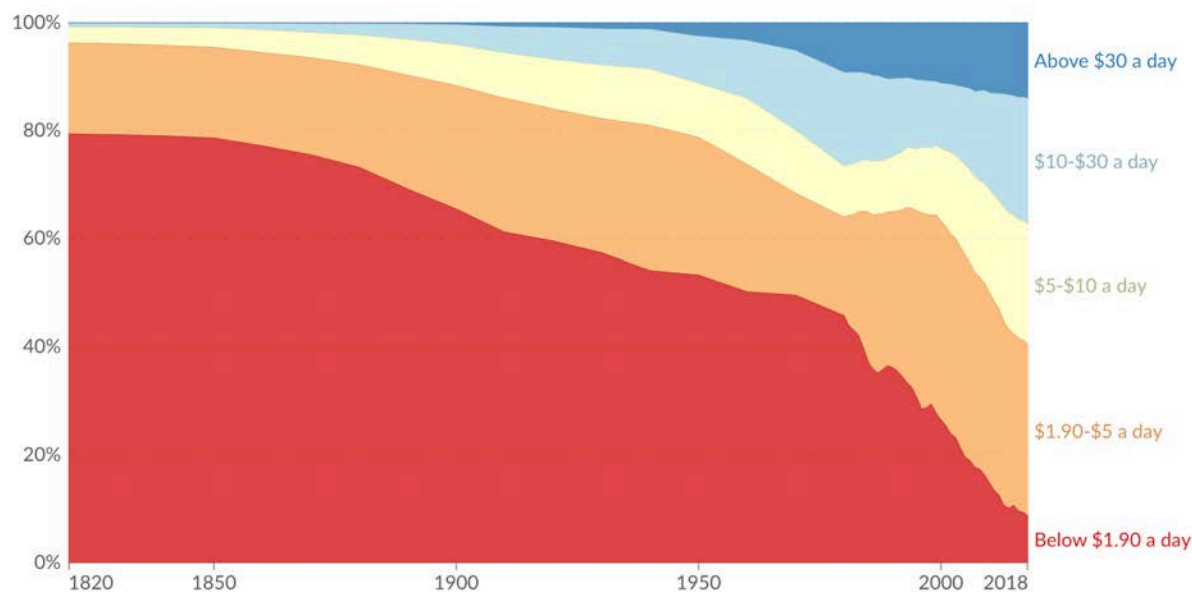
Excerpt from ["The short history of global living conditions and why it matters that we know it"](#) by Max Roser for Our World in Data (December 14, 2016)

According to the organization's website, Our World in Data is "produced as a collaborative effort" between researchers at the University of Oxford and the non-profit organization Global Change Data Lab. Our World in Data was founded by Max Roser in 2011 with the aim of making data and research "accessible and understandable to empower those working to build a better world." All visualizations, data, and articles produced by Our World in Data are completely open access under the [CC BY 4.0](#) license.

Distribution of population between different poverty lines, World, 1820 to 2018

Our World
in Data

This data is adjusted for inflation and differences in living costs between countries. Data after 1981 relates to household income or consumption surveys collated by the World Bank; before 1981 it is based on historical reconstructions of GDP per capita and inequality data.



Data source: Michalis Moatsos (2021; 2022)

OurWorldinData.org/poverty | CC BY

Note: Data is measured in international-\$ at 2011 prices.

The chart shows that almost 10% of the world's population lives in extreme poverty. It also tells us that two hundred years ago, the same was true for nearly 80% of the world's population. In 1820, only a small elite enjoyed higher living standards, while the vast majority of people lived in conditions that we call extreme poverty today. Since then, the share of extremely poor people has

fallen continuously. More and more world regions industrialized and achieved economic growth, which made it possible to lift more people out of poverty. In 1950, about half the world lived in extreme poverty; in 1990, it was still more than a third. By 2019, the share of the world population in extreme poverty had fallen below 10%.

That is a considerable achievement. For me, as a researcher who focuses on growth and inequality, it may be humanity's most significant achievement in the last two centuries.

Excerpt from [“My Remarks at the 2023 Democracy Forum,”](#) delivered by President Barack Obama on November 3, 2023, available via Medium

Barack Obama served as the 44th president of the United States from 2007 to 2017. A member of the Democratic Party, he is the nation's first African American President.

According to its [website](#), The Obama Foundation's Democracy Forum is an annual convening that “brings together leaders, activists, and changemakers to tackle some of the most pressing challenges facing democracy today.” In 2023, the forum's focus was “The Future of Democracy.” Obama's remarks included the topic of capitalism.

The market-based economic system we commonly know as capitalism has been the greatest generator of wealth and innovation that the world has ever seen. Some of you may think that's controversial, but it really is hard to argue otherwise.

Before the Industrial Revolution*, economic growth barely budged, and the average person struggled to scrounge up enough to eat, for centuries, millennium. And then the combination of scientific advances, combined with market-based principles, caused production to explode and standard of living to accelerate.

The main alternative to capitalism that emerged, a communist system based on centralized command and control planning, worked better in theory than in practice. Ask China, which shifted from a command and control model to a more market-based system and managed, within a few decades, the unprecedented feat of lifting hundreds of millions of people out of extreme poverty.**

The bottom line is this: While there may be, in fact, better ways than capitalism to organize the productive capacity of large modern societies, we haven't discovered those systems yet.

* [History.com](#) describes the Industrial Revolution as “a period of scientific and technological development in the 18th century that transformed largely rural, agrarian societies – especially in Europe and North America – into industrialized, urban ones. Goods that had once been painstakingly crafted by hand started to be produced in mass quantities by machines in factories, thanks to the introduction of new machines and techniques in textiles, iron making and other industries.”

** China's shift from a command economy to a more market-based system happened gradually. Many experts point to 1978 as the start of this transition.

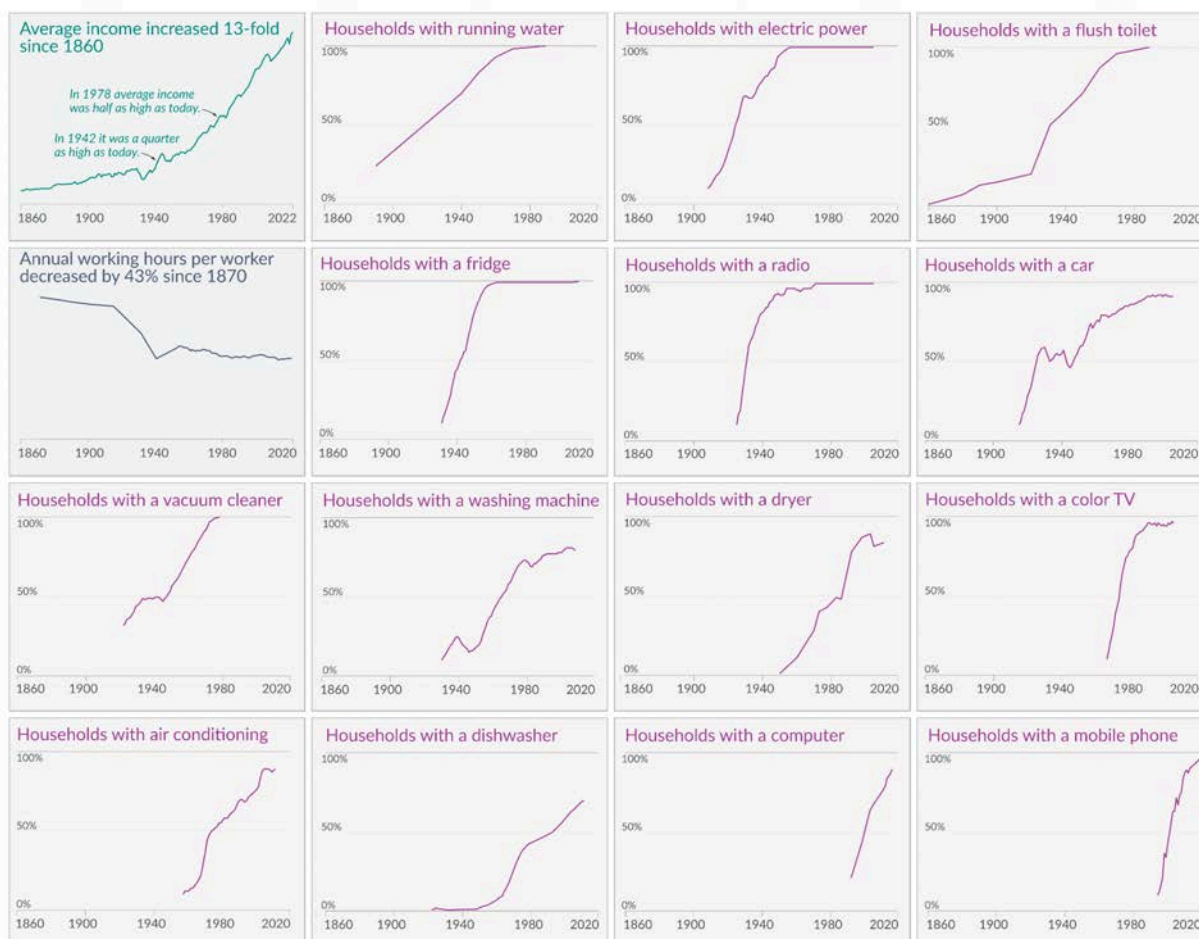
“What did economic growth mean for US households?” by Max Roser for Our World in Data (July 28, 2025)

According to the organization’s website, Our World in Data is “produced as a collaborative effort” between researchers at the University of Oxford and the non-profit organization Global Change Data Lab. Our World in Data was founded by Max Roser in 2011 with the aim of making data and research “accessible and understandable to empower those working to build a better world.” All visualizations, data, and articles produced by Our World in Data are completely open access under the [CC BY 4.0](#) license.

Roser explains economic growth as “an increase in the quantity or quality of the many goods and services that people produce.” Over the past two centuries, the United States has experienced dramatic economic growth. This chart shows changes that occurred as the U.S. economy grew.

What did economic growth mean for US households?

Our World
in Data



Data sources: Household technology data from Horace Dediu, Comin and Hobijn (2004), and other sources collated by Our World in Data. GDP per capita from Maddison Project Database which relies on Sutch, R. (2006) for US data for the 19th century.

CC-BY | Max Roser

Part 2 Another Story About Capitalism

The following sources present some of the evidence people point to when arguing that capitalism has also contributed to inequality, economic insecurity, and environmental damage.

Source

Excerpt from ["The short history of global living conditions and why it matters that we know it"](#) by Max Roser for Our World in Data (December 14, 2016)

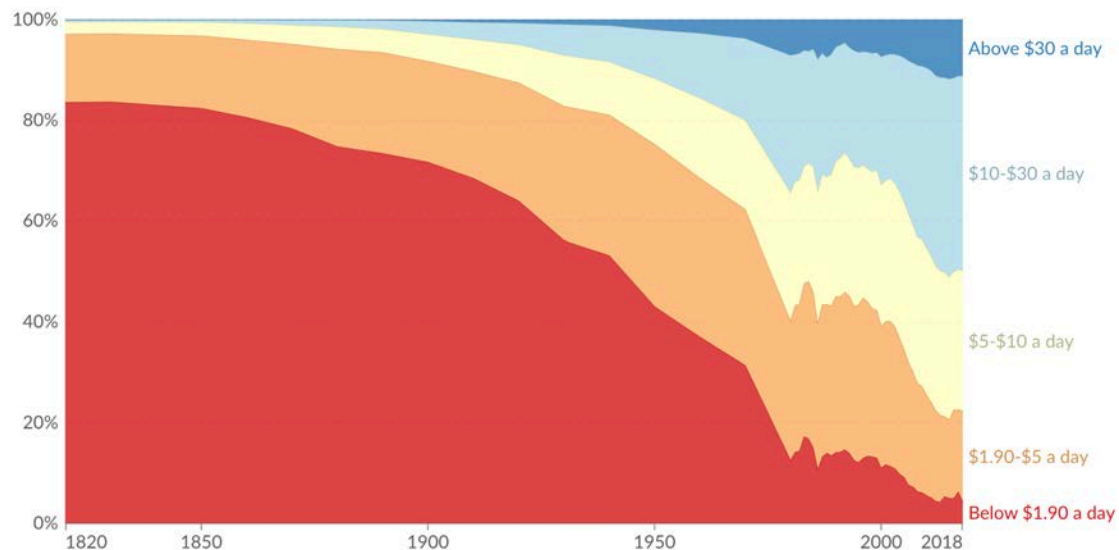
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The chart in Part 1 shows the distribution of the world's population between poverty lines over time; the charts below show the distribution by region over time.

Distribution of population between different poverty lines, Latin America and Caribbean (Moatsos), 1820 to 2018

Our World
in Data

This data is adjusted for inflation and differences in living costs between countries. Data after 1981 relates to household income or consumption surveys collated by the World Bank; before 1981 it is based on historical reconstructions of GDP per capita and inequality data.



Data source: Michalis Moatsos (2021; 2022)

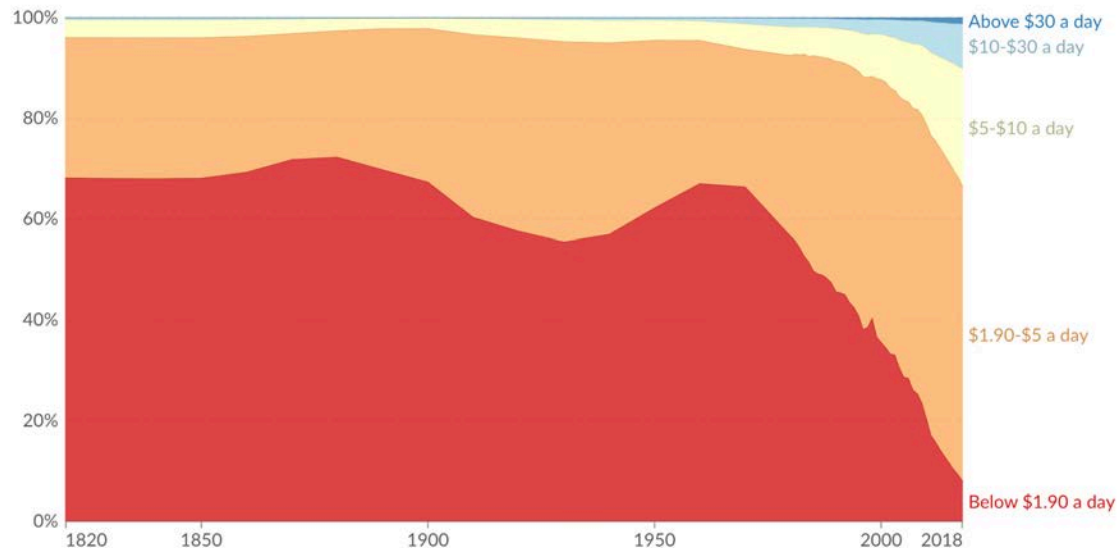
Note: Data is measured in international-\$ at 2011 prices.

OurWorldinData.org/poverty | CC BY

Distribution of population between different poverty lines, South and South-East Asia (Moatsos), 1820 to 2018

Our World
in Data

This data is adjusted for inflation and differences in living costs between countries. Data after 1981 relates to household income or consumption surveys collated by the World Bank; before 1981 it is based on historical reconstructions of GDP per capita and inequality data.



Data source: Michalis Moatsos (2021; 2022)

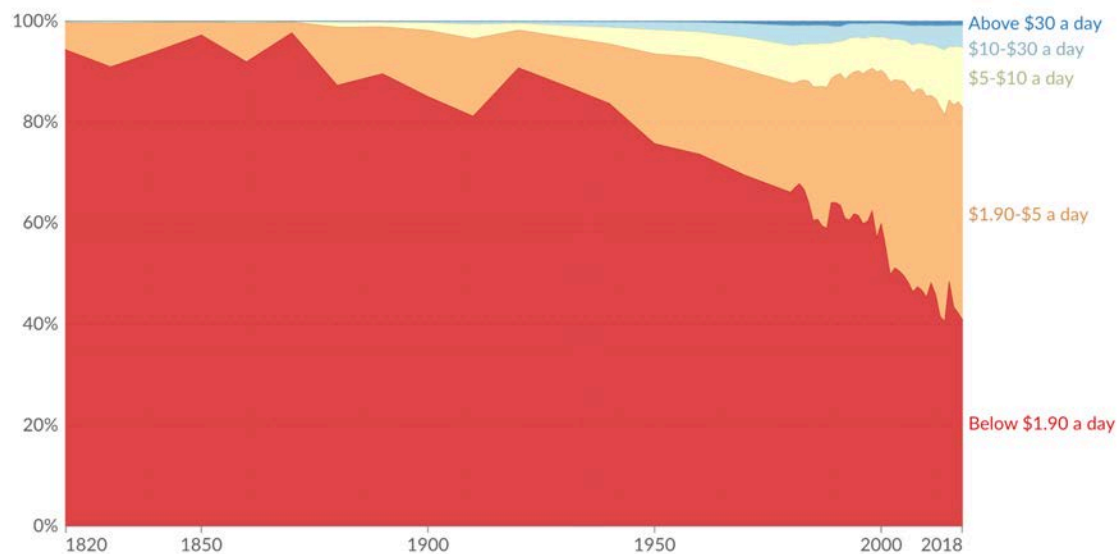
Note: Data is measured in international-\$ at 2011 prices.

OurWorldinData.org/poverty | CC BY

Distribution of population between different poverty lines, Sub-Saharan Africa (Moatsos), 1820 to 2018

Our World
in Data

This data is adjusted for inflation and differences in living costs between countries. Data after 1981 relates to household income or consumption surveys collated by the World Bank; before 1981 it is based on historical reconstructions of GDP per capita and inequality data.



Data source: Michalis Moatsos (2021; 2022)

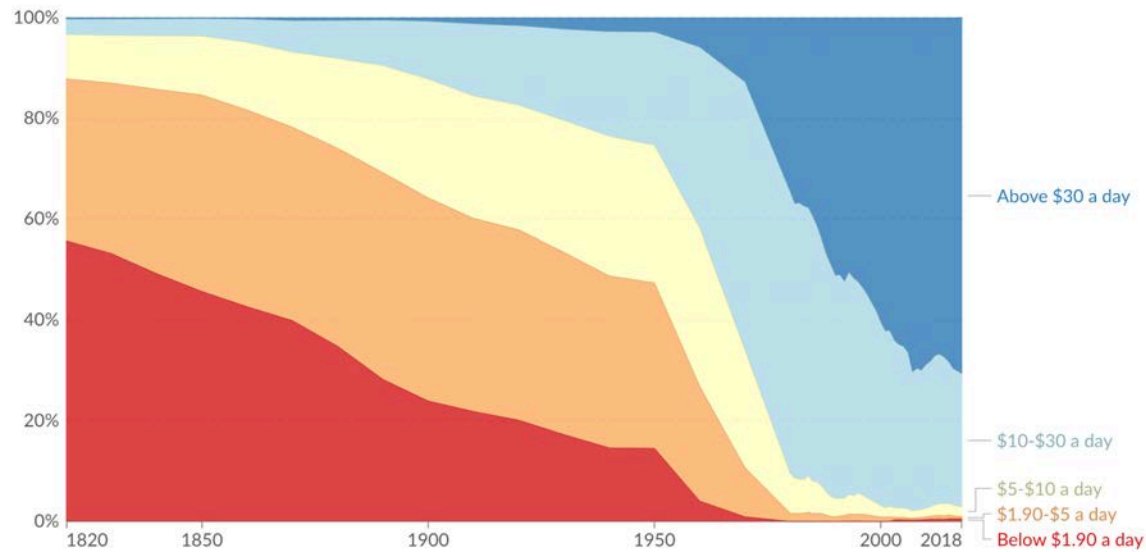
Note: Data is measured in international-\$ at 2011 prices.

OurWorldinData.org/poverty | CC BY

Distribution of population between different poverty lines, Western Europe (Moatsos), 1820 to 2018

Our World in Data

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Data source: Michalis Moatsos (2021; 2022)

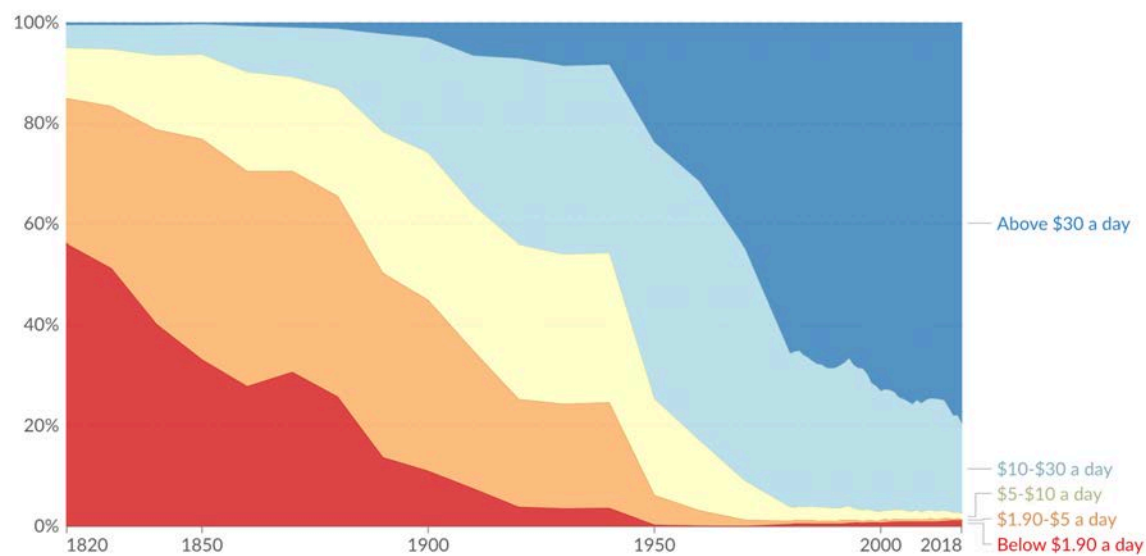
Note: Data is measured in international-\$ at 2011 prices.

OurWorldinData.org/poverty | CC BY

Distribution of population between different poverty lines, Western offshoots (Moatsos), 1820 to 2018

Our World in Data

This data is adjusted for inflation and differences in living costs between countries. Data after 1981 relates to household income or consumption surveys collated by the World Bank; before 1981 it is based on historical reconstructions of GDP per capita and inequality data.



Data source: Michalis Moatsos (2021; 2022)

Note: Data is measured in international-\$ at 2011 prices.

OurWorldinData.org/poverty | CC BY

Note: The term “Western offshoots” refers to the United States, Canada, Australia, and New Zealand – countries with histories of European settlement and with close cultural and economic ties to Western Europe.

It is important to know that it is possible to make progress against poverty because despite two centuries of progress, poverty remains one of the very largest problems in the world. The majority of the world population still lives in poverty: Almost every tenth person lives in extreme poverty, and two-thirds live on less than \$10 per day. In rich countries, a person is considered poor when she or he lives on less than \$30 per day; if we rely on this poverty definition, then we find that 85% of the world lives in poverty. Much more progress is needed.

Source

Excerpt from "My Remarks at the 2023 Democracy Forum," delivered by President Barack Obama on November 3, 2023, available via Medium

Barack Obama served as the 44th president of the United States from 2007 to 2017. A member of the Democratic Party, he is the nation's first African American President.

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This excerpt of the speech continues from the excerpt shared in Part 1.

But just because an economic system generates wealth and innovation, it doesn't mean it guarantees a good society. Because from the outset, it turns out market-based systems have been compatible with slavery, caste systems, colonialization, war, exploitation, corruption, fraud, autocracy, the poisoning of our natural environment.

Fortunately, thanks to the accumulated efforts, bit by bit, of reformers and organizers and visionaries, not so different from many of you, some, mostly democratic governments, began to recognize the need to moderate capitalism's excesses.

Especially after the Great Depression and World War II, governments began making public investments in education and transportation, scientific research and housing. They constructed a social safety net to protect at least some of their citizens from destitution. They granted workers the right to organize, passed laws to protect consumer and environment, enacted policies designed to maintain the integrity of the financial system, to prevent monopolies and bring the system back into balance.

Now, granted these developments were uneven, some countries overregulated, others

underregulated, some opted for a more generous safety net, others left too many people to fend for themselves. But by the 1990s, as the Iron Curtain* came down, the consensus was that the economic debate had been settled. There was going to be the spread of the free market as far as the eye can see, global trade would steadily increase, and all this would lead to the advance of western style liberal democracies around the world. Also, everybody would be able to buy Big Macs.

Most of you came of age just as that consensus was starting to unravel.

Why is that? Well, it turned out that things like globalization, automation, the internet, allowed big corporations and high finance to set up and do business anywhere, shift money around, trillions, with a click of a button. And not surprisingly, many of them shifted money and operations to places with lower wages, lower taxes, fewer regulatory constraints, because for multinational corporations and high finance, that meant lower costs, higher profits, a bigger rate of return.

That meant workers lost bargaining power, small businesses couldn't compete, local economies were gutted, and we were left with a winner-take-all economy that dramatically increased inequality within countries, between countries, between cities and rural areas.

The other thing is that as business and finance went global, governments, including democratic governments, had more trouble enforcing tax laws and regulations, and trying to bring balance to the economy.

In democratic countries, unequal economic power translated into unequal political power, and the wealthiest people and the largest corporations who could afford lobbyists and political donations were able to press to weaken labor laws, ease regulations, slash taxes, punch holes in the safety net, and reduce government investment in public goods.

Meanwhile, China and Russia showed once again that capitalism actually could function quite nicely under authoritarian and/or corrupt regimes.

Meanwhile, the financial crisis in 2008, just as I was about to become president, as well as the pandemic a decade later, showed how, in a more connected world, vulnerabilities anywhere could put every economy at risk.

What does this mean for ordinary people? Even in the richest countries, all these trends led to stagnant wages, lower savings, more debt, greater job insecurity, higher costs, and maybe most profoundly, increasing doubt that their children would be able to match, much less exceed their own living standards.

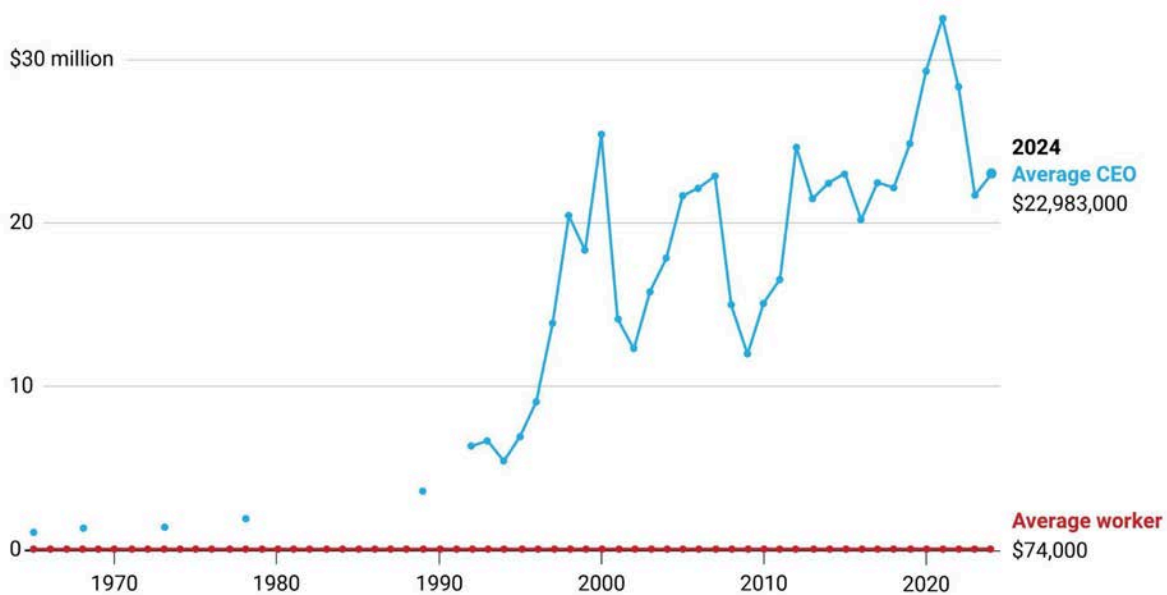
* The term "Iron Curtain" refers to the political and ideological boundary that separated the Soviet Union and its Eastern European communist allies from noncommunist nations in Western Europe. When Obama says the Iron Curtain "came down," he refers to the collapse of the Soviet Union and other communist governments in Eastern Europe.

Source

“CEO and Worker Compensation, 1965-2024” created by the Kenan Institute for Ethics at Duke University using data from the [Economic Policy Institute](#)

According to the organization’s website, the Economic Policy Institute (EPI) is “a leader in the movement for economic justice. We use the tools of economics to win policy change that advances power for workers, economic security for families, and racial and gender equity in our nation.” The graph below presents data compiled by analysts at the EPI.

Annual compensation for CEOs compared with all private-sector workers



Note: Compares compensation for CEOs at top 350 U.S. firms by sales with the workers in those firms' industries. CEO compensation is realized, rather than granted.

Sources: Economic Policy Institute analysis of data from Compustat's ExecuComp database, the Federal Reserve Economic Database, the Bureau of Labor Statistics, and the Bureau of Economic Analysis

Excerpt from "The American Condition" from *Rebuilding American Capitalism: A Handbook for Conservative Policymakers* by American Compass

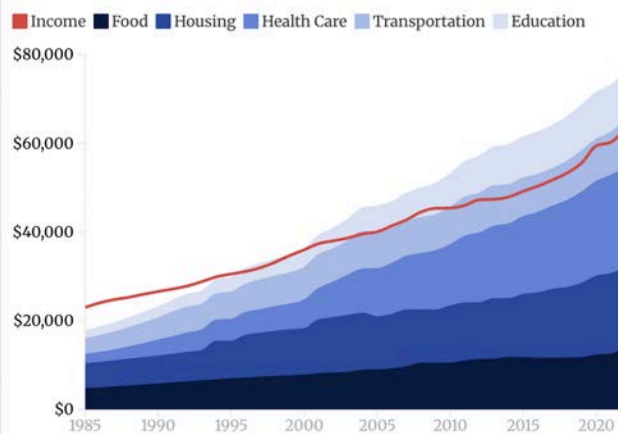
According to the American Compass website, the organization exists to develop "the conservative economic agenda to supplant blind faith in free markets with a focus on workers, their families and communities, and the national interest." American Compass was founded in 2020 by conservative policy commentator and economist Oren Cass, who served as the domestic policy director for Republican Mitt Romney's 2012 presidential campaign.

The breakdown in American capitalism over the past half-century is most apparent in its failure to deliver widespread prosperity for the American people. Success requires more than just rising material living standards: For citizens to flourish, they must have access to good jobs that pay family-supporting wages. For the nation to flourish, its growth and opportunities must be broadly shared. Capitalism is unique in that it can achieve these results, but no principle of economics guarantees that it will. To preserve what is good and necessary in our free enterprise system, we must be willing to recognize what has broken down and commit to rebuilding.

With wages stagnating and inequality rising, the costs of supporting a family have quickly outstripped a worker's ability to do so. In 1985, a typical male worker could provide middle-class security for a family of four (food, housing, health care, transportation, education) on 40 weeks of earnings, leaving a comfortable cushion for other expenses and savings. In 2022, providing that same middle-class security would require 62 weeks—a problem, there being only 52 weeks in a year.

Typical Jobs No Longer Provide Middle-Class Security

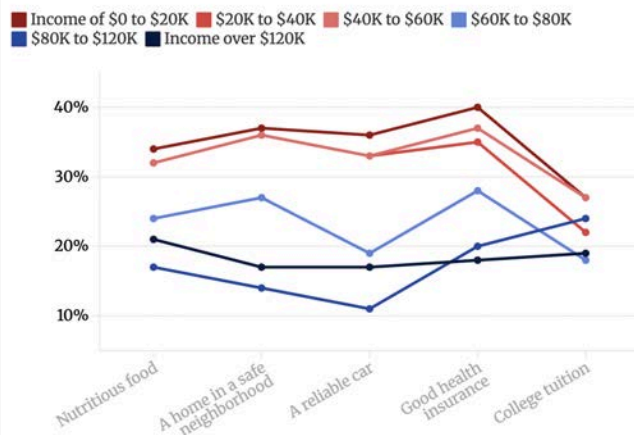
Major costs for a middle-class family of four vs. median male income (nominal dollars)



Source: American Compass Cost-of-Thriving Index (2023)

Widespread Worry about Affording the Basics

Share answering "Frequently" to "How much do you worry about your family's ability to afford each of the following?"



Source: American Compass Family Affordability Survey (2023) • N = 1,000 American parents
Note: Response options were "Frequently," "Sometimes," "Rarely," and "Not at all."

Source

Excerpt from **"CO₂ and Greenhouse Gas Emissions"** by Hannah Ritchie, Pablo Rosado, and Max Roser for Our World in Data (2023; updated 2026)

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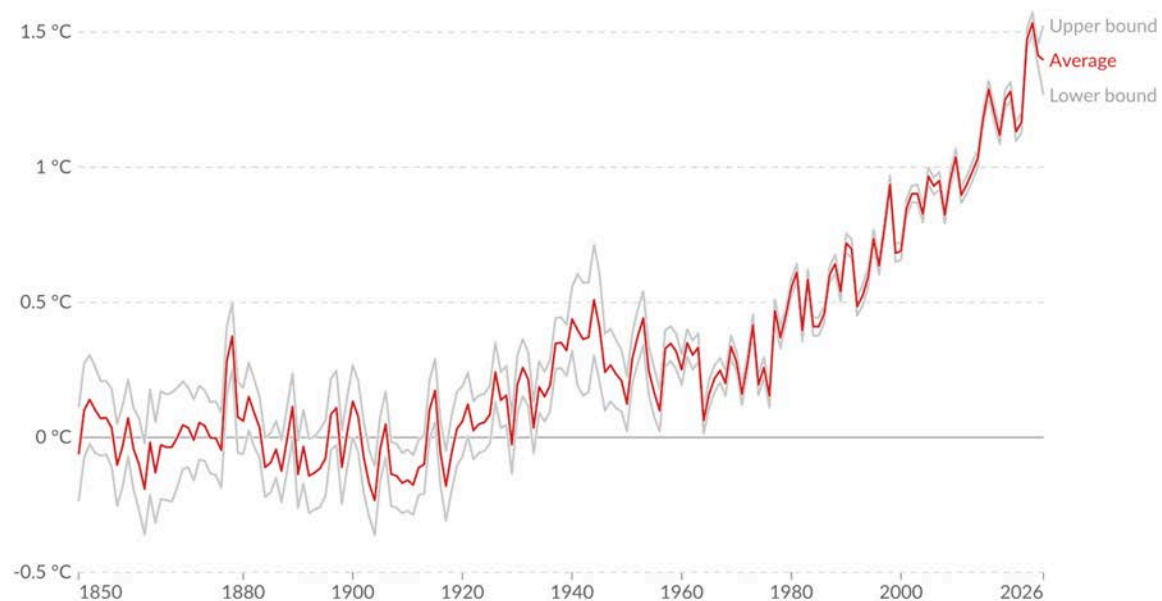
Human emissions of carbon dioxide [CO₂] and other greenhouse gases are the primary drivers of the global rise in temperatures. This link between global temperatures and greenhouse gas concentrations – especially CO₂ – has been true throughout Earth's history.

In the chart, we see the global average temperature relative to a baseline, which is the average between 1861 and 1890. This gives us an estimate of the temperature increase compared to "pre-industrial"* times. Average global temperatures have risen by approximately 1.3°C since then (with even higher anomalies in the last few years).

Temperature change relative to the pre-industrial period, World

Our World
in Data

Temperature anomaly, measured as the difference between the average land-sea surface temperature in a given year and the 1861-1890 mean, in degrees Celsius.



Data source: Met Office Hadley Centre - HadCRUT5 (2026)

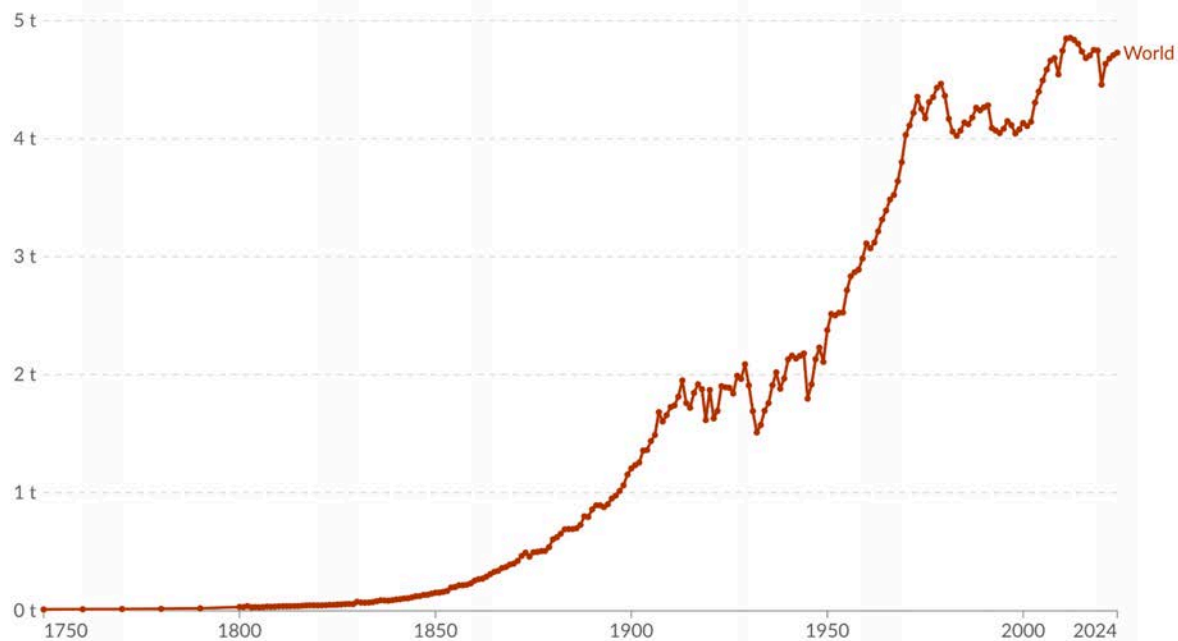
OurWorldinData.org/co2-and-greenhouse-gas-emissions | CC BY

Note: The period 1861-1890 is used as the baseline to measure temperature changes relative to pre-industrial times, [as recommended by the source](#).

CO₂ emissions per capita

Our World
in Data

Carbon dioxide (CO₂) emissions from burning fossil fuels and industrial processes. This includes emissions from transport, electricity generation, and heating, but not land-use change.



Data source: Global Carbon Budget (2025); Population based on various sources (2024)
OurWorldinData.org/co2-and-greenhouse-gas-emissions | CC BY

* "Pre-industrial" refers to the era before the Industrial Revolution, when most production relied on human labor, animal power, and relatively small-scale tools and workshops. As industrialization spread, factories, steam engines, and other technologies increasingly relied on fossil fuels, leading to a dramatic rise in greenhouse gas emissions.