



Capitalism or Socialism: Which One Is More Democratic?

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Why is socialism so popular?

Less than ten years ago, you couldn't refer to "socialism" in a positive way and hope to have a career in American politics. Socialism was referred to as "the s-word." Now it is affirmed, either explicitly or implicitly, by just about everyone on the left. And amazingly, given socialism's record of failure, the socialists seem to be gaining ground. Why? What makes socialism so attractive to so many? Socialism, according to its proponents, is more democratic and therefore more moral than capitalism.

Leftist filmmaker Michael Moore explains it for us: "Democratic socialism means everyone has a seat at the table and everybody gets a slice of the pie." The famed socialist writer, Irving Howe, wrote something similar in his 1982 autobiography: "We believe that the democracy... in our political life should also be extended deeply into economic life."

The basic idea here is that socialism is vindicated through its roots in popular consent. If a majority of people, working through their elected representatives, declares something to be a public entitlement—say, free college or free healthcare—then they are justified in extracting resources from those who create wealth to pay for it. As Nathan Robinson argues in his book, *Why You Should Be a Socialist*, the moral imperative is to place the economy under the control of "the people." Sounds good—at least, superficially—until you dig a bit below the surface.

First, what direct control do "the people" really have over any government institution? What control do the British people have over the National Health Service? What control do Americans have over the Department of Motor Vehicles or the U.S. Post Office? The answer, of course, is none. Given its practical impossibility, genuine popular control over government institutions is a mirage.

Second, what if 51% of Americans vote to confiscate the resources of a single person—say, Bill Gates? Does that make it right? Under an authoritarian socialist government, a single dictator seizes the fruits of your labor. Everyone is against that. Under democratic socialism, a majority does. The end result is the same: you've been robbed.

The fundamental problem with democratic socialism, however, is its assumption that in a free market system, the economy is not under the control of the people. This is exactly the opposite of how things work. Let me explain.

Each of us are not only citizens; we are also consumers. These are overlapping categories: every citizen is a consumer, and every consumer is also a citizen. The consumer, like the citizen,

is a voter. As citizens, we vote once every two or four years. As consumers, we vote many times a day. The citizen votes with a ballot, which costs him nothing except the inconvenience of going to the polls. The consumer votes with his money, which costs him a lot—all the time and effort he put in to earn that money. Only a fraction of citizens are eligible to vote at the ballot box, but every consumer votes in the marketplace—even felons, even children. Illegal aliens cannot vote for political candidates, but they, too, vote with their money.

Moreover, citizens participate in a system of representative democracy—their views are filtered through the politicians who represent them. Consumers, by contrast, vote in a system of direct democracy. If you prefer an Audi to a Lexus or the Apple iPhone to the Samsung Galaxy, you don't have to elect some other guy to exercise these preferences; you do it directly yourself—by paying for them.

Here we see the secret of how those billionaires like Jeff Bezos got so rich. We made them rich! The inequality that socialists complain about is the result of popular mandate. Want fewer billionaires? Stop buying their stuff!

Free markets work not through “greed” or “exploitation,” but by satisfying our wants—and the most successful entrepreneurs are those who anticipate our wants even before we have them. No one wrote Steve Jobs, asking him to make a phone that took pictures, allowed people to text messages and listen to music. He conceived it and built it before we knew we couldn't live without it.

Market economies involve a level of popular participation and democratic consent that politics can only envy. We don't need to extend democracy from the political to the economic sphere; we already have it. And the moral grounding of free markets, just like that of our political system, is in the will of the people—in the latter case, a will expressed only on Election Day; in the former case, a will expressed deliberately, emphatically, constantly.

We don't need socialism because we already have something more moral and more democratic.

It's called capitalism.

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