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Wrong Left Turn

By Konstantin Sonin

Back when I was in grade school, there was a popular riddle: "Name a childhood disease that starts with the letter 'l.'" The answer was "leftism," from Lenin's famous 1920 tract "'Leftism' in Communism: a Childhood Disease."

Mikhail Khodorkovsky's most recent letter from prison, "Left Turn," which appeared in *Vedomosti* last week, shows that you can catch this disease no matter how thoroughly you've been vaccinated. There's nothing wrong with leftism per se, of course. Many countries impose high taxes on their citizens and use the money to help fund social services, especially education and health care. And any politician who wants to be popular has to lean to the left to some extent because the majority of people in any country get more out of the government than they put back in taxes.

For Khodorkovsky, the necessity of a turn to the left arises from the need to legitimize privatization. He doesn't want to understand that the average person, who is the chief concern of real leftists, isn't ticked off because he was taken for a ride -- swindled, robbed, humiliated or forgotten -- 10 years ago. He's ticked off because he's being robbed and humiliated right now, kept down by poverty and the lack of a level playing field. No matter how you legitimize what happened 10 years ago, you won't change how he feels about things.

You could try to legitimize the gulf between rich and poor by pointing out that everyone enjoys equal opportunities. This is exactly how a certain wealthy country with an equally glaring disparity between rich and poor defends itself. This would constitute a turn to the right.

You could also attempt a turn to the left -- to higher taxes and greater equality. This would require, first of all, a fundamental redistribution of property. Khodorkovsky wrote that "major property owners needed a turn to the left no less than the majority of the population" precisely because he himself is not a leftist. For this reason, it's hard to take his argument much more seriously than all the talk about market mechanisms during the Yuganskneftegaz auction.

This discrepancy between theory and practice is not the only thing Khodorkovsky shares with the "leftists" in the Kremlin. They are also united by a messianic (or is it childlike?) certainty that the most important thing is to choose the right course and stick to it. Everything we know about economic development indicates the opposite -- that the mechanisms for changing course, which operate independently of the people in charge of setting the course and sticking to it, are the most important factor in development.

In his letter, Khodorkovsky notes that in the two most successful post-communist countries, Poland and Hungary, the left came to power after an initial period of right-wing rule. What he neglects to mention is that in both countries the right subsequently returned to power -- followed in turn by the left. The right course is arrived at not when some wise and honest leader chooses it, but when any leader, even a greedy and ignorant one, is afraid of losing his job in the next election.

A meaningful turn to the left may well have been possible after left-wing slogans carried the day in the 2003 parliamentary election. The voters' dislike for the rich was all too easily manipulated by the regime for its own ends, however, and the country set off down a third, intermediate path.

The current ruling elite now exploits the threat of a turn to the left as it expropriates property from the last bunch. Soon we'll catch up with Argentina and Venezuela.

Konstantin Sonin, professor at the New Economic School/CEFIR, wrote this column for Vedomosti.