

CLAREMONT INDEPENDENT

Truth and Excellence

Capitalism vs. Socialism Debate Hosted at Pomona

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Last night I had the distinct privilege of attending a debate hosted by the Pomona Student Union at Pomona College between two extraordinary political and economic thinkers. Dr. Dan Mitchell, a senior fellow at the Cato Institute specializing in fiscal policy and the economic burden of government spending, and Nathan Robinson, editor-in-chief of the *Current Affairs* socialist magazine and prolific author, engaged in discourse over the nature of capitalism and socialism, what those ideologies prescribe in terms of modern American politics, and how each theory can “inform us as we tackle the regulation of Big Tech—an issue with neither a traditionally “capitalist” nor traditionally “socialist” solution[.]” This article will be a summary of the principle arguments made by each side; I will then make clear my own opinion.

The discussion kicked off with a basic walkthrough of terminology. Robinson and Mitchell were asked to define socialism and capitalism, respectively. Robinson spoke first. In energetic style, he declared that, while socialism as an ideology is difficult to define, each of the socialist schools of thought are united by a common thread of “worker empowerment and radical democracy.” This ethos should permeate all of society, not just government. In a free market, per Robinson, “[a]s soon as you go into work, you are in a dictatorship.” In socialism, radical democracy extends to the workplace: “It is the people who do the labor who should have control of the workplace.” In short, the ideal of socialism is “an egalitarian world where people have more freedom over their own lives.

Mitchell, in a more staid fashion, then proceeded to lay out his definition of capitalism. According to him, the most important measure in identifying a capitalist economy is to answer the question “[t]o what extent do markets determine the allocation of resources?” He continued, stating that a capitalist economy should “worry about opportunity and quality reduction” then about equality. Citing China as an example of an economy only relatively recently opened to trade, Mitchell noted that, while inequality of wealth has increased, China’s poverty rate has dropped dramatically in the decades since the markets opened up. Mitchell, in short, is a capitalist because “[capitalism] delivers better results to people over time.”

Following this, inequality quickly became the focus of the debate. Robinson immediately attacked the idea that inequality doesn’t matter: “[i]nequality does matter because the people who have wealth, these are the people who have the power in society.” According to Robinson, a democracy plagued by inequality is more easily corrupted because “wealth is power.”

According to Robinson, unregulated capitalism leads to “the privatization of public institutions” and, ultimately, to a corporate state: “You don’t get to vote at corporations.” Looking across the Atlantic, Robinson noted that many European countries with higher economic freedom than the United States also have greater government involvement in the market. Thanks to this, their standard of living is such that, per Robinson, no Europeans ‘want to live like Americans.’”

Mitchell, for his part, acknowledged that big companies do exploit people and governments to increase profits, calling such acts “highly morally offensive and anti-market.” A corporate state, per Mitchell, is not a free market society; “[a] company can only thrive if it’s doing things that make you and me happy,” unless said company is subsidized by the government. Mitchell also purported to “worry that big government... necessarily becomes cronyism” with politicians accepting funding from corporations in exchange for lifting regulations on them and imposing them on their competitors. In short, government involvement in the markets leads to a decrease in the economic freedom of a society.

Regarding the question of regulations on tech conglomerates, both sides again presented radically different solutions. On one side, Mitchell argued that, if one doesn’t like what companies like Facebook are doing, one can simply not use the platform. “Nobody said life was perfectly easy... I prefer that individuals make those trade-offs” than that politicians, in trying to create a better system, make the existing one worse.

On the other hand, Robinson took a radically different stance. Citing his experiences as editor-in-chief of a small magazine, Robinson stated that, given the reach of companies like Facebook, small companies simply can’t afford not to use it. Instead of Facebook, Robinson said, he considers Wikipedia “[his] socialist dream.” As a non-profit run by and for its users, Wikipedia is, to Robinson, the online corporation equivalent of a socialist government: “Socialism is about democracy, about thinking who is affected by a decision” and delegating the decision-making to those most affected. To Robinson, the Wikipedia model, not the Facebook one, should be what tech companies aspire to.

My question during and after all this was fairly simple: where is the common ground? Democracy is not a zero-sum, I win you lose game; it’s a process of compromise and dialogue that, though it may take some time, should, in theory, come up with a solution that satisfies the majority of people involved. Listening to the arguments presented last night, I found myself struggling to reconcile the two opposing worldviews in any meaningful way. This may be unsurprising; according to this study by More In Common, the two vocal minorities currently dominating American politics—progressive activists and devoted conservatives—have increasingly found themselves diametrically opposed on nearly every political issue.

Let’s take climate change as an example. According to the same study, a substantial percentage of progressives have identified climate change as the most important issue facing the world today. By contrast, far fewer conservatives acknowledge it as such. This division was reflected in last night’s debate; when a student asked how socialism and capitalism would go about handling the issues raised by an increase in global temperatures, Mitchell responded that, while “[he does] have some degree of faith” that there will be policies created to mitigate climate change’s effects, “[t]here’s a widespread sense” among politicians that climate change is a “Chicken Little” issue. According to him, “[t]here’s a fair skepticism” of the motives of political environmentalists. While he declared himself open to the possibility of a carbon tax, Mitchell argued that, if one were to be instituted, it should be instead of, rather than in addition to, preexisting taxes.

Robinson's answer was, unsurprisingly, radically different. As he sees it, climate change "is clearly a crisis of unregulated capitalism." By allowing the market complete freedom, Robinson said, "we will doom ourselves." In short, "unless we act collectively," if we don't "severely increase regulations on corporations" human civilization will die out in short order.

To me, this issue shouldn't be an ideological one; the science is clear. The right thing to do, regardless of your views on the market, is to take steps to ensure the survival of the human species. There are no markets, regulated or otherwise, without intelligent life. I believe, further, that, if our democracy were functioning properly, we would have recognized and taken steps to mitigate climate change by this point.

The fact that we haven't, and that so many other pressing issues are so politically polarized as to prohibit compromise, lead me to the conclusion that ideology and government should go together as little as possible. The ideal government, as I see it, is a moderate one; not moderate in the sense of having no opinions, or worse, in the sense of compromising on every issue. When I say a moderate government, I mean one willing to look across both aisles, see what solutions have been put forward by both sides, and take freely and without reservation from both the right and the left.

Listening to the arguments presented last night led me to the conclusion that simply agreeing with someone on one point does not necessitate that you agree with everything they say. For instance, I was very much on Robinson's side when it came to climate change and, to some extent, the idea that social welfare "is a [moral] obligation that has to be imposed" in a developed society.

But I was at least partially in agreement with Mitchell when he purported that, to increase the wealth of the society as a whole, "there is no substitute for free markets." That's the fundamental trick to a functioning democracy; identifying the good ideas, regardless of their origin, and rejecting the bad.

This may not be the reality in current American politics, but it can be done; one need only look at the recent opioids legislation passed by Congress to see opposing ideologies working together in service of democracy. My plea to readers, then, is to keep an open mind, to really consider what both your side and the "other" side are saying, and to formulate your opinions based on the conclusions this close observation leads you to. It's not too late to remember that fundamental truth; we're all Americans, we're all human beings, and, like it or not, we must face our problems together, or not at all.