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The Road From Serfdom

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Given the renewed interest in alternatives to capitalism, it is perhaps appropriate to recall the last time that socialism was tried with real gusto.

Twenty years ago, the Berlin Wall came down and with it communist rule in Central Europe. Within little more than two years, the Soviet Union ceased to exist and the transition from communist dictatorship to free market democracy began in much of the former socialist commonwealth. Democracy and capitalism, Francis Fukuyama concluded in *The End of History*, have won. Communism, to use (with an appropriate sense of irony) Leon Trotsky's words, ended up in "the dustbin of history."

In spite of its monumental failure to bring social peace and material abundance, socialism is enjoying something of a renaissance. From Venezuela to Bolivia to South Africa, government ministers espouse the supposed virtues of socialism. Even in the West, some policies are taking government intervention in the economy to levels unseen in decades. Given the renewed interest in alternatives to capitalism, it is perhaps appropriate to recall the last time that socialism was tried with real gusto.

Few recall communist rule in Eastern Europe in the 1950s—the height of its glory. The fog of time shrouds painful memories of firing squads and forced labor camps. However, I am old enough to remember communism on its last leg—communism that no longer had the confidence to pull the trigger, but still had the strength to lock the door of a prison cell. For, by the late 1980s, not even the communists believed in communism. What was once humanity's greatest threat became a pathetic joke—except that the people in ex-communist countries were not a happy, giggling lot.

Shortages, some Americans will recall from the 1984 Robin Williams movie "Moscow on the Hudson," were an everyday reality in the Soviet bloc. As a kid, I remember being taken by my aunt (a hardcore communist) to a shop where the only sign of life was a fat fly buzzing atop a lonely gray sausage—the sole indicator that the shop was, in fact, a butchery. Born after the communist take-over of Czechoslovakia in 1948, she did not know any better. Like Williams's character Vladimir Ivanoff, she saw endless lines for one or two rolls of low-grade toilet paper as perfectly normal. Paradoxically, it was her trip to the workers' paradise (a reward of sorts for

true believers) that made her doubt communism. “Russia,” she said upon her return, “is a very poor country.”

Of course, shops can be filled with goods, roads can be rebuilt, and houses renovated. The psychological scars of communism take much longer to heal. As one traveler to Russia wrote in 1982:

If it is hard to describe the economic wasteland of Russia to someone who hasn't been there, it is even harder to describe what their totalitarian system has done to the human spirit ... It isn't just the drabness and grayness one sees everywhere. Or the rudeness and surliness one encounters so often. It's that you virtually never see people laughing, smiling, or just seeming to enjoy themselves. People seem to walk slightly bent over, their eyes always averting a stranger. There is an overwhelming sense of oppression and depression.

As the Austrian philosopher Friedrich von Hayek explained in his 1944 classic, *The Road to Serfdom*, central planning leads to massive inefficiencies and long queues outside empty shops. A state of perpetual economic crisis then leads to calls for more planning. But economic planning is inimical to freedom. As there can be no agreement on a single plan in a free society, the centralization of economic decision-making has to be accompanied by centralization of political power in the hands of a small elite. When, in the end, the failure of central planning becomes undeniable, totalitarian regimes tend to silence the dissenters—sometimes through mass murder.

Some 100 million people have died in the pursuit of a communist utopia. Eliminating profit and private property was meant to end social ills, such as inequality, racism, and sexism. But the closer a society got to Marxism—whether it was half-hearted attempt as in Hungary or a whole-hearted attempt as in Cambodia—the bloodier the result. Survival in a communist society necessitated lies, theft, and betrayal. Thus, as the former Czech President Vaclav Havel wrote, most people in the former Soviet bloc grew up without a moral compass. These morally compromised survivors of communism find it difficult to reflect on the past and to come to terms with it.

Unlike the Germans after the World War II, the people in ex-communist countries were never forced to face their demons. As a consequence, communist rule has not acquired the moral opprobrium of Nazism. As long as that remains the case, socialist economics will continue to enjoy an aura of plausibility.

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FURTHER READING: Tupy last wrote “Botswana and Zimbabwe: A Tale of Two Countries” for **THE AMERICAN**, on why, since gaining independence, one country has become a success while the other has become a dismal failure.

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