

# IN DEFENCE OF CAPITALISM

A NEW REGULAR SERIES



**Dr Rainer Zitelmann**

## WHY CAPITALISM IS THE ANSWER TO HUNGER AND POVERTY - NOT THE CAUSE

In the first of a new eight-week series, German historian and sociologist **Dr Rainer Zitelmann** makes the case that capitalism is the answer to many of the world's problems – not the problem. This week, he mythbusts the idea that free markets are the cause of poverty and hunger across the world



**B**efore capitalism emerged, most people in the world were trapped in extreme poverty. In 1820, for instance, around 90 per cent of the global population were living in absolute poverty. Today, the figure is less than 10 per cent. And most remarkably, in recent decades the decline in poverty has accelerated at a pace unmatched in any previous period of human history. In 1981, the absolute poverty rate was 42.7 per cent; by 2000, it had fallen to 27.8 per cent, and in 2021 it was below 10 per cent.

This trend, which has persisted for decades, is what really counts. It is true that poverty has risen again over the last couple of years. But this is largely a result of the global Covid-19 pandemic, which has exacerbated the situation in countries where poverty was already relatively high.

To understand the issue of poverty, we need to look at history. Many people believe that capitalism is the root cause of global poverty and starvation. They have a completely unrealistic image of the pre-capitalist era, shaped by classical works, including that of Friedrich Engels, *The Condition of the Working Class in England 1820-1895*. Engels denounced working conditions under early capitalism in the most

drastic terms and painted an idyllic picture of home workers before machine labour and capitalism came along to destroy their beautiful way of life: "So the workers vegetated throughout a passably comfortable existence, leading a righteous and peaceful life in all piety and probity; and their material position was far better than that of their successors. They did not need to overwork; they did no more than they chose to do, and yet earned what they needed. They had leisure for healthful work in garden or field, work which, in itself, was recreation for them, and they could take part besides in the recreations and games of their neighbours, and all these games – bowling, cricket, football, etc., contributed to their physical health and vigour. They were, for the most part, strong, well-built people, in whose physique little or no difference from that of their peasant neighbours was discoverable. Their children grew up in the fresh country air, and, if they could help their parents at work, it was only occasionally; while of eight or twelve hours work for them there was no question".

The image many people have of life before capitalism has been transfigured beyond recognition by these and similar romanticised depictions. They

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imagine that life before capitalism resembled a modern-day trip to the countryside. So, let us take a more objective look back to the pre-capitalist era in the years and centuries prior to 1820.

"The small workers of the eighteenth century", Nobel Prize winner Angus Deaton writes in his book *The Great Awakening*, "were effectively locked into a nutritional trap; they could not earn much because they were so physically weak, and they could not eat enough because, without work, they did not have the money to buy food". Some people rave about the harmonious pre-capitalist conditions when life was so much slower, but this sluggishness was mainly a result of physical weakness due to permanent malnutrition. It is estimated that 200 years ago, about 20 per cent of the inhabitants of England and France were not able to work at all, simply because they were physically far too weak due to malnutrition.

The greatest man-made famines of the past 100 years occurred under socialism. In the wake of the Bolshevik Revolution, the Russian famine of 1921/22 cost the lives of five million people, according to official figures in the Great Soviet Encyclopaedia of 1927. The highest estimates put the

death toll from starvation at 10 to 14 million. Only a decade later, Joseph Stalin's socialist collectivisation of agriculture and "liquidation of the kulaks" triggered the next great famine, which killed between six and eight million people. And Mao's "Great Leap Forward" (1958-1962), the greatest socialist experiment in human history, cost the lives of 45 million people in China. When the term 'famine' is used, the first thing most people think of is Africa. In the twentieth century, however, 80 per cent of all victims of famines died in China and the Soviet Union.

It is a typical misconception that when people think of "hunger and poverty" they think of capitalism rather than socialism, the system that was actually responsible for the greatest famines of the twentieth century.

Dr. Rainer Zitelmann's new book, *In Defence of Capitalism*, has just been published and is widely available.

