

Remarkable disconnect between Western leftist elites and the socialist world

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There is a remarkable disconnect between the leftist elites in Western economies and those in the nominally socialist world. The latter have kept wealth creation front and centre, though not always successfully, while in the former, leftist elites have become the permanently outraged, often seeking policy changes that undermine economic growth.

Deng Xiaoping foreshadowed pragmatic socialism in 1962 with his quip, 'It doesn't matter if a cat is black or white, if it catches mice it's a good cat.'

Such apostasy to core communist doctrine led to his being reassigned as a rural factory labourer under Mao, but free markets and private property have been the core of Chinese economic policy since 1979.

Such policies, however, had no support among Vietnamese communist elites when, with massive assistance from the USSR and China, they came to power in North Vietnam in 1956 after defeating the French, and in all of Vietnam in 1975 following the withdrawal of the US. Although enjoying popular support, the communist elites never dared test this in free elections.

But mass refugee emigration from Vietnam, together with its economic stagnation, brought a pragmatic 'rediscovery' of the Marxist theology that a capitalist stage must precede socialism. Đổi Mới (renovation) changes in 1986 introduced a market economy, property rights, the right to employ others, and the dismantling of collectivised agriculture. Since then, Vietnam's economic growth has averaged 7 per cent a year. In addition, the elites in China and Vietnam take great pride in their nations' histories and tend to embellish those histories.

Contrast this with the causes that the left has embraced, often violently, in the West. Over the past half century, we have seen rage migrate from unilateral nuclear disarmament (which would have likely brought a communist Western Europe), to prioritising the environment over income creation. A development on top of this has been extreme Marxist radicals like the Japanese Red Army, the Italian Red Brigades, the German Red Army Faction, France's Action Directe, and the Weathermen in the US.

In addition, we have seen militant LGBTQ+ activists, and, in a misplaced response to the death of George Floyd, new race-based laws. Most recently, we have seen leftist groups allied with Islamic activists against Israel (and Jews generally), a phenomenon that is all the more bizarre because communists and the LGBTQ+ community are clearly at risk where the Islamic regimes they support come to power.

While those spearheading hostile reactions to the status quo in capitalist countries were small minorities, they have often enjoyed broader sympathy from within the political establishment.

A suicidal tendency of democracies to skirt self-mutilation with laws that expropriate property was evident in Australia when the Howard government worked with the NSW and Queensland Labor governments to expropriate the value of farming properties to abate greenhouse gas emissions using regulations on land clearing.

Environmental activism has also brought subsidies to renewable energy, which are de facto penalties on conventional energy supplies and cause wild swings in price. In Australia, these price oscillations include a marked decrease in prices in the latest quarter due to subsidised batteries. But, as Mr Albanese should have learned with the failure of his cunning plan to reduce electricity prices by \$275 per annum, such price interventions can be no more than transitory.

It is anomalous that ostensibly communist East Asian governments are practising a more robust defence of individual property rights than is found – with the possible exception of Donald Trump’s America – anywhere in the developed Western world. And even in the US, bequests from wealthy individuals are funding hundreds of activist bodies to promote measures designed to retard growth, and, with the activist Environmental Law Institute, training thousands of American judges on climate-change issues to distort legal decision-making.

China and Vietnam, though enjoying far fewer freedoms than those still remaining in the West, are reaping a reward in terms of ongoing increases in living standards driven by the market freedoms that most Western nations – including Australia – are restraining.

Key US Constitutional framers Benjamin Franklin, John Adams, and Thomas Jefferson were acutely aware of the danger that populist democracy could eat itself. Adams even said, ‘There never was a democracy yet that did not commit suicide.’ It would be a tragedy for freedom if these dark forebodings were to be correct.