

InToWin Australia - “A Platform for Participation in Improved Political Performance”

Chapter 2 – The foundations are in place, but they’re rockin’ and rollin’

2.2 Capitalism

I support capitalism, *“an economic and political system in which a country’s trade and industry are controlled by private owners, for profit”*. Capitalism is not a dirty word - it’s a good word. We should be thankful to be participants in a relatively successful capitalist based economy, where free markets and the free decisions of self-interested individuals and private corporations have helped build and sustain a high standard of living - maximising the size of the economic pie we get to share.

Capitalism, like any economic system, is by no means perfect. It can become tainted by greed and inequality. Whilst capitalism relies on free markets, all capitalist based societies, including Australia, have opted for government intervention and regulation to smooth out opportunities and outcomes. An economy must have credible solutions for dealing with any obvious inequality, and if individuals or businesses cannot solve the problems, governments will necessarily need to play a role. It is the level of government intervention that should be up for discussion, not whether or not there is any role for government. Experience has shown that by seeking to equalise the sharing of the pie, intervention can end up simply shrinking it.

2.3 Liberty and equality

Who would not support liberty? *“Being free from oppressive restrictions imposed by authority on one’s behaviour or political views”*. And equality – surely everyone living in our society should have an equal opportunity to create their own successes, and the freedom to benefit from the lifestyle that may provide. Yet these two fundamental rights are constantly being challenged, and in fact often stand in opposition to one another.

Whilst our country is made up of many tribes - cultural, racial, religious, demographic, geographic - we are ultimately all individuals. By choosing to live within the broader society, we make a “social contract” with that community, agreeing to give up some of our individual freedoms in exchange for benefits that the group may better provide – usually facilitated through the governments we elect.

This contract sounds like a good idea, but you can see the potential for problems here.

- Who decides how many, and which personal freedoms are to be traded – the individual or society?
- Who arbitrates the cost of the services individuals receive, the amount of tax governments can raise to meet those costs, and which groups pay and which receive?
- Should governments intervene in an attempt to equalise opportunities, outcomes, or both?
- What personal responsibility and accountability should individuals have for the outcomes of their own decisions and actions?

So, that ends our look at society's foundations – next I will discuss the mix of inputs that supports those foundations.