

# MONT PELERIN SOCIETY GENERAL MEETING



## Matthew Bunny—*Yaron Brook*



Having dinner alongside a mining magnate, the chairman of a prominent think tank, a famous TV presenter and an ex-CIA agent while overlooking Hong Kong was definitely a pinch-me moment. Such was a typical evening at the Mont Pelerin Society General Meeting. I was exposed to a network rich in knowledge and influence, including a plethora of world-class academics, Nobel Laureates and senior political figures. One particularly captivating talk came from Yaron Brook, President of the Ayn Rand Institute, who spoke on “Ayn Rand and the Inequality Debate”.

Brook argued that inequality is the natural state of capitalism, and that the pursuit of egalitarianism poses a threat to liberty. He stated that welfare should be considered from an absolute, rather than relative, perspective and while free markets do not reduce inequality, everyone is better off with the complete separation of state and the economy. This is because the biggest improvements in welfare throughout history have resulted from free markets rather than interventions like transfer payments, which stunt economic growth.

He also highlighted the importance of language in the fight for freedom. He expressed concern about the free market movement being painted as the agenda of greedy businessmen, while terms like “progressive” have become associated with the left-wing politics. For libertarian ideas to gain traction there needs to be a shift in the language of the debate.

Attending the conference was an invaluable experience. I would like to thank Ron Manners and the team at Mannkal for this remarkable opportunity.

### **Arohi Kaila—Luigi Zingales**

Imagine a week full of networking events with prominent intellectuals and businesspeople from around the world. Couple this with engaging lectures by some of the brightest minds in academia, politics and commerce. This is exactly what my time at the MPS conference entailed, each day being equally informative and interesting. One notable speech, which discussed “Erosion of the Rule of Law and Corruption” was made by Luigi Zingales, a finance professor at the University of Chicago Booth School of Business.



Zingales demonstrated that regardless which definition of the rule of law is considered accurate, corruption is the “antithesis” of this concept. He stated that public perception is a predominant factor in the subsistence of corruption in certain countries. His assertion was that if most people “expect” that a society is corrupt, corruption essentially becomes tolerable and difficult to resist. Interestingly, Zingales also stressed the media’s role in diffusing corruption. He believes this industry prefers to concentrate on “sexy” yet shallow crimes that sell, as opposed to unexciting crimes like tax fraud, which have more significant ramifications on society.

Zingales outlined economic tools that will arguably combat corruption, such as ensuring that financial rewards whistle-blowers receive are proportionate to the size of fraud exposed. However, he highlighted that as long as corruption is accepted and not questioned by both government and citizens, the war on corruption is lost.

The Mont Pelerin Society General Meeting was one of the most exciting and enjoyable weeks of my life! A huge thank you to the Mannkal team, particularly Ron Manners, for your efforts and giving me the opportunity to attend.

### **Alexander Dixon—Vaclav Klaus**



*“I hope we feel the enormous responsibility to continue fighting for freedom, democracy and classical liberal ideas to keep the legacy of the founding fathers of our society alive.”*

This sentence in Vaclav Klaus’s introduction outlined a prevalent theme in his lunchtime address to the Mont Pelerin Society; that of frustration at the current state of liberal ideas. Klaus has been a member of the society for a quarter of a century. He recalled his first meeting since the dissolution of the Soviet Union:

*“I remember the atmosphere of victory, which prevailed at the first Mont Pelerin Society meeting after the fall of communism.”*

Since then, Klaus has seen the Czech Republic through its transition from communism to capitalism, from a closed collectivist state to an open liberal state and to Klaus’s disdain, from the Soviet Union to the European Union.

*“The main threats [to liberty] these days are the accelerating shifts to transnationalism and global governance.”*

Klaus is of the view that a more distant and central power causes a much more untouchable and undemocratic state. He believes in the preservation of the nation-state, not as “a sanctuary of nationalism and a fertile land for wars and hatred among nations” but instead to re-establish real citizenship. With this he believes “responsible citizens anchored in domestic realities” will ensure democracy and liberty.

Undoubtedly Klaus’s view is based on his country’s experience of decades under the control of the Soviet Union, which gives him a cautious approach on distant rule. This doesn’t detract from the prevalence of this thinking, as we can currently see with protests over Chinese rule in Hong Kong and current debates over the independence of Scotland from the umbrella of British rule in the UK. With this in mind, what implications should Klaus’s argument have on our views on the current growth of the European Union? Thinking locally, to what extent can this narrative be applied to Western Australia’s relationship with the Federal Government?

### **Christopher Vu—*Professor Zhiwu Chen***

During my time at the Mont Pelerin Society Conference, there was a recurring theme that China was set to become the next economic super-power. There was an abundance of optimism, and numerous speakers passionately discussed and forecasted what China could potentially achieve in the upcoming decade. One speaker in particular that caught my attention was Professor Zhiwu Chen, Professor of Finance at Yale. In contrast to the other speakers, he spoke about “The Unlikely Prospect of Liberal Reform in China”. He argued that in order for China to ensure the liberty of its markets, political and privatisation reforms were two key necessities unlikely to happen. He highlighted that despite Chinese officials advocating both free markets and minimal government intervention, the reality is an increasing number of state owned enterprises and power abuse. Using examples from the past decade, he then outlined situations where the government seized control of highly profitable private businesses including oil extractors and steel factories, all under the guise that “the market is inefficient”.



Listening to speakers such as Professor Chen was an amazing experience. Although initially shocked by his presentation, the structured and analytical manner in which he expressed his opposing views encouraged me to think critically about China’s future. His use of real world examples provided an insightful argument and it was a great pleasure to listen to his opposing presentation.

### **Magnus Hambleton—*Weiyang Zhang***



One of my favourite talks at the Mont Pelerin Society General Meeting was by Weiyang Zhang from Peking University on “The prospects for liberal reform in China”. With Hong Kong talking of instigating democracy, the relatively recent leadership changeover and the huge crackdown on government corruption in China I was very interested to see what Weiyang had to say. He identified 6 “idea traps” that China and the rest of the world have fallen into which may cause problems in the future unless they are identified as false. These were:

- 1) The “Chinese Model” is the reason for the success of the previous decades
  - It was the economically liberal parts of the Chinese model that boosted Chinese growth. With a more liberal approach early on China would have been *even more* successful.
- 2) Economic liberalisation can continue without political democracy
  - Political empowerment of the people will be crucial for China to get a stronger and more just rule of law, which is a fundamental step towards economic liberalisation
- 3) Current institutions benefit from vested interests and therefore do not have an incentive to change
  - Most institutions would be significantly better off with a more liberal China. The possibility that the government will swoop in and confiscate everything or topple corrupt leaders (currently being corrupt is a near necessity to remain in power) always looms over these institutions heads.
- 4) State owned businesses are the cornerstone of the Communist Party
  - In fact it is the power of the ring of leaders to threaten
- 5) Power comes from the gun
  - In fact, power comes from ideas. When ideas change, the guns change hands.
- 6) The more unlimited the power, the stronger the government
  - Strong government actually comes from a strong economy and public goodwill and acceptance.

### Kellie Wong— *Summing Up*



The week spent at the Mont-Pelerin Society General Meeting was refreshing and thought-provoking. Being in the freest economy in the world, the opportunity to meet leaders and innovators of the libertarian movement deepened my appreciation for Hong Kong’s libertarian policies.

Each moment of the MPS experience was either spent learning from engaging speeches or exchanging ideas with these remarkable individuals. Interacting with those at MPS brought the knowledge and debates from my Sociology studies to life, leaving a lasting imprint on me.

The debates were vibrant and ranged from a highly provocative lecture by former president of the Czech Republic, who saw the collapse of the Soviet Union and took part in the Eastern European transition towards capitalism, to a re-evaluation of property rights in China by Professor Pedro Schwartz, who encouraged more defined property rights for greater prosperity and minimised distributional conflicts in liberating the Chinese market.

Special thanks to Ron Manners, who immediately made me feel at home with the Mannkal team! I am truly grateful for this experience.

