

Degrowth Bestseller “Slow Down” Perpetuates a Major Myth about Capitalism

Free markets have often been accused of incentivizing short-term profit-seeking, but really the opposite is true.

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JAN 23, 2025

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There is a common view that free-market capitalism systematically perpetuates short-sightedness. The dog-eat-dog selection pressures of the free market force capitalist enterprises to focus on next quarter’s profit-margins at the expense of any long-term vision of a better future, so the argument goes.

This is a central thesis of the 2024 international bestselling book [Slow Down: The Degrowth Manifesto](#) by Kohei Saito, philosophy professor at the University of Tokyo.

Saito blames capitalist short-sightedness for virtually all major problems of modern society, from the world hunger of the post-Industrial past to the environmental collapse he predicts will happen in the future.

About the future, he writes:

Capitalism reflects the opinions of shareholders and business owners living in the present and therefore ignores the voices of future generations, creating yet another type of externality by shifting the burden of environmental damage to the future.

About the past, he writes:

Problems arose from conducting agriculture under capitalism as well. Agricultural businessmen became concerned primarily with the short-term bottom line, preferring to profit from serial cultivation of the same land over leaving fields fallow to allow their nutrients to be renewed. Funds used to maintain the soil, such as those used for irrigation systems and the like, were also cut to the bare minimum. Capitalism always prioritizes short-term profits.

This argument has a fundamental flaw, one that is common to many critiques of capitalism: it blames the economic freedoms of capitalism for failing to perfectly solve a problem that all other systems of political economy solve even less well.

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Saito is correct to observe that sometimes capitalists are short-sighted, often pursuing short-term profits instead of their own long-term interests, let alone the wellbeing of future generations. But nowhere does he even begin to explain how the government officials empowered within his preferred system would be better incentivized than private property owners to think long-term.

Despite all rhetoric about “the common good” and “collective ownership” and “the will of the people,” at the end of the day each limited resource is going to be controlled by some individual with a disproportionate material interest in the wellbeing of herself and her family. A regime of private property allows for long-term planning by ensuring that what individuals don’t consume today they can save for tomorrow, or better yet invest and profit from tomorrow. By contrast, all divergences from the system of private property result in a “[tragedy of the commons](#)” to a greater or lesser degree.

The tragedy of the commons, a basic concept in economic theory, is the circumstance that arises when multiple agents have access to a scarce resource that is unowned or “commonly” owned between them. It is a “tragedy” because the lack of private ownership creates a race to exploit the resource before anyone else does, destroying the feasibility of long-term planning. Long-term planning may be in everyone’s interest, but the first agent to sacrifice the common good gets rewarded at the expense of everyone else.

This situation manifests frequently in the real world. In a *New York Times* [article](#) reporting the extinction of several species of aquatic wildlife in Bahía de Los Ángeles, Aaron E. Hirsch explains:

If a fish population is controlled by a single, perfectly rational agent — an idealized entity economists refer to as “the sole owner” — he or she will manage it to maximize its total value over time. For almost every population, that means leaving a lot of fish in the water, where they can continue to make young fish. The sole owner, then, will cautiously withdraw the biological equivalent of interest, without reducing the capital — the healthy population that remains in the sea. But if the fish population is available to many independent parties, competition becomes a driving concern. If I don’t extract as much as I can today, there’s no guarantee you won’t take everything tomorrow. ... Around the globe, the same dynamic has unfolded in one fishery after another. ... A 2008 United Nations report estimates that global fisheries, currently worth about 80 billion dollars per year, could be worth more like 140 billion — if only they were managed properly.

In his 1962 book [Man, Economy, and State](#), the economist Murray Rothbard explains that much the same dynamic is at play in the allocations of tax dollars by government officials:

...while a private owner, secure in his property and owning its capital value, plans the use of his resource over a long period of time, the government official must milk the property as quickly as he can, since he has no security of ownership. ... In short, government officials own the use of resources, but not their capital value (except in the case of the “private property” of a hereditary monarch). When only the current use can be owned, but not the resource itself, there will quickly ensue uneconomic exhaustion of the resources, since it will be to no one’s benefit to conserve it over a period of time and to every owner’s advantage to use it up as quickly as possible. In the same way, government officials will consume their property as rapidly as possible. It is curious that almost all writers parrot the notion that private owners, possessing time preference, must take the “short view,” while only government officials can take the “long view” and allocate property to advance the “general welfare.” The truth is exactly the reverse. The private individual, secure in his property and in his capital resource, can take the long view, for he wants to maintain the capital value of his resource. It is the government official who must take and run, who must plunder the property while he is still in command.

For these reasons, you could have predicted correctly throughout capitalism’s history, or determine from the data now, that Saito’s pessimism about the consequences of free-market capitalism is misplaced.

More *because of* privatization than *despite it* global per capita [daily food supply](#) has increased from 2,181.25 kcal in 1961 (the earliest year for which reliable global data are available) to 2,959.11 kcal in 2021. And similarly, that annual climate-related deaths [have declined](#) from 1.27 million in 1900 (the earliest year for which reliable global data are available) to just 86,500 in 2023. [And so on](#).

It is time for the likes of Saito to quit idolizing coercive government power and start subjecting it to at least as much scrutiny as private capital.