

Capitalism's Biggest Enemies Are Capitalists

For most of human history, mankind's standard of living remained perilously close to a bare subsistence level. Then, a few hundred years ago, capitalism brought with it the Industrial Revolution that has generated unprecedented economic progress. Capitalism is by far the most effective anti-poverty program in the world's history.

Prior to the Industrial Revolution, economic progress was so slow that people would not be able to recognize it in their lifetimes. The goods and services they consumed, the ways in which they were produced, and the overall level of consumption would have been roughly the same when they died as when they were born. Today, we take economic progress for granted. Ten years from now, cars will be different, phones will be different, our lives and lifestyles will be different because of the economic progress generated by capitalism.

Despite the huge difference capitalism has made to our standard of living, capitalism has its detractors. Socialists and progressives want to regulate it, control it, or eliminate it, but capitalism's biggest enemies are those who claim to support it.

First on the list are business people, who regularly petition government for favorable treatment. They want subsidies, they want tax incentives, they want regulatory protection to deter domestic competitors, and they want tariffs and quotas to protect them from foreign competitors.

Businesses spend lots of resources on politicking and lobbying, but they never lobby for unfettered competition and free markets. They devote substantial resources toward trying to get government to award them special privileges. They don't

want free market capitalism; they want crony capitalism and they want to be the cronies. Small wonder capitalism suffers from a bad reputation.

Next on the list are their cronies in politics; the politicians who claim to be pro-business. Mostly, when politicians claim to be pro-business, the reality is that they are anti-free market. They are the people who implement trade barriers, regulate entry restrictions to limit competition, and provide the rents to rent-seeking capitalists. In general, pro-business means pro-cronyism and anti-capitalism.

Capitalism's critics have a big target, because the people who claim to be capitalism's supporters are undermining it from the inside. Let's recognize that what's good for capitalists often is not good for capitalism, and promote capitalism by calling out the crony capitalists who are undermining the system that has provided the world with unprecedented prosperity. While claiming to be supporters of capitalism, capitalists are pushing the economic system increasingly toward one that rewards people based on their political connections rather than rewarding those who add value to the economy.

Capitalism's critics are a threat to capitalism. Capitalists who work with their cronies in government for favorable treatment are a bigger threat.

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