

Capitalist democracy speech

Capitalist democracies aren't the best system of governance. *By far*: They just work the best.

To understand this we need to answer the question: Why do governments exist? On which criteria can we use to judge a system of governance? Different forms of governance systems were established for four main reasons:

- The fundamental reason is to improve the lives of the aggregate of people and promote general welfare through economic improvement and security of lives
- Second is to do so while taking the society forward in certain moral pursuits and goals
- Third is to do the two above while giving the people a sense of freedom, allowing them to pursue their goals in the way that suits them
- And finally, governments were created to not just benefit the country or society in question, but also the communities they interact with.

Independently, both democracy and capitalism have had their imperfections but also stupendous successes. Capitalism has lifted over 1 billion people out of extreme poverty in the past three decades. Ever since the rise of capitalism, there has been a new incentive to avoid destructive wars. The number of these catastrophic wars is at its lowest in recorded history because of the increasing interdependence of countries on each others' economies. In the past three decades, the non-capitalist countries (China, major communist powers in eastern Europe and far east countries like Vietnam) have moved to capitalism and witnessed an economic transformation. The promise of a better future that capitalism offers still holds true and still clears the way for enterprise and initiative in the economy.

In the past few millennia, we have also tried many different governmental systems, however despite its many ills, democracy has undoubtedly been the best system. Just in the last two decades, all the major political upheavals have been about people wanting a new government system and more often than not, they want to transform to a democracy. Examples of this abound. During the Arab spring, youngsters across countries fought valiantly against local dictatorships and currently in Honk Kong, one of the most prosperous cities in the world, students and locals are putting their lives at risk for their democratic rights. Evidently, democracy continues to possess the highest attraction for people as a governance system. And the pre-eminent reason why democracy thrives is because of the universal human aspirations for freedom that have always been intrinsically desired.

And when capitalism and democracy, two leading systems, amalgam, they are able to temper each others' worst excesses. Unbridled capitalism is said to exist to benefit the elites and is infamously known to promote social inequality. But when this capitalism becomes a tool for the money-hungry and avaricious corporates, democracy puts a constraint on it as the chief principle of democracy is the ability of the people to limit and control extreme power.

On the other hand, democracy at its worst can be majoritarian and a force for stagnation and conservatism. There, the money oriented nature of capitalism helps. "The great virtue of a free market system is that it does not care what colour people are; it does not care what their religion is; it only cares whether they can produce something you want to buy. It is the most effective system

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we have discovered to enable people who hate one another to deal with one another and help one another.¹” Capitalism encourages trade between different nations and different people. This economic incentive works to break down barriers and go past narrow sectarian differences that are enforced by extremist forces of democracy. Often, people criticise this system as it results in instability. But we are confusing instability for positive change. The fact remains that opportunity and uncertainty go together as demonstrated by Schumpeter’s “creative destruction”.

The system isn’t flawless. And the solutions aren’t perfect. But the union of these two imperfect systems makes the solution and the future, *our* future, a bit more perfect.

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¹ <https://www.aei.org/carpe-diem/quotation-of-the-day-on-the-great-virtue-of-the-free-market/>