ECONOMY

Reward Contribution. Stop Extraction.

Markets that reward the people who build, work, invent, and serve, not the ones who hoard, corner, squeeze, or dump their costs on everyone else.

PILLAR 7 · FAIR MARKETS, FAIR WORK, AND ANTI-RENT EXTRACTION

AT A GLANCE

The problem

Markups up from 21% to 61% since 1980, wages held ~20% below competitive levels, and pollution costs dumped on the public for free.

The proposal

Worker power, public options, honest taxation, prices that tell the truth, and a scoreboard that counts what matters.

Cost & funding

Raises revenue: pollution pricing, the Social Security cap fix, the Public Value Test.

Evidence strength

Strong diagnosis (Treasury, QJE, AER); some instruments design-dependent and labeled.

Principal risk

Pricing without working dividends is regressive; measurement must not substitute for delivery.

Success looks like

Labor share rising, priced share of emissions rising, natural capital accounts published.

Summary

This project is not anti-market. It is anti-extraction. Markets are extraordinary at organizing effort and rewarding the people who build, work, invent, and serve. The problem is that too much of our economy has stopped rewarding contribution and started rewarding extraction: hoarding what others need, cornering a market, charging for access to things people cannot do without, using political power to lock in advantage, and quietly dumping costs onto neighbors, workers, and the future. The numbers are not close. Average markups over cost in American firms rose from 21 percent in 1980 to 61 percent in 2016. The Treasury Department estimates that employer power in concentrated labor markets holds wages roughly 20 percent below what workers would earn under real competition. And some industries impose more damage on the public through pollution than the entire value they add to the economy.

The fix is not to replace markets but to make them fair again, so that the people who actually create value get the gains and the people who merely extract it do not. This brief proposes rebuilding worker power, broadening ownership, creating public options where private markets fail people, making taxation honest through a Tax Code Public Value Test and a fix to the regressive Social Security cap, and reining in the extraction economy of junk fees, surveillance pricing, noncompetes, and financial stripping. It then goes one level deeper, to the two forms of extraction our bookkeeping hides: prices that do not include the damage a product does, and a growth statistic that counts the damage as gain. Make prices tell the truth. Count what matters. Reward contribution. Stop extraction.

The Principle

A market economy is supposed to reward contribution. You make something people want, you do work others value, you invent or build or serve, and you are paid for it. That is the deal, and when it holds, markets are one of the best tools we have. Extraction breaks the deal. It is income that comes not from contributing but from controlling: owning a scarce necessity and charging for access, buying up competitors to raise prices, burying fees in the fine print, or capturing the rules so the game tilts permanently in your favor.

The principle has an affirmative half, and it is the heart of this pillar. A society reveals what it values by what it pays, and by that measure America has stopped valuing the work it cannot live without. Teachers now earn 26.9 percent less than similarly educated professionals, a record gap, and they are paid less than their peers in every single state. The people who care for children and elders earn a median of $17.36 an hour. The plumber, the nurse, the firefighter, the line worker, the engineer who keeps the bridge standing: these are the people whose work makes everything else possible, and the market's signal to all of them, for three decades, has been that they chose wrong. Meanwhile the culture's picture of making it has quietly inverted: the celebrated endgame is no longer to build or serve but to assemble enough assets, rents, and yields that you never have to work again, withdraw behind the gates, and stop participating. To be clear about what this is not: it is not a judgment of anyone's choices, and this platform does not police how people earn a living. People respond to the prices a society sets. When flipping assets pays several times what teaching pays, that is not a failure of anyone's character. It is a price signal, and we are the ones who set it. Commerce and government are both instruments for resetting it: invest in the people who produce what we need rather than only in the assets that extract what we have, so that the work a community depends on pays enough to anchor a dignified life, a job is a source of purpose and standing rather than something to escape, and contribution, not exit, is what this economy celebrates.

There is a second kind of extraction, older and larger, that rarely gets named. When a firm profits by pushing its real costs onto other people, the asthma downwind of a smokestack, the flooded town downstream of a warming climate, the unpaid family member who provides the care the market never priced, that is extraction too. Economists call these externalities. A plainer word is cost-shifting. A price that leaves out the damage is not a market price. It is a hidden subsidy, paid by whoever gets hurt. The test for any policy here is simple. Does it reward people for contributing, or does it let them take from everyone else, whether through the fine print or through the air? We are pro-market precisely because we are anti-extraction, since extraction is what corrupts a market and turns it against the people it should serve.

The System Failure

For decades, the gains of a growing economy have flowed away from the people who produce them. This is measurable. Economists Jan De Loecker, Jan Eeckhout, and Gabriel Unger, studying six decades of firm data, found that average markups charged by American firms rose from 21 percent above cost in 1980 to 61 percent by 2016, while average profit rates rose from 1 percent to 8 percent of sales.[1] That gap is market power, and it helps explain why the labor share of income has fallen. On the other side of the ledger, the Treasury Department concluded in 2022 that weak competition among employers, concentration plus practices like noncompete clauses and misclassification, holds American wages roughly 20 percent below the competitive level.[2] The Federal Trade Commission found that about 18 percent of American workers, roughly 30 million people, were bound by noncompete clauses, and estimated that ending them would raise earnings by 400 to 488 billion dollars over a decade. Its 2024 rule doing exactly that was blocked in court, which is why the job now belongs to Congress and the states.

Extraction also reaches into daily life. Before regulators forced changes, credit card late fees alone cost families more than 14 billion dollars a year, and overdraft fees took another 12.6 billion at their peak. Companies experiment with surveillance pricing that charges each customer the most an algorithm thinks they will pay. Corporate investors have bought up large shares of the housing in some markets and turned shelter into a yield. And the tax code rewards wealth over work while hundreds of billions in tax preferences are never asked to prove they serve any public purpose.

Then there is the extraction our accounting hides entirely. In a landmark study in the American Economic Review, economists Nicholas Muller, Robert Mendelsohn, and William Nordhaus added up the air-pollution damage caused by each American industry and compared it to the value each industry adds. For several industries, the damage exceeded the value added. Coal-fired electricity was the largest single offender: its air-pollution damages ran from 0.8 to 5.6 times everything the industry contributes to the economy. The Environmental Protection Agency’s own estimate puts the damage from a single ton of carbon dioxide at about 190 dollars, yet most emissions in America carry a price of zero. Globally, the International Monetary Fund counts 7 trillion dollars a year in fossil fuel subsidies, and 82 percent of that is not checks written to companies but implicit subsidy, the unpriced damage of pollution and warming that the public absorbs.

Our national scoreboard cannot see any of this. Gross domestic product counts the coal burned, the cleanup afterward, and the hospital admissions in between, all as growth. It counts a ton of carbon at zero and a trillion dollars of family caregiving at nothing. Simon Kuznets, the economist who built the national income accounts in the 1930s, warned Congress at the time that the welfare of a nation can scarcely be inferred from a measurement of national income. We built the scoreboard anyway, and then we started coaching to it.

The Proposal

1. **Rebuild worker power.** Protect and strengthen the right to organize, make it real rather than a paper right routinely violated, and move toward sectoral bargaining so standards are set across whole industries instead of firm by firm. Raise the wage floor to something a person can live on, give workers a genuine voice in the decisions that affect them, and make benefits portable so they follow the worker rather than locking people into a single job. The Treasury's 20 percent figure is the size of the prize: a fair market needs workers strong enough to claim their share of what they help produce.
2. **Broaden who owns the economy.** Support cooperatives, employee ownership, and broad-based ownership models, so that more people hold a real stake in the businesses they work in and the wealth an economy generates is held more widely rather than concentrated at the very top.
3. **Create public options where markets fail.** Where private markets reliably fail people, build public options that set a floor and discipline private actors, including public and postal banking so that everyone has access to basic financial services without being preyed upon, alongside the public options described in the healthcare and housing agendas. A public option is competition, not a takeover, and Chattanooga proved it. In 2010 the city's public electric utility, EPB, built America's first citywide gigabit fiber network for about $220 million; an independent decade study found $2.69 billion in community benefit and more than 9,500 jobs supported,[3] and the FCC's own record shows the private incumbents, Comcast and AT&T, sharply improved their speeds in EPB's territory after the public competitor arrived. The incumbents' response is just as instructive: rather than compete statewide, the industry lobbied for a Tennessee law confining EPB to its electric footprint, sued alongside the state to overturn the FCC's attempt to lift that cap, and won in court in 2016, so EPB's neighbors still cannot buy the country's best-value internet. Missouri shows the same play run to completion: a 1997 law, credited to Southwestern Bell's lobbying, bars cities from offering broadband at all, and telecom-backed bills have kept reinforcing it. When an industry's answer to a public option is to make it illegal, it has conceded that the public option wins on the merits.

4. **Make taxation honest.** Apply a Tax Code Public Value Test to every major deduction, credit, preferential rate, and carveout, asking what public value it creates and reforming or ending the ones that mainly reward those who can afford to find them. Tax work no harder than wealth, and fix the regressive cap that lets the highest earners stop contributing to Social Security partway through the year while a nurse or a mechanic pays on every dollar. Honest taxation is itself an anti-extraction policy.
5. **Rein in extractive finance.** Put real oversight on the financial maneuvers that strip value from working companies, including the leveraged buyouts that load firms with debt and sell them for parts, and limit the stock buybacks that funnel cash to shareholders instead of into wages, investment, and the business itself. Finance should fund building, not dismantling.
6. **End the extraction economy in everyday life.** Ban the junk fees buried in the fine print, prohibit surveillance and algorithmic pricing that charges people the most a model thinks they will tolerate, scrutinize and limit the corporate consolidation of housing, and pass the noncompete ban through statute now that the regulatory route has been closed off. These are the places where extraction touches people most directly, and where stopping it is most popular and most overdue.
7. **Make prices tell the truth.** Phase in a price on climate and air pollution anchored to the government's own damage estimates, with the EPA's roughly 190 dollars per ton of carbon dioxide as the honest benchmark even if the starting price is lower, and return the revenue to households as a dividend so the policy raises the cost of pollution without raising the cost of living for ordinary families. Apply the same cost-causation logic this platform already uses elsewhere: the methane fee in the climate agenda, and grid pricing that charges data centers the costs they create rather than spreading them across everyone's electric bill. When prices tell the truth, markets do the work of a thousand regulations, and they do it without a bureaucracy.

8. **Count what matters.** Finish putting nature and unpaid work on the nation's books. The United States adopted a national strategy in January 2023 to build natural capital accounts, official statistics that track the condition and value of the land, water, and air the economy depends on, with the Bureau of Economic Analysis running pilot accounts now and full implementation planned through 2036. Fund it, protect it from political interference, and publish alongside GDP a small dashboard of what the growth number misses: net gains after pollution damage, the value of unpaid care, and whether the country's natural assets are growing or being drawn down. This is the direction the Stiglitz-Sen-Fitoussi commission, convened after the 2008 crisis to fix exactly this measurement problem, recommended: not replacing GDP, but refusing to let one number that ignores costs masquerade as the national report card. Growth that survives honest accounting is real. Growth that does not was extraction all along.

Spend for Capacity, Tax Like We Mean It, Break the Chokepoints

The macroeconomic doctrine behind this pillar, stated plainly. First, this platform is not afraid of public investment: money moving through an economy, wages spent in communities, capacity built and used, is what prosperity is, and the American record is consistent with confidence rather than fear; across the postwar era the economy has grown about 1.8 percentage points faster per year under Democratic administrations, with more jobs and higher investment,[4] a peer-reviewed finding carried here with its authors' own honest caveat that the causes trace substantially to oil shocks, productivity, and international conditions rather than provably to policy alone. Second, taxation returns to postwar-era progressivity at the top: the high top marginal rates of the early 1950s coexisted with the strongest broadly shared growth in American history, and while the exact modern schedule is a matter for scoring, not slogans, the direction is a commitment, wealth and the highest incomes carrying shares they have not carried in two generations. Third, break the chokepoints: aggressive antitrust where a handful of firms own an essential layer, broadband being the canonical case, where regional duopolies suppress the competition Chattanooga proved possible, and where this brief's public-option and noncompete planks already aim. The regulatory honesty cuts both ways, per the Voice-Not-Veto Test: small businesses get simpler rules and real access, because the goal is competition that lets builders build, not paperwork that only incumbents can afford.

Implementation Pathway

Labor law reform, sectoral bargaining, the wage floor, and the noncompete ban run through federal statute and enforcement. The noncompete ban now depends mainly on federal legislation and the states, many of which have already acted, since the Federal Trade Commission's 2024 rule against noncompetes was blocked in court and later abandoned on appeal. Cooperative and employee-ownership support runs through federal and state programs and the tax code. Public and postal banking can build on infrastructure the country already has. The Tax Code Public Value Test and the Social Security cap fix are federal tax legislation, and they pair directly with the same test in the Government That Works agenda. Financial oversight and buyback limits run through securities and banking regulation, and the consumer-protection agenda runs through federal regulators and antitrust enforcement, reinforced by the states.

Truthful pricing runs through fee-and-dividend legislation, the existing methane fee, and utility rate cases where cost-causation is already the law's own stated principle. Truthful counting runs through appropriations: the natural capital accounting strategy already exists and the Bureau of Economic Analysis pilots are already running, so the near-term ask is simply to fund the work, codify it so a hostile administration cannot quietly delete the accounts, and add the dashboard to the government's regular statistical releases. This pairs with the keep-the-count plank in the Government That Works agenda, because a country that stops measuring hunger or pollution has not solved either.

Funding and Public-Value Logic

Much of this agenda raises revenue or costs little. The Tax Code Public Value Test is designed to recover money lost to preferences that serve no purpose, though The Ledger scores it honestly as not yet scoreable, since a review process has no price tag until specific preferences are named; it is a direction of travel, not a booked number. Fixing the Social Security cap strengthens the program's own finances, dedicated trust-fund revenue rather than general funds, while asking the highest earners to contribute on the same terms as everyone else. Pollution pricing raises substantial revenue even at prices well below the EPA's damage estimate, and the dividend design returns it to households, most of which come out ahead because pollution-intensive consumption is concentrated at the top. Statistical accounts cost almost nothing; the entire natural capital program is a rounding error against the 7 trillion dollars a year the IMF says unpriced pollution already costs the world. Worker power, fair wages, and broad ownership move income toward the people most likely to spend it in their communities. The public value is an economy that grows by rewarding the people who build it, measured by a scoreboard that can tell the difference between building and burning.

Risks and Guardrails

The guardrail throughout is to stay anti-extraction without becoming anti-market. The goal is competition and contribution, not central control, which is why the emphasis falls on worker power, open markets, public options as competition, and honest rules rather than on government ownership of industry. Reforms have to be designed not to crush small businesses, which are often themselves squeezed by the same consolidation this agenda targets, so the burden falls on concentrated power, not on the corner store.

Truthful pricing carries a real regressivity risk: a flat price on pollution takes a bigger bite from a small paycheck. The dividend is not decoration; it is the guardrail, and any pricing bill without household rebates or equivalent protection fails this platform's own test. Truthful counting carries the opposite risk, that a dashboard becomes a substitute for delivery. The dashboard exists to catch fake growth, not to excuse slow building; this platform's abundance agenda, building homes, clean power, and transmission faster, does not get suspended while statisticians deliberate. And none of this agenda is a case against growth. Prosperity that survives honest accounting is the goal, and most of what this platform proposes to build, clean energy, housing, care, and cures, shows up as growth on any honest ledger.

Metrics for Success

Judge the agenda on wages, ownership, concentration, extraction, and honesty of the ledger. • Wages relative to productivity and to the cost of living, and the share of income going to labor. • Union density and the share of workers covered by strong bargaining, plus the spread of cooperative and employee ownership. • Aggregate markups and market concentration in key industries, and the prevalence of junk fees, surveillance pricing, and noncompetes. • The corporate-owned share of housing in affected markets. • Revenue recovered through the Tax Code Public Value Test and the long-term solvency of Social Security after the cap fix. • The share of American emissions carrying a real price, and pollution damage per dollar of output falling. • Natural capital accounts funded, codified, and published on schedule, with a beyond-GDP dashboard released alongside the quarterly numbers. • Essential-profession pay closing its gap against similarly educated peers, starting with the teacher pay penalty falling from its record 26.9 percent.

Opposition and Responses

Some will call this anti-business or socialism. It is the opposite. This agenda defends markets from the extraction that corrupts them, and most of its targets, junk fees, surveillance pricing, noncompetes, and financial stripping, are not the free market working but the free market being rigged. Some will say worker power and higher wages kill jobs. The Treasury's finding is that wages are being held roughly 20 percent below the competitive level; stronger bargaining corrects a distortion, it does not create one. Some will say pollution pricing is a tax grab that punishes the poor. Designed with dividends, most families receive more than they pay, and the alternative is not a free lunch: the public already pays the full cost of pollution in hospital bills and disaster losses, just invisibly and unfairly. The 190 dollar figure is not an activist number; it is the EPA's own damage estimate, built on methods recommended by the National Academies, and the underlying framework earned William Nordhaus a Nobel Prize. Some will say beyond-GDP measurement is a stalking horse for degrowth. It is bookkeeping, not ideology. The inventor of GDP himself warned against using it as a welfare measure, the commission that proposed the dashboard was led by mainstream economists, and the natural capital strategy was written by career statisticians. Counting the costs is not a plan to shrink the economy. It is a plan to stop lying to ourselves about which parts of it are actually paying their way. And some will say public options are a government takeover. A public option is one more competitor that sets a floor and disciplines private actors, and people remain free to choose private alternatives. Chattanooga is the existence proof: the city's public fiber network returned $2.69 billion on a $220 million build, the private incumbents responded by upgrading their own service, and nobody was taken over. The takeover ran the other direction, when the industry lobbied statehouses in Tennessee and Missouri to outlaw the competition instead of matching it.

What Would Change Our Position

Several planks here have named falsifiers. If states that banned noncompetes showed the wage and training declines employers predict, rather than the gains the FTC record documents, the ban’s design would need work. If the markup and labor-market-power literature this brief leans on were overturned methodologically, the extraction diagnosis would need re-grounding. If public options underperformed, if the pattern were municipal networks failing while private service improved, rather than Chattanooga’s record, the public-option plank would narrow to the conditions where it works. And if a pollution price with dividends still left most low-income families worse off in practice, the design failed its own guardrail and gets rebuilt before it scales.

Public-Facing Language

Here is the short version. We are not against markets. We are against getting ripped off, and against an economy that tells the teacher, the nurse, and the plumber they chose wrong while it celebrates never working again as the dream. The people who produce what we all need should be the best deal in America, not the cautionary tale. Markets are supposed to reward the people who build things, do the work, and serve their neighbors, not the ones who hoard what you need, hide fees in the fine print, buy up the houses, trap you in a job with a noncompete, or make their profit by dumping their costs on your lungs and your kids’ future. So give workers the power to claim their fair share, spread ownership wider, make every tax break prove it earns its keep, make polluters pay what the damage actually costs and send the money back to families, and fix the national scoreboard so it stops counting the damage as growth. Reward contribution. Stop extraction.

SOURCES

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