Published on *Adam Smith Institute* (http://www.adamsmith.org)

Those John Lewis bonuses [1]

Written by **Tim Worstall** [2] | Monday 10 March 2008

The bonuses announced by the John Lewis Partnership on friday were excellent [3]:

> *Across the nation, at around 9.30am, extra-large envelopes containing the percentage of the partners' annual salary that staff will receive as bonuses were opened.*
> *The figure of 20pc was the highest handout in a decade on the back of a 19pc jump in pre-tax profits for the UK's largest department-store chain and Waitrose to £379.8m.*

Which brings me to one of my favourite points. There's rather a large difference between "capitalism" and "free markets" (with the caveat that no market is ever entirely free, correctly it should be "freer" markets). Capitalism defines a system of ownership, markets a method of exchange. Capitalism, whatever your view of it, should not be confused with the other. For here we have a decidedly non-capitalist organisation, a workers' co-operative in fact, working and thriving in a free market milieu. And good luck to them too, as with all and any other method of ownership or organisation that people might want to try. Those who want the certainty of a steady wage in a large corporation, those who prefer the risks of self-employment, the workers' co-operative, even those who would drop out and live in a yurt in Wales.

And it's those markets that provide the freedom for each to make their own choices for, yes, there are markets in ownership systems just as much as there are in anything else.

blog comments powered by Disqus [5]

Source URL: http://www.adamsmith.org/blog/tax-and-economy/those-john-lewis-bonuses

Links:
[1] http://www.adamsmith.org/blog/tax-and-economy/those-john-lewis-bonuses
[2] http://www.adamsmith.org/taxonomy/term/5778
[3] http://www.telegraph.co.uk/money/main.jhtml?xml=/money/2008/03/06/bcnlewis206.xml
[4] http://disqus.com/?ref_noscript
[5] http://disqus.com