

# How Big Government Stacked the Deck Against Small Business

Most of us wouldn't list 2020 as our best year. But you know who would? Amazon, Wal-Mart, Google, Apple, and a whole host of other big corporations who've seen their sales and stock prices soar amidst the pandemic.

Small businesses have been pummeled by excessive and insane governmental lockdowns of the economy. Experts [warn](#) that one third of small businesses could ultimately shut down for good, and [hundreds of thousands](#) have already done just that.

Meanwhile, Amazon's sales increased 40 percent in the second quarter alone, while their stock price increased 97 percent. Apple hit a \$2 trillion market cap, the first publicly traded company to do so, and reported nearly \$60 billion in revenue. Since the pandemic began, Facebook's stock rocketed up 85 percent, Google's by 50 percent, Netflix by 63 percent, and Microsoft by 57 percent. All saw their [revenues](#) greatly increase compared to last year's numbers as well.

The typical headlines have followed: [The Rich Are Getting Richer During the Pandemic](#), [How Billionaires Saw Their Net Worth Increase by Half A Trillion Dollars](#), and [How Rich People Are Getting Richer During the Coronavirus](#). "Eat the rich," a rallying cry against perceived inequality, appears all over [Twitter](#), clothing items, and graffitied walls. And for many, the billionaires at the helms of successful corporations provide ready-made villains for society to dump its economic woes, righteous anger, and feelings of powerlessness onto.

To be sure, there is cause for indignation. Small businesses are the lifeblood of America. They [comprise](#) the majority of U.S. companies and employ nearly 50 percent of all our

citizens. Not only are they an essential part of our economy though, they represent the American Dream—the idea that no matter who you are you can come here, work hard, do the right thing, and build something for yourself and your family.

There is no value more prized than that dream in our society, and small businesses are the tangible iteration of that ideal. To see these businesses and their owners so casually trampled on by our politicians strikes at the very soul of our nation. Millions of Americans are out of work, many others have lost everything they've worked to build with little to no recourse. The dream has become a nightmare.

But the fault for this catastrophe does not rest on the corporations, and the anger many feel should be redirected towards the entity actually responsible for this situation: the government.

From the very beginning of the pandemic, government stacked the deck in favor of some companies to the detriment of others. First, they arbitrarily decided which businesses were essential and which could be forced to close. In order to keep people in their homes, which the [science shows](#) was never effective at preventing the contagion in the first place, the government had to allow tech businesses to operate at full capacity. Without Netflix, Amazon, and UberEats, few would have agreed to stay in their homes for weeks on end. To a large extent, these big businesses deserve the boom they've experienced because they did provide essential needs for people during a crisis. That's a market response that should be praised.

But, there were many other businesses who could have provided similar services and were not allowed to because the government deemed them non-essential. Part of this is due to the fact the larger companies had the capacity to rev up their delivery abilities, but part of this is because they spend millions of dollars lobbying politicians to ensure they always

receive carve outs from the worst government policies.

Not only did government persecute certain businesses to the benefit of others, it also [provided](#) incentives, handouts, and other pork in the CARES Act that continued to favor big business. Twenty-five percent of the initial \$2 trillion (remember, those are your tax dollars) went to big business, with \$58 billion going to the airlines alone and another \$17 billion to the military-industrial complex giant, Boeing.

Only \$350 billion was earmarked for small businesses, and of that, \$243 million “accidentally” went to large companies instead – leading some companies to return the money over the ensuing outrage. All in all, only 5 percent of the first round of PPP loans reached small businesses.

F.A. Hayek once said, “Laws must be general, equal, and certain.” When government intervenes in the economy, it rarely ends up impacting all business owners equally. Most [often](#) they end up benefiting those who already have connections and means in the first place.

The free market isn’t perfect. Even without government interference in the economy, many businesses would have been hurt by the pandemic as consumers chose to stay home or purchase alternative services. But at least the system would not have been rigged against the little guy. All businesses should have had the chance to innovate, respond to the emergency, and try their best to stay afloat. It should have been up to consumers, not the government, which ones succeeded or failed.

Cronyism isn’t capitalism, it’s a perversion of the free market and only possible at the hands of government. If we want to address inequality and create a fair playing field, we must stand against these types of government handouts the next time temptation strikes.

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