

How to fight back against Gen-Z socialism

Something new is stirring on the left. A fresh crop of socialists want to remake the economy with price controls, hefty wealth taxes and a spree of nationalisations. Supercharged by fury over Gaza, they are winning voters at a formidable pace. Many rose to prominence only recently, like Zack Polanski, who leads the Green Party in Britain, or Zohran Mamdani, the mayor of New York. Others are long-standing political fixtures: the septuagenarian Jean-Luc Mélenchon is on his fourth swing at the French presidency, but thumping support from the 20-somethings of “Generation Z” has put the Elysée back in his sights again.

Call it [Gen-Z socialism](#). Not because all its adherents are young—or because it is new for young people to lean leftward—but because it is the brand of leftism, made for the TikTok era, that today’s young revolutionaries support.

Forget weighty collectivist ideals or seizing the means of production. Gen-Z socialism is a me-first doctrine. Climate change and race, preoccupations of the 2010s and early 2020s, are now much more peripheral concerns. So are [social issues, barring Gaza](#). Angst about inflation, housing and artificial intelligence have replaced all that with something cruder. “This country is awash in wealth,” says Avi Lewis, freshly elected leader of the New Democratic Party in Canada, a country where productivity has been all but flat for a decade. “We can have nice things.” Saying that prices should be capped to keep your bills down while someone else pays for your public services is a seductive, shareable message.

Plenty of the grievances that animate Gen-Z socialists do stem from real issues. Inflation has been too high, rent in big cities is now often unaffordable and AI could upend the labour market. Dismissing these worries would be foolish. Yet Gen-Z socialism is wrong about how to fix the problems of capitalism. It must be resisted, because it is a profound threat to prosperity.

No country's Gen-Z socialists are quite alike. The realities of power have forced some, like Mr Mamdani, to become more moderate. But they broadly agree on three core principles. First, that growth does little to help ordinary people. Theirs is a zero-sum mindset, where a better outcome comes not from creating but from taking—as they fear AI barons will soon do on a vast scale. Second, that spending can be paid for by the richest. Once the left wanted higher taxes for everyone; Gen-Z socialists demand handouts funded by billionaires. The third tenet is a remarkable hostility to private enterprise. Gen-Z socialists are uninterested in letting the market rip and redistributing the proceeds. They would have chunks of everyday life, from housing to groceries, governed by state diktat.

Politics has always had zany fringes. The far right is no less barmy—and more dangerous. But what is so worrying about the Gen-Z socialists is how deeply their ideas are bleeding into the centre-left. Desperate to compete, even mainstream Democrats in America now propose mad schemes like exempting over half of tax filers from federal income tax. In Britain the Labour Party, having won power on a centrist platform, has been spooked by the Greens and is rekindling its zeal for higher taxes and state control. Increasingly, the ideas of the Gen-Z socialists can win even when their candidates lose.

That is bad news. Rent controls would worsen housing shortages by crushing the incentive to build. The profit margins of big supermarket chains, demonised by Gen-Z socialists, are already wafer-thin after years of ruthless competition—a miracle of modern capitalism. [Wealth taxes](#) would become confiscatory and deter innovation. Do not assume that the failure of these policies, if implemented, would bring about an automatic course correction. Europe has struggled for decades to escape the low-growth funk left by its own over-regulation; the rise of statist “Peronists” in Argentina helps explain its century of relative decline.

Resisting Gen-Z socialism is therefore an urgent task. The first step is for free-market liberals to stop apologising. A series of popular criticisms of capitalism, each containing a grain of truth, has in aggregate obscured the fundamental wisdom that private enterprise is at the root of human prosperity. Yes, people aren't always

rational, as behavioural economics shows. True, inequality matters and growth is better when broad-based. Free trade and globalisation create losers as well as winners. But this is the best time in human history to be born, given record real incomes, high life expectancy and low rates of extreme poverty. A punchier defence of capitalism would work better in the social-media age than hand-wringing by uncharismatic centrists like Sir Keir Starmer.

Centrist governments must also solve the problems driving popular discontent. “Abundance” liberals are right to want to build cheap and plentiful housing and infrastructure. Politicians must stop saddling the young with the burden of funding excessive pensions. The tax system must ensure that meritocracy prevails over inheritocracy: broader-based inheritance taxes and levies on property would help. The hardest challenge will be the disruption caused by advances in AI. The Gen-Z leftists have set out their stall with calls for a moratorium on data centres and a government jobs guarantee. Liberals must be more positive and imaginative in their own prescriptions, using a mixture of taxes, distributed capital ownership and support for workers to make sure that the upsides of labour-market disruption are widely shared.

The world is ruled by little else

Populists have the wind in their sails; it can sometimes seem as though market liberalism is doomed to political failure. *The Economist* disagrees. A robust defence of the ideas that have brought unprecedented riches has barely been tried. Many of the problems that animate Gen-Z socialists, like high rents, are the result of markets that are insufficiently free, not excessively so. There is time yet for liberalism to once again produce results—and to win the argument.