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A Powerful Defense of Capitalism

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When *Forbes* editor Steve Forbes calls a book “one of the most important ... in decades defending capitalism,” it’s time to sit up and take notice. Rainer Zitelmann’s *In Defense of Capitalism: Debunking the Myths* (USA, Republic Book Publishers, March 2023) fully deserves Forbes’s praise.

In 10 relatively short chapters constituting the first half of the book, Zitelmann conclusively debunks ten myths, *e.g.*, that capitalism is responsible for hunger and poverty or for environmental destruction, leads to growing inequality, leads to new economic and financial crises, is dominated by the rich, leads to monopolies, entices people to buy things they don’t need, leads to wars, paves the way for fascism, or—perhaps the most classic of all the myths about capitalism—promotes selfishness and greed.

“One of the most important books in decades defending capitalism....
Adam Smith would have been impressed—and proud.”

STEVE FORBES, CHAIRMAN AND EDITOR-IN-CHIEF OF FORBES MEDIA

In
DEFENSE
of
CAPITALISM

DEBUNKING *the* MYTHS

RAINER
ZITELMANN

In the second half, four longer chapters and a conclusion finish the book. In the first, he explains why socialism always looks attractive but not only fails to achieve what it promises but achieves exactly the opposite. Indeed, the myths about capitalism are true not of capitalism but of socialism—every one of

them, except that socialism doesn't entice people to buy things they don't need, because it doesn't produce much and doesn't enable people to afford to buy more than the bare necessities. In the second, third, and fourth, he raises popular perceptions of capitalism in the United States, the United Kingdom, Asia, Europe, and South America—and explains why confusion is so rampant and what can be done to correct it.

The conclusion argues that anti-capitalism is not truly an economic theory (for it ignores the most basic of the laws of economics and human nature) but a political religion “primarily ... based on emotions” rather than “reason or rationality” (359). What makes this religion so attractive? Confusion of justice with equality:

“ Individuals and groups who are not in a supposedly “privileged” situation attribute the contradiction between postulated equality and actual inequality to “structural” and “systemic” causes. Every inequality becomes evidence of injustice within society. Increasingly, the terms “equality” and “justice” are used as synonyms. [360]

Ultimately, indeed, the rejection of capitalism comes down to this error of morals. Zitelmann makes clear that justice and equality—other than equality under the law, the impartial application of all laws to all people in all circumstances—are not only distinct but impossible. Where justice reigns, equality cannot exist. People's acts differ, and justice requires rendering impartially to all according to their conduct. At the root of this confusion of justice with equality lies envy and discontent. Those whose conduct, and the conduct of whose neighbors and ancestors, doesn't bear as much fruit as others' conduct succumb to envy and embrace socialism in hopes that it will give them more than they produce themselves.

Plagued by constant attacks on capitalism? Read *In Defense of Capitalism*. Better yet, give it to those who attack capitalism, and challenge them to read it. The survival of liberty and justice hinges on people's understanding that freedom—within the bounds of God's moral law—thrives not under socialism, fascism, interventionism, or any other “third way” but only under free-market capitalism.

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