

# Conservatives vs Liberals

## Part 1

### The Role of Government and Markets (who answers the 3 basic questions?)

Which of the following do you like better?

Philosophy 1: This side is generally distrustful of government's ability to improve the lives of people beyond the basics. Rather, many on this side believe that the interaction of supply, demand, and price should answer the **3 basic economic questions** (remember those?) of **what to produce? how to produce it? and for whom?** In other words, the private and free market should determine who gets what and at what prices. According to this side, government should only provide people with **public goods**. These are things like roads, bridges, national defense, police and fire protection and protection of property rights. Things like welfare, for example, are usually opposed by this side because it is an example of **interfering with the market's allocation of scarce resources**. This side also opposes government programs because they involve the government taking wealth from some people and giving it to others. This side generally believes that people should in most cases (maybe not in dire emergencies) take care of themselves. This philosophy believes that *people* and not *government* are best suited to make decisions about their lives as long as those decisions don't harm others. The point is, this ideology wants government *out* of people's lives as much as possible. In fact, some people on this side fear a government that is too powerful. This side says that too many times efforts by the government on behalf of disadvantages people end up making the situation worse or creating unintended negative consequences that were unforeseen. People should be able to succeed (and keep the rewards) and fail (and suffer the consequences) on their own. Competition for this side is healthy! Efficiency and Freedom.

Philosophy 2: This side generally believes that government can and *should* improve the lives of people. Many on this side maintain that the free market, supply and demand, prices and competition often create "haves" and "have nots." Letting private markets answer the 3 basic economic questions creates winners and losers. This is where government should step in to level the playing field. Public goods *and* programs to help those less fortunate are the responsibility of government to provide. Welfare for example, is a good thing for people on this side because it helps people who need some help. The private market leaves some people behind. For this side it is ok to take from the "haves" and give to the "have nots." I like to call this the Robin Hood outlook. Unlike the other side, this side says that government *should* take an active role in the life of its citizens. Government *should* take care of its people. Government, for this side, should not be feared, it should be an agent of positive change. This philosophy says letting the marketplace determine the answers to the 3 basic questions often takes too long, and this amplifies the difference between the winners and losers...gov't can achieve better, faster results than the private market. Gov't, for this side, should help the "losers" in society. Competition for this side is dangerous and cruel! Security and Equality.