

‘Profit motive is the core issue’: US economist critiques American capitalism

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In recent months, the US abuse of tariffs against a wide range of countries and regions, as well as China-US economic negotiations, have drawn global attention. Amid political and media-driven narratives of a "China threat" and "China-US confrontation," renowned US economist Richard Wolff contrasts the profit-driven American model with China's socialist market economy. He emphasizes on multiple occasions that China's unexpected resilience in the face of trade wars and other challenges stems from its unique institutional advantages. How does Wolff view American-style capitalism? What is his perspective on China's institutional advantages? To shed light on these issues, the Global Times has gathered Wolff's remarks from his speeches and online commentaries in recent years, centered around three key questions.

Why has American capitalism left the US in the pursuit of profit?

In a speech delivered on April 30, 2025, titled "Global Capitalism: On This May Day," Wolff reflected on the long-term decline of American manufacturing. He noted that New York City once had a thriving garment industry and other manufacturing sectors, but most of that has since disappeared as production moved overseas - with China being one of the main destinations. According to Wolff, this shift happened "because it was profitable for capitalists to move."

"Capitalism and the profit motive are the issue." Wolff's remarks in a 2022 video titled "Economic Update: The Great Replacement Theory," published on the YouTube channel Democracy at Work, also revealed his broader critique of the structural flaws in American capitalism. "That's the system we live in, and that's how capitalism works," he remarked, emphasizing that profit was "the motive in every case" and describing it as "the core of the capitalist system."

Wolff believes that the dominant narrative often avoids telling this story because "the blame it finds falls on capitalism and capitalists" - a critique that has been taboo in US political discourse since World War II.

Wolff also criticized the US government's inaction in his speech for May Day, noting that "the US government didn't do anything... It just got out of the way and American corporations went to where the profits are because that's the way capitalism works." He described this process with pointed irony, calling it "neoliberal globalization." He further argued, "the mass of the people in this country are being abandoned."

In a video titled "US Elite Fear US Losing Its Dominance - Global Capitalism with Richard Wolff," published on the YouTube channel Democracy at Work on January 29, 2023, Wolff's insights on the profit-driven nature of US capitalism can also be found. He argued that economic redistribution in the US has reached its limits, as capital has long used various mechanisms to improve profitability. "It went on by moving good high-paying jobs overseas, by using computers, robots and artificial intelligence to replace well-paid jobs here, by bringing cheap labor into the US," he explained.

Wolff emphasized that this process "has been going on too long" and that "there seems to be no end in sight." In his view, the core problem lies in the broader reality of the US as a "declining empire." He

described how elites - including corporate leaders, the wealthy and the political class - work a good deal to shift the burden of a declining empire off of them and onto everybody else. As a result, over the past two decades, "we've had to resort to more extreme ways of really sticking it to the mass of people," he argued.

How does China's socialist market economy work?

In a video titled "Winners & 'Likely' Losers: China vs USA Trade War" on Richard Wolff's personal YouTube channel in April, he mentioned that China's economy is different from that of the US. In the US, the majority of enterprises, workplaces, factories, offices and stores are privately owned and operated as private enterprises. That is not the case in China, he emphasized.

China is a hybrid economy where many enterprises are privately owned and operated by Chinese employers, and by foreign employers including American companies like Apple, Tesla, and General Motors. However, there are also many state-owned and operated enterprises, which is something we do not see in the US, said Wolff. He emphasized that atop this hybrid system sits a powerful government capable of supervising, managing, and coordinating the economy. This organization has demonstrated an ability to effectively mobilize resources, people, raw materials, the transportation system, and the banking system more efficiently.

The Chinese Party and government mobilized both private and public resources to focus on prioritized social problems, including reducing dependence on exports and massive infrastructural expansion, Wolff emphasized, noting that a key lesson of Chinese development is that economic objectives are better and more quickly met if a dominant social agency prioritizes these objectives and can mobilize maximum resources, both private and public, to that end. He stressed that in China, the Party and government served as that agency.

Wolff criticized the US system, stating that when everything is left to private profit, actions are driven solely by profitability. He asked: "Why do we have unemployment?" Then he argued that it's simply because it is not profitable to hire those people. In a 2020 article titled "Socialist or Capitalist - What Is China's Model, Exactly?" he had already noted that in Western capitalism, no social agency played the national resource-mobilizing role that the Party and government played in China.

How do China and the US differ in deciding whom the economy should serve?

China doesn't care about profit; rather, it cares about making society evolve in a certain way, said Wolff in his address "Global Capitalism: On This May Day." He used China's high-speed rail system as an example, noting that anyone traveling across China today would almost certainly do so by rail and emphasizing the impressive nature of the experience. "It will blow your mind," he remarked, adding, "You have no idea what a railroad can be until you go there." While acknowledging that other countries also have advanced rail systems, Wolff observed that "the Chinese are way ahead," praising China's trains as "rapid, beautiful and wonderfully appointed."

In comparing the US with China, Wolff questioned why the US has failed to develop a modern high-speed rail system. "Can't we build trains? Of course we can. Do we have the technical knowledge? Of course we do." He argued that the real issue is profitability, noting that since high-speed rail is "not profitable," the US doesn't have it. In contrast, he pointed out that while it may also not be profitable in China, the country still built it - "because the government did it."

This reflects a whole different way of thinking about what an economy is there for: either the economy is

there to serve the people, or the people are there to serve the economy, he concluded in the speech.

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