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Title: **PEOPLE, POWER AND PROFITS: PROGRESSIVE
CAPITALISM FOR AN AGE OF DISCONTENT**
Publisher: **W. W. Norton & Company, New York, 2019**
Author: **Joseph E. Stiglitz**
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1. INTRODUCTION

There has been a significant increase in labour productivity in recent decades. Despite that, the lifestyle of the middle class is unattainable for the majority of the population. At the same time, the inequality gap between rich and poor is constantly growing. The author of the book, Joseph E. Stiglitz, winner of the Nobel Prize in Economics in 2001, looks for the causes of inequality and solutions that would enable a fairer distribution of profits from productivity growth and globalisation. Critically analysing the situation in the economy today and during the past four decades, the author re-examines the role of political populism and blinding confidence in the market.

2. SYNTHESIZED BOOK REVIEW

In 2020, the publishing house *Profil* published a translation of this exceptional book by Nobel laureate Joseph E. Stiglitz. It is a book of 349 pages.

The book consists of two parts, i.e. a total of eleven chapters. The first part consists of seven chapters, while the second consists of four chapters. The first seven chapters aim to point out the mistakes made over the past few decades that have led to the current state of the American and world economies. The second part of the book deals with presenting an alternative direction that would enable the creation of a fairer and more prosperous society. At the end of the book, there are notes that can be rather useful to readers.

Part One - Losing The Way. In this part of the book, the author emphasizes the extreme inequality gap between rich and poor, increasing daily. At the same time, he re-examines the causes that led to such a situation. The reasons largely stem from inadequate policies based on a supply economy doctrine or the short-sightedness of those using their market power in a society that has long since moved away from democratic principles. Discussing ways to create wealth, he points out that inappropriate state involvement in some fundamental sectors encourages individuals to get rich without creating new value. In the introductory chapters of the book, the portrayed world has plunged deeply into inequality, exploitation, and discrimination. What is worse, he presented a society in which inequality of opportunity is even more drastic than inequality in income and wealth. In the initial chapters, the author looks for the causes for such a condition. Although considered the world's most innovative economy, the United States needs to be more engaged in research and development investment at this time. To support his view, the author points out the ways in which innovations that

enabled the technological and market dominance of large corporations over the past century emerged. The last three chapters of this section focus on the challenges of new technologies and innovations in the financial sector in the 21st century. These include technologies raising inevitable ethical issues and unprecedented financialization, which has practically become its own goal. Also, the importance of collective action and the existence of rules necessary for the normal functioning of modern society is emphasized. To be effective, regulation and the rules system must keep up with the markets. Although the first seven chapters outline the "alternative direction", this part of the book primarily criticizes the economic and political course, describing the current state of the American and world economy, as well as the decades-long path that led to it.

Part Two - Reconstructing American Politics and Economics: The Way Forward. The second part of the book (chapters eight to eleven) focuses on ideas and concrete measures with the potential to support a successful transition to a post-industrial welfare society. The eighth chapter indicates the intertwining of economy and politics and the importance of firmer and more adequate market regulation, which would be in the function of the common good and not the extreme enrichment of the minority. In addition, the role of democracy and the need for change in the American electoral system are re-examined. Chapters nine through eleven focus on economic issues and solutions that would make middle-class lifestyle attainable to as many people as possible. On the one hand, these issues concern the creation of quality jobs and better labour market policies that would enable more increased employment in a dynamic economy in which opportunities for success do not depend solely on the origin of the individual. On the other hand, the author also considers the problems of the pension system and the health insurance system. The emphasis is on the cost of the American health insurance system, which no longer lags behind other developed countries or much poorer developing countries. Stiglitz points out that a major turnaround in economic and regulatory policies is required to limit market power, enable a fairer distribution of wealth, remove incentives for enrichment through the exploitation of workers and consumers, create an innovative knowledge- and research-based economy capable of creating new value and ultimately to save capitalism from itself. Society has to move on without referring to the past, and the second part of this book presents an alternative direction that has the potential to make it possible.

3. CONCLUSION

In the age of predatory capitalism, Joseph E. Stiglitz offers hope that there is a way to make a radical turn and save capitalism again. This significant work presents suggestions that can help overcome the period of slow growth and inadequate distribution of wealth. The book has special significance since the author is a world-renowned economic expert who, among other things, has been dealing with the issue of inequality since the beginning of his career. Since the book focuses on a burning issue and presents an exceptional writing style, it deserves the attention of not only the academic and professional but also the general public.