

Values and Capitalism

A Need to Rethink Altruism

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A Review of *The Morality of Capitalism: What Your Professors Won't Tell You*

The Morality of Capitalism is a new compilation of essays from economic leaders around the world and throughout the last century who make a case for the moral superiority of capitalism as an economic system. The book is produced by [Students for Liberty](#), the [Atlas Network](#), and the John Templeton Foundation. As the title implies, the intended audience includes college students who may not be exposed to these perspectives through the teaching of biased professors.

Editor Tom Palmer of the Cato Institute says, "This book is about the moral justification" of capitalism, "the system of innovation, wealth creation, and social change that has brought to billions of people prosperity that was unimaginable to earlier generations of human beings."

Essayists include a couple of Nobel Laureates and many think tank academics, with whom college students may not be familiar. But the book also features also a global chorus from China, Russia, South Africa, and Kenya, with experts who were new to many of us who are familiar with think tank academics. This diversity covered the "basics" of capitalist ethics, but also presented some inspiring new arguments. For reasons of space and time, I cannot discuss all of the ideas here, but I encourage you to get your [hands on a copy](#) and think them over for yourself.

What do we mean by "Altruism?"

What I would like to discuss is the one idea that I found most impactful. Echoed in two of the essays was the call to rethink the concept, and the moral superiority of, altruism.

Defenders of capitalism have, for the most part, struggled with the point that capitalism is inconsistent with altruism. They hold that capitalism still allows for individuals to be altruistic, and as a system, it also benefits from people who are not. Their arguments are weakened, however, by those on their same side of the debate such as Ayn Rand, who flatly argue that "if any civilization is to survive, it is the morality of altruism that men have to reject."

The problem is a conflict in terms. People tend to assume that "altruism" is semantically synonymous with "generosity," but not everyone is using that definition. David Kelly, the executive director of the Atlas Society writes in his essay, "Altruists argue that life presents us with a basic choice: we must either sacrifice others to ourselves, or sacrifice ourselves to others." Rand and Kelly reject this choice as false.

Similarly, Chinese economist Mao Yushi describes a Chinese classic in which the protagonist goes on an adventure and visits a strange country called "The Land of Gentlemen." Yushi describes this land as one in where "all of the inhabitants... intentionally suffer so that they may ensure the benefit of others." In this land many mundane interactions go bizarrely wrong, such as one transaction where:

"The buyer thinks the asking price for the goods is too low as the quality is high, while the seller insists that the goods lack freshness and should be considered ordinary. In the end, the buyer chooses from the worst of the seller's goods, causing the crowd nearby to accuse him of unfairness, so the buyer takes half from the high-quality pile and half from the low-quality pile."

Altruists argue that if we were truly others-centered, then there would be no conflict in the market place, but Mao Yushi points out that this is just not true. Furthermore, he argues that this society is unsustainable.

"Because The Land of Gentlemen is unable to realize a balance in the relations between its inhabitants, it eventually turns into the Land of the Inconsiderate and Coarse. Because The Land of Gentlemen is geared towards looking after the interests of others, it is a breeding ground for vile characters. When the Gentlemen fail to conclude an exchange, the Inconsiderate and Coarse seek profit by subverting their own interests. If things were to continue in that way, the Gentlemen would likely die out and be replaced by the Inconsiderate and Coarse."

A society that that would sacrifice oneself for others, is a false choice and an unfunctional option. If this is what is meant by "altruism," then the term has no moral superiority, and it is deeply lacking in reality. Kelly points out that "life does not require sacrifice in either direction. The interests of rational people do not conflict, and the pursuit of genuine self-interest requires that we deal with others by means of peaceful, voluntary exchange. "

Conclusion

It is important to differentiate between altruism and other moral terms such as generosity. The argument of capitalists mentioned earlier is still valid if you substitute those terms for altruism.

Capitalism allows for individuals to be *generous*, and as a system, also benefits from people who are not. Capitalism allows for individuals to be *charitable*, and as a system, also benefits from people who are not. Capitalism allows for individuals to be *hospitable*, and as a system, also benefits from people who are not.

Jesus taught that we should *love our neighbor as ourselves*. There is not a choice of whom to sacrifice to whom, but rather the assumption that people will act with rational self-interest. The choice to sacrifice yourself to others or others to yourself is inconsistent with this teaching, because to truly love others you would need to first love yourself.

The moral claim of capitalism is much the same—to truly meet the needs of others, you must first meet the needs of yourself and your family. To try to meet the needs of others by ignoring this principle is neither moral nor effective. And to this point, capitalism not only has a proven record of success, but has the moral high ground.