BOOK REVIEWS

Book Review: ‘New Space Capitalism’ Explores the Power of Market Economics in Spaceflight

Space exploration advances fastest when entrepreneurs—not bureaucracies—drive innovation, risk capital, and compete to lower costs and expand human ambition.

By Andreas Tögel *May 13, 2026*

Rainer Zitelmann’s *New Space Capitalism* explains how spaceflight has shifted from a state-driven enterprise to one led by entrepreneurs. The title captures this change well. Since Elon Musk founded SpaceX in 2002, private actors have transformed the industry. Earlier companies depended almost entirely on government contracts. Musk reversed that relationship by building a firm that competes with—and increasingly surpasses—state agencies.

The book is not just a history of private spaceflight; it is also a critique of bureaucratic inefficiency. Zitelmann uses space exploration as a case study to contrast entrepreneurial risk-taking with political inertia. Nowhere are the costs of shifting priorities and weak incentives more visible than in government-run programs.

The early US space effort was shaped by rivalry with the Soviet Union. The launch of Sputnik in 1957 and Yuri Gagarin's flight in 1961 triggered a race that culminated in the Apollo moon landing. That achievement cost the equivalent of about $300 billion today and fulfilled its political purpose. But once the United States reached the moon, its strategic direction became unclear.

Zitelmann highlights what followed. Despite ambitious plans for a Mars mission by Wernher von Braun, political considerations dominated. President Richard Nixon prioritized domestic economic concerns over long-term exploration. The result was the Space Shuttle program, a project shaped less by clear objectives than by political compromise.

The shuttle completed 135 missions at roughly $1 billion per flight and suffered two fatal disasters. More importantly, it lacked a coherent purpose. It became a costly system sustained by political incentives rather than strategic necessity. Over time, NASA consolidated its dominance, leaving little room for private competitors.

The turning point came after the shuttle's retirement in 2011, when the United States relied on Russian launches to send astronauts into space. This dependence exposed the weaknesses of a state-centered approach and created an opening for private firms.

SpaceX seized that opportunity. Zitelmann shows how Musk focused on one key objective: reducing launch costs. Reusable rockets—long considered impractical—became the central innovation. By landing and reusing boosters, SpaceX cut costs dramatically. The company also relied on rapid iteration and the use of existing components rather than expensive, highly specialized parts.

Early failures were part of the process. The first three Falcon 1 launches failed, but the fourth succeeded in 2008, marking the first privately financed liquid-fueled rocket to reach orbit. Musk had risked his remaining capital on that attempt. Today, SpaceX conducts a large share of global launches and has reshaped the economics of the industry.

Zitelmann also notes the reaction to these developments. Initial setbacks were widely ridiculed, while later successes received comparatively little attention. Yet milestones such as the first successful landing of a Falcon 9 booster in 2015 fundamentally changed expectations about what is possible in spaceflight.

Beyond launch technology, the book explores the commercial potential of space. Opportunities range from satellite services to tourism and resource extraction. However, these possibilities depend on legal clarity. Here Zitelmann advances one of his central arguments: without secure property rights, large-scale investment in space will remain limited.

The 1967 Outer Space Treaty prohibits national ownership of celestial bodies but leaves open whether private actors can claim property. This ambiguity creates uncertainty. Investors are unlikely to fund costly projects on the moon or Mars without clear legal protection. Proposals to treat space resources as the "common heritage of mankind" risk undermining incentives for innovation.

The book also addresses political and ideological resistance to space exploration. Some critics compare Mars missions to colonial exploitation or emphasize environmental concerns, including hypothetical microbial life. Zitelmann argues that such objections, while sometimes well-intentioned, can become barriers to progress when they are used to justify broad restrictions.

In conclusion, *New Space Capitalism* is less about rockets than about institutions. It argues that innovation depends on incentives, competition, and the willingness to take risks. Governments tend to prioritize stability and political considerations, which can slow progress. Private actors, by contrast, are driven by experimentation and long-term vision.

Other entrepreneurs, such as Jeff Bezos with Blue Origin, are following a similar path, reinforcing the shift toward a market-driven space economy. Zitelmann's core claim is clear: the future of space exploration will depend less on government programs than on private initiative.

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Photo: A SpaceX Falcon Heavy rocket carrying the National Oceanic and Atmospheric Administration's (NOAA) weather satellite Geostationary Operational Environmental Satellite U (GOES-U) lifts off from Launch Complex 39A at NASA's Kennedy Space Center, Florida, June 25, 2024. The United States on June 25 launched a new satellite expected to significantly improve forecasts of solar flares and coronal mass ejections -- huge plasma bubbles that can crash into Earth, disrupting power grids and communications. A SpaceX Falcon Heavy rocket carrying the satellite into orbit took off from NASA's Kennedy Space Center in Florida at 5:26 pm (2126 GMT), the US space agency announced. (Photo by Miguel J. Rodriguez Carrillo / AFP)