

Capitalism and Morality

“PRODUCTIVITY VERSUS COMPULSION: AYN RAND’S CASE FOR LAISSEZ-FAIRE CAPITALISM”

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If asked to spend but a few minutes identifying Ayn Rand’s views on capitalism, one will necessarily be able to relate only a small fraction of her thoughts on the subject. The important question – especially for those freshly introduced to Rand’s philosophy, Objectivism, is – *what about Ayn Rand’s views is different from the views of other free-market thinkers?* What useful, valuable insights can we gain from her justification of laissez-faire capitalism which are not found or at least not emphasized in the works of other advocates of systematic individual freedom?

The beauty and power of Rand’s justification for capitalism stems from its ethical groundwork – especially insofar as she identifies the *productivity* of individual rational creators as the source of all human prosperity and shows why only a free-market system can enable this essential virtue to be unleashed and properly rewarded.

Productiveness is one of the seven chief virtues in the Objectivist ethics. As Rand puts it,

“Productive work is the central purpose of a rational man’s life, the central value that integrates and determines the hierarchy of all his other values. Reason is the source, the precondition of his productive work - pride is the result”¹.

While most intellectuals and much of the public view productivity as amoral at best, Rand makes a case for why it is one of the foremost virtues accessible a human being. Recognizing that the very existence of ethics and moral values is preconditioned on the *life* of the *valuer*, Rand believes that the foremost choice each individual must make is the choice to pursue or not to pursue his survival. But survival does not come gratuitously.

*In order to survive, man has to discover and produce everything he needs, which means that he has to alter his background and adapt it to his needs. Nature has not equipped him for adapting himself to his background in the manner of animals. From the most primitive cultures to the most advanced civilizations, man has had to manufacture things; his well-being depends on his success at production.*²

For Rand, then, productivity is a matter of life or death – quite literally – and so institutional arrangements – insofar as they encourage or restrict productivity – are encouraging life and human flourishing in the former case and death and suffering in the latter. This not a just a practical alternative; it is also a moral alternative – and indeed, Rand sees no distinction between the truly practical and the truly moral.

From this ethical groundwork, Rand delves into politics, the fourth branch of philosophy – after metaphysics, epistemology, and ethics. In *Capitalism: The Unknown Ideal*, she addresses the question: What conditions are required in order for individuals to produce and flourish? Her answer is – most eloquently and decisively – *freedom from compulsion*. She notes that “... intelligence does not work under coercion... man’s mind will not function at the point of a gun.” (*Capitalism: The Unknown Ideal*, p. 141). A system based on command and control might

¹ Rand, *The Virtue of Selfishness*, p. 25

² Rand, *Return of the Primitive*, p. 277

amass a measure of brute force to tackle issues of survival and production – but it can never harness the ultimate source of all wealth – the individual rational creative *mind*.

Why does coercion fail to utilize the resources of individual rational creators?

to paraphrase Rand, when one uses compulsion, one locks a man in a deadly double bind. He has the choice of obeying authority and defying the conclusions of his reason (linked to the external reality) and facing the punishment of reality, or of obeying his own mind, and facing the punishment of authority. Man cannot exercise self-direction at the point of a gun. “A free mind and a free market are corollaries.” (Atlas Shrugged)³

But it bears emphasizing that Rand critiques central planning on an ethical basis that is inextricably tied to the results produced in such a system. *Because* central planning fails to enable the minds of individuals to work productively, it is an evil and immoral approach – in the most fundamental way. According to Rand, “Whoever, to whatever purpose or extent, initiates the use of force, is a killer acting on the premise of death in a manner wider than murder: the premise of destroying man’s capacity to live...Force and mind are opposites.”⁴

While productivity – that cardinal moral virtue – fails to be actualized in a command-and-control economy, it is unleashed to the fullest possible extent in a purely free market. A system of natural rights guarantees that individuals remain protected from the initiation of force by others. Rand believes that “*rights* are conditions of existence required by man’s nature for his proper survival. If man is to live on earth, it is *right* for him to use his mind, it is *right* to act on his own free judgment, it is *right* to work for his values and to keep the product of his work”⁵.

Ayn Rand identifies free-market capitalism as “a social system based on the recognition of individual rights, including property rights, in which all property is privately owned.”⁶ This recognition of rights is the only possible explicit protection of the virtue of productivity. Under laissez-faire capitalism, “No one has the power to decide for others or to substitute *his* judgment for theirs; no one has the power to appoint himself ‘the voice of the public’ and to leave the public voiceless and disenfranchised.”⁷ Every man in a free market speaks for himself, thinks for himself, and works for himself. When he cooperates with others, he does so to mutual benefit, not to oppress another or to be enslaved to another’s wants without regard for his own. It is *because* of this state of affairs primarily – and because of its beneficent byproducts only secondarily – that Rand justifies the free-market system. Only in a free market can every individual’s self-sovereignty as a rational, productive agent be respected consistently and unflinchingly.

What Rand’s Defense of Capitalism Teaches Us

Rand’s justification for laissez-faire capitalism has not only academic merit, but everyday relevance to each individual – no matter what his background or occupation. Primarily, it enables productive individuals to adequately *defend* their accomplishments and their way of life. They need not apologize for their productivity and their freedom to work and earn rewards. They need not always make their argument that their freedom is justifiable on account of the benefits it confers on others. Instead, they can confidently assert that the actions they pursue – in whatever realm of honest, life-affirming endeavor – are virtuous in a more fundamental sense. These actions go directly to the root of promoting *life* – the source, underpinning, and precondition of all values. And if one’s actions further life itself, this is the most powerful defense that can be made of them – and of any system that enables them to come about.

Rand’s view of the ethical roots of productivity and free markets can enable millions of individuals to become happier and more productive by shedding the vestiges of guilt that many other philosophical schools attempt to instill in individuals who have accomplished and benefited from their accomplishments. The guilt is unwarranted, and in practice it stifles what the individual experiencing it could achieve for his own further prosperity and happiness. Imagine a world in which every productive individual chooses to rid himself of the sense of shame about

³ Stolyarov, “[The Objectivist-Extropian Synthesis](#)”

⁴ Rand, *For the New Intellectual*, p. 133

⁵ Rand, *Atlas Shrugged*, p. 972

⁶ Rand, *Capitalism: The Unknown Ideal*, p. 19

⁷ Rand, *Capitalism: The Unknown Ideal*, p. 48

his virtues. Start with yourself – if you have not already – in affirming your right to live and work and use your mind. The rest will follow.

Works Cited

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