

# It's wrong to be Left and right to be Right

**T**HE TURMOIL in the financial markets has led many people to rejoice that the right-wing philosophies of free-market capitalism have been demonstrably defeated and that socialism now rules, as if socialism is something to aspire to, to be proud of.

It's true that a lot of capitalists are currently, in a socialist manner, seeking government help for their failing businesses, but this is evidence not of capitalism failing but whingeing bosses frightened to confront the marketplace when it turns nasty.

Nevertheless, recent events have served to reinforce in many minds the wickedness of capitalism. If there is one universal term of derision propagated by much of the media and so-called liberal groups, it is the epithet "right-wing".

It explains all that is wrong with anyone who embraces capitalistic values. The term conveys a sense of money-crazed heartlessness, devotion to self-aggrandisement through oppression of the less fortunate, and dishonest and/or unethical behaviour in pursuit of profit.

Broadly, a right-winger favours laissez-faire capitalism and free markets, whereas a left-winger opts for socialism and fair play.

But let's look at these concepts a little more closely.

Capitalism is about individuals free to use their skills and money to produce things that people want to buy in open markets, and enjoying the profits that this activity brings. More profit goes to those who do this better.

Socialism is about ensuring, through central planning and control, that the available wealth is shared equitably among all, regardless of ability or effort.

On a first reading, both sound honourable, though clearly capitalism produces losers whereas socialism does not.

Or is this so?

Looking around the world, where are the economic winners and losers? Without exception, the winners are entities such as America, Europe, Australia and Japan, which have broadly adopted capitalism, while those that have embraced socialism always lose, most notably the Soviet Union, but also places such as Cuba, much of Africa, North Korea, Syria and Burma.

Remarkable for the effect of the transition from socialism to capitalism is China, where an explosion of new-found wealth (250 per cent in a decade) is occurring due to the introduction of a limited amount of capitalism.

The interesting question is, why does capitalism always produce winners and socialism losers? Capitalism is predicated on millions of individuals making free choices in a never-ending quest to better themselves.

Entrepreneurs choose to invest their money in profitable enterprises. Workers choose to take up jobs that maximise their satisfaction and wages. Consumers, shopping in free markets, choose to buy those things that best improve their lives, at lowest cost, which happen to be precisely what the successful entrepreneurs and workers produce, as they constantly compete to improve quality and reduce cost.

It is a virtuous, wealth-generating circle that derives from individual freedom. The sole reason that some people fare worse than others under capitalism is that they happen to possess less ability and/or energy, not that they are kept down by the actions of others. (This inability to blame others for your own shortcomings is one reason



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## OPINION

Right-wingers, or capitalists, favour freedom for all to act in free markets

left-wingers hate capitalism.)

Freedom to innovate and invest cannot prosper except in an ambience of free political choices, where people freely choose their leaders. Capitalism and democracy are inextricably intertwined around freedom.

Socialism, on the other hand, is predicated on the decisions of central planners, who decide how industry, employment and wealth are to be distributed. They are few in number compared to the population, and are necessarily the authority in the land, as otherwise their decisions cannot be enforced.

The populace on whom these decisions are imposed have little freedom to make choices. And since the central planners do not themselves usually suffer directly the effects of poor decisions (as the *hoi polloi* do), there is little incentive to improve on them. So you have a climate in which the choices are few, and made by only a handful of brains – rather than by the millions in the population – while on the other hand the

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absence of disciplinary feedback ensures a steady deterioration in the quality of those choices.

A repressive regime is essential to enforce the central decisions, and to suppress criticism and ideas lest they threaten the central planners as they slide into incompetence, accountable to no one but themselves.

No wonder economies and peoples under the thumb of socialism are the most miserable in the world, while the richest and happiest live under capitalism. No wonder it is capitalist countries that asylum-seekers and economic migrants seek.

Left-wingers, or socialists, favour state intervention, with its inevitable inefficiency, plus the crushing of personal liberties. This has proven to be a truly wicked philosophy, which found its true soul in the murderous regimes of Stalin's Soviet Union and in Mao's China.

Right-wingers, or capitalists, simply favour freedom for all to act, coupled with free markets, with minimal state interference in people's pursuit of wealth and contentment.

That's why it's wrong to be Left and right to be Right. And why it's an honour, not an insult, to be labelled right-wing.

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