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**From Marx to the Modern Day: Do the Economic and Social Impacts of Socialism's
Myriad Experiments Discourage Future Trials?**

Soviet Russia, Mao's China, Khmer Cambodia, Chavez's Cuba, Vietnam, Venezuela, North Korea. The list reads like a "who's who" of places you would not want to visit. These countries are also related in two other regards: they were all socialist, and they all failed. Despite this, socialism still fascinates many inhabitants of free-market economies. This is largely the result of two fundamental misconceptions. The first is that "socialism" differs from "communism" – a dubious semantic game that is hard to maintain given that leaders such as Mao Zedong, Vladimir Lenin, and Kim Jong-Il, among others, routinely referred to their regimes as socialist. And while anyone can mislabel, these socialists' policies of collectivization, requisitioning, and redistribution bear all the hallmarks of socialism. The second similarly fails to convince: "true socialism has never been tried." The claim is that while Mao, Lenin, and others implemented *their idea* of socialism, the *real* or *ideal* version has never been tried. Disregarding the fact that ideals never exist – and that socialists never judge capitalism based on the *ideal* free market – this is nothing more than deliberate equivocation about socialism's definition.¹ Although there are varying degrees of socialism and therefore no one *definitive* definition, there *are* core principles that make something socialist. Using semantics to avoid debate makes talking itself a meaningless waste of time and ignores the fundamental essence to

¹ According to a Victims of Communism poll, "68% of Americans do not define socialism as the government owning all property and controlling nearly 100% of the national economy" (Source: Victims of Communism). While socialism can be confined to particular industries (e.g. transportation) and need not encompass the entire national economy, the heart of "socializing" something is to put the government at the fore of providing and funding – as is the case with public transportation.

which words refer. So, for transparency's sake, I will set forth the core principles of Marxism that inform the basic definition of socialism.

Any investigation into socialism inevitably begins with Karl Marx, whose *Communist Manifesto* took the world by storm and has been simultaneously the target of much praise and derision. Whichever side one takes on this issue, though, it is important to use Marx's own writings to accurately grasp his understanding of socialism (an ideology that, as a reminder, he himself created!). His assumptions and conclusions can be summed up as follows:

- Man is purely materialistic and solely driven by economic circumstances.
- All of history "is the history of class struggles."²
- The constant transforming of production designates one's class and drives class conflict.
- Societies and their institutions are formed to preserve the ruling class.
- A country's wealth becomes increasingly concentrated in the hands of a select few bourgeoisie while more people fall into dire poverty.³
- People are alienated from their work because of industrial advancements that make people into mindless machines that repeatedly perform tasks.
- The "march of modern history" is leading toward a revolution in which the workers will rise up to seize the means of production.⁴
- After a brief "domina[tion] of the proletariat," the "state" will be abolished and all will be held in common.⁵

² Karl Marx and Frederick Engels, "Manifesto of the Communist Party," *Written: Late Source: Marx/Engels Selected Works One*, no. 1 (February 1848): 14, <https://www.marxists.org/archive/marx/works/download/pdf/Manifesto.pdf>.

³ This is the idea of the "zero-sum game," in which one's gain necessitates another's loss.

⁴ Karl Marx and Frederick Engels, "Manifesto of the Communist Party," *Written: Late Source: Marx/Engels Selected Works One*, no. 1 (February 1848): 28, <https://www.marxists.org/archive/marx/works/download/pdf/Manifesto.pdf>.

⁵ *Ibid.*, Page 49.

- Full communism will enable mankind to enter “a higher stage of development” in which everyone is willing to work “according to his abilities [and to distribute] to each according to his needs.”⁶

Underlying all these maxims is the fundamental principle of socialism: government provision of goods.⁷ As will be demonstrated, this type of economic system leads to waste, inefficiency, stagnation, regression, repression, and suffering. The history of socialist experiments, as evidenced by their economic and social outcomes, provides decisive evidence against the modern proclivity to implement such a system.

Section I – Economic Objections

Many of the early criticisms of socialism were purely theoretical, since there were not large-scale examples to examine.⁸ Nevertheless, these critiques have largely proven correct over time. Here, I will outline the critiques and will later provide real-world corollaries. Of all the theoretical objections to socialism, one of the most powerful came from the Austrian economist Ludwig von Mises (1881 – 1973). Mises argued that the eradication of private ownership under socialism entails a lack of markets, and without markets there is no way to correctly determine prices.⁹ Without accurate prices to act as reliable indicators of relative scarcity, all efforts at best

⁶ Ibid., Page 38 and “Critique of the Gotha Programme,” in *Marx: Later Political Writings* (Moscow: Progress Publishers, 1970), 10, <https://doi.org/10.1017/cbo9780511810695.011>.

⁷ This is a bit too broad, as it fails to distinguish public goods, which are non-rivalrous and non-excludable (meaning that the private sector cannot sustainably provide them) and private goods (which are rivalrous and excludable). Therefore, a more apt definition (and the one that will be used hereafter) is: “government (public) provision of *non-public goods*” (Williamson, n.p.).

⁸ Although the Pilgrims and the Jamestown colonists could be considered early socialist communities, they did not operate on a scale large enough for empirical study. Still, these experiments played out largely in accordance with the inevitable socialist rubric to be demonstrated in this paper.

⁹ The key word here is “correctly,” since anyone can impose prices from above – though always to disastrous effect.

utilizing necessarily limited resources will be wasteful and inefficient.¹⁰ In a market, producers and consumers bring individual perceptions of the value of an item; the interaction of hundreds, thousands, or millions of such perceptions merge to balance supply and demand, establish an equilibrium price, and engender the highest possible efficiency – all without an of the intricate coordination requisite under socialism.¹¹

As expected, there is no way for a group of central planners to obtain this information for themselves and use it to efficiently allocate the scarce resources of an economy. Yet even if they could, Kevin D. Williamson provides a lucid example that demonstrates the absurdity of central planning. Take milk, in whatever form you prefer. Even after restricting the sizes available, fat content, flavors, whether it is organic, and whether it is dairy or soy, “you end up with around 6 *trillion* options to choose from [... and] if they [the central planners] took just one second to consider each of these options, it would take them 190,128 years just to run through the possibilities of one year’s milk consumption in the United States.”¹² Oh is that all? Considering the shelf life of milk, they better get cracking! But also, one does not survive on milk alone: each additional good under government planning compounds this problem.

¹⁰ This relates to the theory of value, which is too in-depth to get into in this paper. Suffice it to say that the subjective theory of value has proven more accurate than the labor theory of value. Therefore, to accurately set prices, central planners would need to know how much each and every person in the economy subjectively valued each and every good and service in the economy and then balance supply and demand. I find it more efficient to delegate this job to the billions of people who interact in the free market do that (unintentionally, I might add) on their own.

¹¹ This is not to say that everyone will be satisfied. Prices are crucial because they factor in the quality of “scarcity.” While we all want a Ferrari, there are not 8 billion such cars and the costs involved in building one makes it impossible for us all to get one. Therefore, prices allow the Ferrari to go to the one who will derive the most satisfaction from owning one – demonstrated by willingness to give up money that could be used to procure *other* things.

¹² Kevin D. Williamson, *The Politically Incorrect Guide to Socialism* (Simon and Schuster, 2010). Page 30.

Section II – Economic Outcomes

It only makes sense to begin an inquiry into the economic consequences of socialism in Soviet Russia. After the Bolsheviks overthrew the provisional government and launched a civil war in 1917, socialism began to take root under Vladimir Lenin's leadership. He nationalized all businesses in 1918 and later instituted a requisitioning system in which "every province, district, canton, and village community had to hand over to the state a quota that was fixed in advance."¹³ As expected, the taking was easier than the giving back, and the socialist planners' ignorance in that regard resulted in their allocating a paltry 1,400-calorie diet for those performing intensive labor.¹⁴ For reference, one Burger King® Whopper has about 700 calories. The consensus is that a minimum of five million Russians died as a result of the consequent famine, and more would have perished had free-market economies not intervened to provide essential food supplies. Unfortunately, the socialist dream remained potent and engendered even worse outcomes under Lenin's successor, Joseph Stalin.

Upon his ascension, Stalin introduced a Five-Year Plan, the first of many such policies that would become notorious hallmarks of socialist regimes. In this plan, though Stalin recognized the importance of agriculture, his targets were predictably unreasonable – creating an incentive structure that encouraged rampant misreporting. The Five-Year Plans allocated resources based on prior period output; when one sector underperformed, resources were proportionately re-directed to that sector.¹⁵ This practice sometimes successfully raised the

¹³ Stéphane Courtois et al., *The Black Book of Communism: Crimes, Terror, Repression*, trans. Jonathan Murphy (Harvard University Press, 1997). Page 92.

¹⁴ *Ibid.*, Page 205.

¹⁵ If one farm was assigned 1,000 bushels of wheat but only produced 500, that farm would get twice the resources next period with the goal of reaching the target 1,000 bushels. (Source: Economics Explained, "The Economy of the Soviet Union," *YouTube*, January 26, 2020, <https://www.youtube.com/watch?v=S3Jkqqlpibo>.)

output in previously struggling sectors, but it more frequently resulted in distorted incentives that necessarily led to inefficiencies. If those in charge of a sector reported output that met the Plan's goal, they would not get a similar level of inputs next period because those resources would be deemed (by the Party) to be needed elsewhere. This was often worsened when the Party expected output in that sector to be the same – if not higher – during the next period. Faced with this dilemma, it made sense to underreport or even sabotage output to stay under the goals. This behavior corresponds to basic human nature; the resultant inefficiencies mirror basic economic predictions. Firstly, even if a socialist system could parse workers based on ability, it would eventually begin to assign less-productive workers and resources to a given sector. The Production Possibilities Curve – and a modicum of intuition – demonstrates that after a certain point, each additional worker re-allocated to a certain sector provides diminishing marginal returns because not everyone is equally capable at a specific job. Additionally, any economist would caution that the opportunity cost incurred by these allocative policies will necessarily be too high. Since socialist systems have no efficient way to discern which workers are best suited for a particular sector – nor any incentive to find out – the preoccupation with reaching goals meant that inputs were indiscriminately thrown into a given sector so long as the output met the mark. Yet it would not do to have Albert Einstein working the fields.

As Lenin purportedly said, “If you want to make an omelet, you have to be willing to break a few eggs.”¹⁶ But was the socialist omelet ever cooked? In certain respects, the economic data reflects positively on the U.S.S.R. From 1928 to 1977, their economy grew from 25% to 60% of the size of the U.S. economy.¹⁷ Furthermore, the U.S.S.R. experienced an average annual

¹⁶ It is unclear whether Lenin actually said this, and many today instead attribute it to Robert Louis Stevenson.

¹⁷ Gur Ofer, “Soviet Economic Growth: 1928-1985,” *Journal of Economic Literature* 25, no. 4 (December 1987): 1767–1833, <https://www.jstor.org/stable/2726445>. Page 1781.

GNP growth of 4.2% from 1928 to 1985.¹⁸ Yet there are important caveats that discourage an overly optimistic view of this data. Firstly, Russia was a severely underdeveloped country – over 85% of the population lived in non-industrial, rural areas.¹⁹ As such, any growth would be amplified by the “catch-up effect” – a phenomenon in which less-developed countries exhibit much higher growth rates than those of more-developed countries as the former countries catch up to their contemporaries. Moreover, while 15% of U.S.S.R. economic growth occurred over a 27-year span dominated by socialist policies, 10% occurred in the 12 years after the market-based Liberman reforms.²⁰ Additionally, whereas growth in developing countries that operated under a capitalist system merely levelled-out, growth in countries operating under a socialist system experienced a downturn, seen in the fall in the U.S.S.R.’s GNP from 62.0% of the U.S. to 50.3% during the period 1975 – 1980.²¹ Industrial growth too slowed from 10.7% per year (1951 – 1955) to 7.6% per year (1961 – 1965).²²

The devil is in the details, and it is necessary to consider the *source* of Soviet economic growth, which was propelled by unsustainable labor practices. In addition to the use of forced labor, the Soviet Union “recommended the extension of the working day to eleven hours, with three rest days allowed per month.”²³ 40-hour workweeks were unheard of, and the promise of a

¹⁸ Ibid., Page 1777

¹⁹ Tracy Dennison and Steven Nafziger, “Micro-Perspectives on 19th -Century Russian Living Standards,” November 2007, https://web.williams.edu/Economics/wp/nafzigerMicroLivingStandards_WilliamsWorkingPaper_Nov2007.pdf. Page 2.

²⁰ The latter 10% growth is more significant due to the catch-up effect. Since its impact necessarily wanes as growth continues, growth in later years is more impressive.

²¹ Gur Ofer, “Soviet Economic Growth: 1928-1985,” *Journal of Economic Literature* 25, no. 4 (December 1987): 1767–1833, <https://www.jstor.org/stable/2726445>. Page 1775. In comparison, free-market Singapore’s GDP has been consistently positive for over 60 years.

²² Nicolas Spulber, “The Soviet Economy in the 1970’S,” *Current History* 57, no. 338 (1969): 214–37, <https://www.jstor.org/stable/45312170>. Page 216.

²³ Stéphane Courtois et al., *The Black Book of Communism: Crimes, Terror, Repression*, trans. Jonathan Murphy (Harvard University Press, 1997). Page 206.

refreshing weekend a fantasy. Furthermore, the U.S.S.R. boosted its labor force participation rate up to 86.6% by 1980 – vastly outpacing the more feasible 66.5% and 70.9% LFPR in E-OECD countries and the United States, respectively.²⁴ Although an economy can operate past its long-term sustainable level for a time, that period is finite by definition. At the end of said period, the overheated economy will experience results akin to those in Russia. Another important detail is what drove the growth. In Soviet Russia, as would be the case in later socialist countries, the main driver of growth was heavy industry. This meant that socialist leaders thrust a largely agricultural society onto the path of rapid industrialization. This obsession stemmed from socialism’s fixation on the “means of production,” which are represented by heavy industry and, specifically, capital goods (things that make other things). The planners honed in on productive capability, meaning that growth was a function of the production of capital goods. This resulted in an exceptional ability to produce other goods without the incentive to ever produce those other goods. Eventually, people want to stop *seizing* the means of production and instead start *using* them to make things. Yet the planners planned away, with the consequence being “an overgrown industrial sector dominated by smokestack industries alongside seriously underdeveloped service sectors, especially commercial and business services.”²⁵ While industrial growth peaked at 7.8% during the seven-year plan, agriculture grew only 1.6%.²⁶ And herein lies the problem with a single-factor analysis: while economic development and growth is generally correlated with well-being and flourishing, failure to consider additional factors or simply to dig into the numbers causes oversight. Sure, the U.S.S.R. had the *ability* to produce things to raise their

²⁴ Gur Ofer, “Soviet Economic Growth: 1928-1985,” *Journal of Economic Literature* 25, no. 4 (December 1987): 1767–1833, <https://www.jstor.org/stable/2726445>. Page 1783.

²⁵ Gertrude Schroeder, “The Dismal Fate of Soviet-Type Economies: Mises Was Right,” *Cato Journal* 11, no. 1 (1991): 13–25, <https://www.cato.org/sites/cato.org/files/serials/files/cato-journal/1991/5/cj11n1-2.pdf>. Page 23.

²⁶ Nicolas Spulber, “The Soviet Economy in the 1970’S,” *Current History* 57, no. 338 (1969): 214–37, <https://www.jstor.org/stable/45312170>. Page 216. This helps explain why famines were so common and intense in socialist regimes – lack of agricultural cultivation results in a scarcity of food.

citizens' standard of living, it just never did so. Similar consequences arose in other socialist countries, leading to generalized social unrest in these countries.

Long one of the wealthiest nations on Earth, China embarked upon its socialist journey after a power struggle in the early twentieth century that thrust the nation into a period of civil war. The outcome reflected that of its Russian neighbor: establishment of a socialist state. After the Chinese Communist Party emerged victorious in 1949, Mao Zedong quickly began to implement his vision for the country. À la Stalin, he instituted a Five-Year Plan that emphasized the development of industry. The plan placed the state at the head of “67.5 percent of all modern industrial enterprises,” with the other “32.5 percent ... under joint public-private ownership.”²⁷ Additionally, “about 93.5 percent of all farm households had joined advanced producers' cooperatives” by 1957.²⁸ Largely a result of the catch-up effect and China's having been considerably destroyed in war, the results were actually quite positive.²⁹ The following table provides the growth in key industrial outputs (in millions of tons):³⁰

Item	1952 Output	1957 Output	Percent Increase
Coal	63	124	96.83%
Pig Iron	1.9	5.8	205.26%
Steel	1.3	5.2	300.00%
Oil	0.4	1.4	250.00%
Cement	2.6	4.6	76.92%
Fertilizer	0.2	0.7	250.00%

These numbers remain far behind those of industrialized nations as well as those necessary for sustainable growth, but they are nevertheless impressive.³¹

²⁷“China - the First Five-Year Plan, 1953-57,” countrystudies.us, n.d., <https://countrystudies.us/china/87.htm>. n.p.

²⁸ Ibid., n.p.

²⁹ It is important to note here that figures from China have proved both scarce and of dubious reliability when obtained. Nevertheless, most of the numbers I will use have been vetted or otherwise adjusted by scholars.

³⁰ Data sourced from: Chinese History for Teachers, “First Five Year Plan (第一个五年计划) Overview · the First Five Year Plan (第一个五年计划) · Chinese History for Teachers,” chinesehistoryforteachers.omeka.net, n.d., <https://chinesehistoryforteachers.omeka.net/exhibits/show/first-five-year-plan/first-five-year-plan-overview>.

³¹ Assuming 50 lbs. fertilizer is needed per acre, and that China had 90,000,000 acres in the commune system, then they would need $50 * 90,000,000 \div 2,000 = 2,250,000$, or 2.25 million tons – far above the 0.7 actually produced.

In addition to this output growth, China's Net Domestic Product increased 34% in 1958 and 21% in 1959.³² This was chiefly a function of heavy industry, which grew over 120% during the first Five-Year Plan; agriculture barely edged over 20%.³³ This led Mao to re-orient his strategy in the second Five-Year Plan, which he tailored to individual provinces. But even though agricultural provinces could focus on agriculture and industrial provinces could focus on industry, China still ultimately suffered a deep crisis "because of mismanagement, numerous technical blunders, and three consecutive years of natural calamities between 1959 and 1961. Although agricultural output did rise 10 or 15 percent in 1958, when the weather was favorable, it dropped 25 or 30 percent in 1960 – 61 and pushed the country to the brink of a large-scale famine."³⁴ This famine was exacerbated by Mao's directive for farmers to set up furnaces in their backyards in order to produce steel to be used in the development of agricultural capital (machinery). All this accomplished was further wasteful consumption of invaluable resources: time that would be better spent on agriculture; furniture, buildings, and trees that would better serve as shelter and irrigators; and metals that served their former purposes better than the shoddy form of steel into which they were transformed. Instead of generating machines that would catapult agricultural output to unprecedented levels, millions languished in under-equipped homes, plagued by floods caused by the dearth of trees while not even having utensils with which to eat their meager rations.

It is again important to acknowledge the *source* of growth in socialist China, since abstracts are less helpful than particulars. Like that of Soviet Russia, China's growth centered on heavy industry. The results were congruous: spending on heavy industry crowded out and pushed

³² Cheng Chu-yuan, *The Economy of Communist China, 1949-1969* (Ann Arbor, Michigan: University of Michigan Center for Chinese Studies, 1971). Page 7.

³³ *Ibid.*, Page 12.

³⁴ *Ibid.*, Page 17.

consumption spending “nearer to the bare subsistence level than that in the USSR in 1928.”³⁵ A focus on industry is logical in an underdeveloped country like post-WWII China, and that nation’s ravaged state at the end of WWII partly explains how it attained such high rates of growth early on (recall the catch-up effect). This type of growth, though, is unsustainable in the long run. Productive industry, comprised of consumption and services, requires attention as well. But several factors prevented the central planners from promptly adapting to changing circumstances, including an ideological rigidity in line with socialism’s philosophy and a lack of market signals. Perhaps if the planners had such signals to consult, tens of millions would not have died during the ensuing famines.

Before proceeding with a modern-day comparison case study, it is worth exploring the remarkable frequency and severity of famines in socialist countries. Russia was no stranger to famines in its pre-socialist stages. Of those documented, the worst – occurring at the beginning of the seventeenth century – killed around two million, whereas the most recent – transpiring in the late nineteenth century and prior to the October Revolution – killed a few hundred thousand. Yet under socialism, famine was ingrained and more severe. Collectivization smothered agricultural output and claimed the lives of millions. When foolish planning was not misallocating resources, socialist leaders themselves were the orchestrators. Responding to concerns that collection plans were unrealistic, Stalin’s deputy Vyacheslav Molotov scoffed, claiming that “[w]e Bolsheviks cannot afford to put the needs of the state ... in second place.”³⁶ The results were similar though more devastating in China, given that nearly all of the population supported itself through agriculture.³⁷ This predestined the stumble backward that was Chairman

³⁵ Ibid., Page 26.

³⁶ Stéphane Courtois et al., *The Black Book of Communism: Crimes, Terror, Repression*, trans. Jonathan Murphy (Harvard University Press, 1997). Page 164.

³⁷ Zhihong Shi, *Agricultural Development in Qing China* (Brill, 2017). n.p.

Mao's "Great Leap Forward." His collectivization and forced requisitioning to support the development of industrial centers caused the premature death of anywhere between 16.5 and 30 million Chinese.³⁸ These figures trend toward the more conservative estimates, though a low-ball conservative estimate of deaths that surpasses the tens of millions is not a good sign.

Interestingly, socialist leaders never seemed to be the victims of famine.

On the topic of leaders who eat while their citizens languish: North Korea. A few hundred miles to the east, Korea provides a valuable comparison of the fruits of socialism to those of capitalism – shriveled apricots compared to crisp peaches. At the time that Korea split, the northern half was more advanced. Whereas South Korea was primarily agricultural, North Korea had well-developed industry. For simplicity's sake, I have ignored this and instead assumed that each nation began at the same position and exhibited identical economic metrics. Given this assumption, each country's current position inherently reflects the consequences of vastly different economic systems:

	North Korea	South Korea
2022 Economic Freedom Rating	177 ³⁹	19 ⁴⁰
Per Capita GDP (2020)	\$618.00 ⁴¹	\$31,947 ⁴²
Population Percentage Below Absolute Poverty Line	60.0% (2018) ⁴³	0.2% (2016) ⁴⁴
Consumption as Percent of GDP	N/A	47.0% ⁴⁵
Electricity Access	26% ⁴⁶	100% ⁴⁷
Cell Phone Usage Per 100 People	23.27 ⁴⁸	137.50 ⁴⁹
Percent of Population Using the Internet (2020)	0.0% ⁵⁰	98.0% ⁵¹
Average Height	5'5" (Men) / 5'1" (Women) ⁵²	5'8" (Men) / 5'3" (Women) ⁵³
Average Lifespan ⁵⁴	72.9 years	83.5 years
Human Trafficking Tier ⁵⁵	Tier 3 (Worst)	Tier 2 (Mediocre)
Malnutrition (2019) ⁵⁶	42.4%	2.5%
Child Mortality (2019) ⁵⁷	1.65%	0.30%

³⁸ Wei Li and Dennis Tao Yang, "The Great Leap Forward: Anatomy of a Central Planning Disaster," *Journal of Political Economy* 113, no. 4 (August 2005): 840–77, <https://doi.org/10.1086/430804>. Page 841.

Suffice it to say that this table speaks for itself. And the regime itself is indeed doing just fine. In a widely popularized picture of Korea at night, the only place in North Korea that was lit up was, as expected, Pyongyang.

Section III – Social Consequences

Socialism prides itself on being the economic system of the masses – a system that liberates ordinary workers from the drudgery and exploitation of capitalist work. For all its grandiose claims, though, its effects have been predominantly negative. These consequences are reflected not only through economic measures such as poverty, unsustainable growth, and eventual stagnation, but also in social criteria. Famines, government-incited alienation, forced deportations, mass migrations, and summary executions. All these are characteristic of socialist regimes. While socialist apologists maintain that such outcomes resulted from policies and practices that deviated from “true socialism,” I want to emphasize that they represent the logical consequences of socialism.

Socialism lays a societal groundwork that encourages corrupted behavior. Like its parent ideology (Marxism), socialism’s philosophical basis is materialism, which rejects religion as a bourgeoisie tool to keep the masses in check. But as any good Catholic apologist would predict, the God-shaped vacuum in the heart of each man does not disappear through the abolition of religion, but will instead be filled by something else – in this case, the exercise of power in pursuit of a secular utopia. This greatly explains Socialism’s seemingly unique capacity for producing tyrants like Joseph Stalin, Mao Tse-Tung, Pol Pot, Fidel Castro, and Hitler – all adherents of the ideology. On a more intuitive basis, though, the other reason socialism churns out more tyrants than food is that socialism uniquely centralizes power in the state. In order to

ensure that all distribution is equalized, there must be a body to do the collecting and distributing. Socialism is not anarchic and recognizes that there must be some form of group to do the distributing. This group must be a dictatorship because its job is to forcibly re-allocate the fruits of others' labor, and no amount of social engineering will change our natural opposition to unfairness. In most cases, this group will be the state, which inevitably attracts those who enter politics with the intent to misuse such power. As the Catholic theologian Lord Acton said in reference to papal infallibility: "absolute power corrupts absolutely."³⁹ Thus, the unique interaction of the removal of religion with a new way to fill that void (exercising power through the state) inevitably leads to the social policies that so often accompanied socialist economic policies – or followed their failure.

Over their history, socialist regimes routinely confronted the religious dispositions of their subjects. In Russia, this manifested as a war against the Orthodox Church. Since the regime could not tolerate the bourgeoisie morals of fairness and individuality upheld by the Church, it launched a campaign to extirpate the influence of Orthodox Christianity. Beginning under Lenin in 1918 and later intensifying under Stalin, the Soviet Union introduced explicitly anti-religious legislation that "impos[ed] new restrictions on the activity of religious societies."⁴⁰ These policies went far beyond the usual nature of such regulations in other countries, which routinely forbid terrorism and other violence. Rather, they utilized highly subjective standards like "any use of the religious prejudice of the masses ... for destabilizing the state."⁴¹ This undoubtedly strained social relations within Russia. The subjectivity of such measures fostered an air of uncertainty that affected how believers expressed their faith. Fearful of running afoul of the state,

³⁹ These words are famously attributed to Lord John Dalberg-Acton.

⁴⁰ Stéphane Courtois et al., *The Black Book of Communism: Crimes, Terror, Repression*, trans. Jonathan Murphy (Harvard University Press, 1997). Page 172.

⁴¹ Ibid. Page 172

the simplest strategy was to bury one's faith within oneself. At the same time, these efforts led people to view the government as an alternative religion. No longer was the state a secular body governing how its subjects operated in this realm; now, it was a rival that regularly asserted that "the defense of the USSR, as of the socialist motherland of the world proletariat, is the holy duty of every honest man everywhere and not only of the citizens of the USSR."⁴²

Yet deeply held religious beliefs were not easily displaced, and early campaigns against religion bore little fruit. Desperate to disrupt existing societal ties and re-forge them between the people and the state, Stalin redoubled his predecessors efforts. Stalin "seiz[ed] ... all church bells," treated "anyone closely associated with the church ... like a kulak," and levied exorbitant taxes on such people.⁴³ The result? A spike in riots as believers defended their right to practice their religion without fear of reprisal. Indeed, regimes across the Eastern Bloc faced such consequences whenever they followed similar policies. Religious organizations represented the main bulwark against socialism in Russia, Armenia, Georgia, Lithuania, Poland, among other countries. A shared tradition – including the specific teachings therein – prompted the adherents to resist. Unfortunately, while those raised in religious households under the former conditions of relative religious liberty were well-equipped to stymie the predations of socialist regimes, the efforts of said regimes were directed against the institutions that inculcated religious values. Sustained efforts gradually eroded the influence of religion throughout the socialist world.

Classrooms are crystal balls that prefigure a country's destiny. That is because those within are the literal future. Socialist countries quickly discovered that traditional values and mentalities could be eroded through corrupting the minds of the youth. The first way they

⁴² W. Cleon Skousen, *The Naked Communist* (C&J Investments, 2007). Page 458

⁴³ Stéphane Courtois et al., *The Black Book of Communism: Crimes, Terror, Repression*, trans. Jonathan Murphy (Harvard University Press, 1997). Page 172.

accomplished this was by reducing or outright eliminating the influence of external factors. Russia reduced the number of priests from 112,629 to 17,857 in just over 20 years – an 85% decrease! China, too, hampered the efforts of missionaries, which dampened their resolve and led their number to fall from well above 5,000 to below 500 in five years, while Armenia itself banned religious teachings and effectively ended all such practices.⁴⁴ Without parents empowered to raise children with traditional religious values or priests able to serve as backups, socialists exercised control through the one remaining foundational institution: education. Soviets pioneered the technique of “instill[ing] the ideology of communism in the minds of the young generation ... and inculcat[ing] the spirit of Soviet patriotism and Bolshevik ideas.”⁴⁵ Their Chinese successors perfected the technique, recognizing that “most morality [was] based on respect for familial obligations,” and “once these [were] broken, anything [could] happen.”⁴⁶ And anything *did* happen. Sons turned against fathers, and fathers against sons; daughters turned against mothers, and mothers against daughters; students turned against teachers, and teachers against students. This mass chaos was a direct result of socialism, which actively sought to displace the old order through any means possible. The result of all of which is nothing that any modern nation should aspire to achieve.

Section IV – The Confluence of Economics and Society in the Modern World

⁴⁴ Ibid. Page 482. AND Hank Johnston, “Religio-Nationalist Subcultures under the Communists: Comparisons from the Baltics, Transcaucasia and Ukraine,” *Sociology of Religion* 54, no. 3 (1993): 237–55, <https://doi.org/10.2307/3711720>. Page 248.

⁴⁵ W. Cleon Skousen, *The Naked Communist* (C&J Investments, 2007). Page 481.

⁴⁶ Stéphane Courtois et al., *The Black Book of Communism: Crimes, Terror, Repression*, trans. Jonathan Murphy (Harvard University Press, 1997). Page 466.

At this point, it is beyond evident that socialism *has* in fact been tried, and multiple times at that. As demonstrated, each implementation has resulted in inefficiency, resource misallocation, repression, famine, and death. But some may remain unconvinced. After all, the socialism *they* have in mind is the type that exists in Sweden or Canada. These arguments often object that it is not necessary to create a system that operates on a completely socialistic basis, and that the possibility of socializing only certain parts of the economy while discarding the social policies should be considered. One problem with this argument is that Sweden and Canada are not socialist. Another issue: although Sweden underwent a socialistic period in the 1970s, the results soon led to a reversion to capitalism.

When socialists talk about the type of socialism *they* are considering, 99 times out of 100 they point to Sweden. What they do not realize is that “socialist” and Sweden” go together like rocks and windows. Until about 1850, Sweden was an underdeveloped rural country from which those who could migrated to other countries in pursuit of improved opportunities. This largely reversed under the free-market ideology of Finance Minister Johan August Gripenstedt. His policies “increased [GDP] almost 7-fold. [Also, i]nfant mortality was reduced by 85%, and life expectancy increased by 26 years.”⁴⁷ Perhaps *because* of this prosperity, in came socialism like the proverbial rock and smashed the window of Sweden’s heretofore affluence. Throughout the period in which unions were given control of private companies (“seizing the means of production”), economic growth fell to half that of developed countries.⁴⁸ In addition, inflation exceeded 10.00% and interest rates surpassed 500.00%.⁴⁹

⁴⁷ Free To Choose Network, “Sweden: Lessons for America? - Full Video,” *YouTube*, September 21, 2018, <https://www.youtube.com/watch?v=jq3vVbdgMuQ>.

⁴⁸ *Ibid.*

⁴⁹ *Ibid.*

Fed up with such dismal outcomes, Swedes pushed their politicians to reverse course. Even the author (and socialist sympathizer) Astrid Lindgren could not bear her 102.00% marginal tax rate.⁵⁰ Despite socialists' claim that socialism liberates people to pursue their aspirations, her dilemma instead caused the author to stop writing – offering a prime example of how socialism disincentivizes innovation. As much as she loved to write, she did not think it reasonable to pay readers to buy her books. Who can blame her? In the 1990s, Sweden had reinstated several free-market policies and consequently experienced a 4-fold increase in disposable income from 1996 – 2011 while growth rose to 50% *above* that of developed nations.⁵¹

Those who point to Sweden as their model of socialism do so because of a fundamental misunderstanding of the difference between socialism and social democracies. Whatever is at fault for the mix up, the distinction is important. Socialism – whether implemented economy-wide or only in a certain sector within a largely free-market structure – places the government at the head of *both* production and distribution. Conversely, in social democracies like Sweden, the government is simply the funder, with private enterprises producing the goods or services.⁵² For example, Swedish parents receive generous welfare payments to send their children to school, yet they do not have to send their children to government-run schools and can instead use the money to fund a private or charter education.

⁵⁰ Ibid.

⁵¹ Ibid.

⁵² It is also an open question of how receptive these socialists would be to the high tax burdens required to support such an expansive welfare state. Research articles have investigated the degree to which Sweden's homogeneity (and relatively small population) enables such a welfare state to operate. See Zelleke, *Lessons from Sweden: Solidarity, the Welfare State, and Basic Income*, 77.

But what about truly socialized sectors within free-market structures, such as public schools, public transportation, or healthcare? For one thing, these systems are often not fully socialist. In the case of public schooling, the public schools themselves are socialist but compete with private and charter schools. Likewise for public transport, which is facing increasing competition from the likes of Uber and Lyft. Whereas Uber and Lyft must demonstrate the reliability of their services and ability to turn a profit, publicly funded transportation companies like Amtrak can be late nearly 50% of the time and consistently operate at a loss without failing.⁵³ This is because the government can just inject more money into the company using taxpayers' (i.e. not the government's) money. Also, in the case of healthcare, Britain's National Health Service is similarly defective. After seventy years of existence, emergency room patients have a 50% chance of waiting upwards of 4 hours for care, stroke victims above 45 have a 41.7% mortality rate, heart attack victims above 45 have an 8.1% mortality rate, and 69 out of 100,000 deaths were treatable.⁵⁴ These statistics place Britain 18th out of 19 countries similar to the U.K.⁵⁵ Clearly, the socialized healthcare sector has not delivered the results it promised – a feature common to socialist systems that claim to support the common man.

So, in conclusion, do the economic and social impacts of socialism's myriad experiments discourage future trials? Yes. Socialism leads to inferior outcomes in all instances in which it is implemented – whether it is reserved to a particular sector (transport) or constitutive of the entire

⁵³ Jim Matthews, "More than Half of Amtrak Routes Late Enough for Enforcement," www.railpassengers.org (Rail Passengers Association, August 8, 2022), <https://www.railpassengers.org/happening-now/news/blog/more-than-half-of-amtrak-routes-late-enough-for-enforcement/>.

⁵⁴ Tim Knox, "The NHS Is Failing Us All," *The Spectator*, April 27, 2022, <https://www.spectator.co.uk/article/the-nhs-is-failing-us-all/#comments-container> and Tim Knox, "Updated - International Health Care Outcomes Index 2022," Civitas: Institute for the Study of Civil Society, July 23, 2022, <https://www.civitas.org.uk/publications/international-health-care-outcomes-index-2022/>.

⁵⁵ "NHS Ranked near Bottom of World Healthcare League Table," *DailyMail*, April 27, 2022, <https://www.dailymail.co.uk/news/article-10757053/NHS-near-bottom-world-healthcare-league-table-UK-risks-sick-man-world.html>.

system (U.S.S.R.). The examples given throughout this paper reinforce that conclusion and warrant caution against future proposals to implement socialistic policies. This is not to disparage government serving as a “funder,” since that is not inherently socialist and is compatible with a free market when done properly, as demonstrated by Sweden. However, the Swedish system also shows the rampant dysfunction that spreads when the government becomes “provider” too.

Ultimately, Sweden’s experience reflects that of every other socialist experiment and once again reaffirms the most justifiable conclusion in light of the myriad evidence provided within this paper: to the greatest extent possible, an economic system should be based upon free-market principles – for the good of the physical, economic, and social flourishing of those living under it.

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