I have just returned from an interdisciplinary conference where other academics kept using the term capitalism.They spelled it the same way I spelled it, but I felt like I was Inigo Montoya in *The Princess Bride* (1997).To quote two lines from the film:

Vizzini: Inconceivable.

Inigo Montoya: You keep using that word. I do not think it means, what you think it means.

The other academics used capitalism as a pejorative term.They saw it as evil and destructive.Some used the word capitalism as interchangeable with materialism.Others equated capitalism with a destructive force that seeks to destroy all aesthetic value in search of (another pejorative term) profit.They thought that capitalism was a system that valued, indeed needed for its survival, growth at all costs as if there was some magical GDP growth number that if capitalism fell below that number all would die. They saw capitalism as a system that forced people to buy things they don’t need and to work at jobs that cost people their souls.

If I went to a group of physicists and said that all atoms are made of polar bears, I would expect the scientists to be about as bewildered as I was to hear what others thought capitalism was.Perhaps they had never had an economics class.Maybe their definition of capitalism comes from a dictionary, so I looked up capitalism in the Cambridge Advanced Learners Dictionary.

**capitalismnoun**

an economic, political and social system based on private ownership of property, business and industry, and directed towards making the greatest possible profits for successful organizations and people

Clearly dictionary writers haven’t taken an economics class either.No wonder people are confused what capitalism means.Sure capitalism requires private ownership of property, but their definition makes it sound like it’s a system where rich people get to print themselves more money at the expense of poor people. Their definition of capitalism is that only “successful” people benefit.So I started to wonder what their definition of free enterprise was.

**free enterprisenoun**

an economic system in which private businesses compete with each other to sell goods and services in order to make a profit, and in which government control is limited to protecting the public and running the economy

Their definition of free enterprise says that the government is needed to “run the economy”?That’s like me saying that black is the definition of white.No wonder people are confused.So what is capitalism?

Capitalism is an economic system that allows voluntary exchange and protects people from force or coercion

That’s it - nothing more or less.It is the same as free enterprise.People own private property and can pursue whatever they want.If people want to be materialistic they can choose to be so under free enterprise.If people don’t want to be materialistic they don’t have to be.The Amish thrive under capitalism because they get to engage in whatever voluntary exchange they want.Capitalism doesn’t force them to use electricity or buy cars.

Our education system is certainly flawed when it is used to misinform people.Clearly these well educated academics have been failed by a system that can’t, or won’t, even define simple terms like capitalism or free enterprise correctly.As for me I see why melting ice caps will end the world.No ice means no polar bears and no polar bears means no atoms (because all atoms are made of polar bears).