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OPINION

Socialism always fails, even so-called democratic socialism

by [Rainer Zitelmann](#)

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Over the last 100 years, the world has seen more than two dozen socialist experiments. It has failed in every country every time it has been tried: in the Soviet Union they implemented one form of socialism, in Yugoslavia another; Chinese socialism differed from the socialism of North Korea; Venezuelan socialism was not the same as Cuban socialism — but every single one of these experiments failed. In response to this catalog of failures, socialists complain, "The idea was right, it was just never properly executed!"

Venezuela, Socialism of the 21st Century

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The last time left-wingers rhapsodized about a socialist experiment was 20 years ago when Hugo Chavez came to power in Venezuela. Leftist intellectuals around the world were enthused, deeming Chavez the founder of "Socialism of the 21st Century." Even in the United States, Chavez had a coterie of admirers among left-wing intellectuals. One of their most prominent figures, Tom Hayden, who died in 2016, explained: "As time passes, I predict the name of Hugo Chavez will be revered by millions." Another of Chavez's left-wing intellectual cheerleaders was the Princeton professor, Cornell West,

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who [declared](#): “I love that Hugo Chavez has made poverty a major priority. I wish America would make poverty a priority.” And the prominent journalist Barbara Walters swarmed: “He cares very much about poverty, he is a socialist. What he’s trying to do for all of Latin America, they have been trying to do for years, eliminate poverty. But he is not the crazy man we’ve heard ... This is a very intelligent man.”

But even this experiment ended in poverty and dictatorship. No other country in the world has experienced such rampant inflation as Venezuela. [Ten percent of the population](#) has already fled. Venezuela has even resorted to importing gasoline from Iran, even though Venezuela is the most oil-rich country in the world. Those who stayed are starving. And what do the socialists tell us? They say the same thing they say after every failed socialist experiment: “Sorry, that wasn’t real socialism.” Or they blame the U.S. for imposing economic sanctions, as if North Korea, Cuba, or Venezuela would ever have been prosperous economies if it weren’t for these sanctions. This is, of course, absolute nonsense.

The process is always the same, as Kristian Niemietz documents in his major work, *Socialism. The Failed Idea That Never Dies*. In the earliest stages of any new socialist experiment, left-wing intellectuals praise it to the heavens. Leading Western intellectuals extolled Stalin and Mao, for example, but after the failure of these experiments, they said, “Well, that was never real socialism. Things will definitely work out better next time.” But the question is: What should we make of an idea that has always failed, that has caused more than 100 million deaths?

Democratic Socialism?

The second argument socialists make is: So, let’s give “democratic socialism” a go! “Democratic socialism” has attracted widespread support from many politicians in the Western hemisphere, including Rep. Alexandria Ocasio-Cortez, Sen. Bernie Sanders, and many on the left wing of the Democratic Party. In Britain, Labour Party leader Jeremy Corbyn was a figurehead for this political course but was deposed after his party’s defeat at the 2019 general election. The British, in particular, should know better because they had already experienced the pain caused by “democratic socialism.” In 1945, when the Labour Party came to power in the first post-war general election, it implemented a form of democratic socialism. The Labour Party’s policies closely mirrored much of what Bernie Sanders and other socialists hope for in the U.S. today: extremely high taxes on the rich and far-reaching state influence on the economy.

The British government tried to take control of the private sector. The economist Arthur Shenfield quipped that “the difference between the public and private sectors was that the private sector was controlled by government, and the public sector wasn’t controlled by anyone.” The United Kingdom became a textbook example of democratic socialism as the third way between communism and capitalism. Margaret Thatcher, who was a vocal critic of these policies at the time and later implemented her own raft of capitalist reforms, stated: “No theory of government was ever given a fairer test or a more prolonged experiment in a democratic country than democratic socialism received in Britain. Yet it was a miserable failure in every respect. Far from reversing the

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slow relative decline of Britain vis-a-vis its main industrial competitors, it accelerated it. We fell further behind them, until by 1979 we were widely dismissed as 'the sick man of Europe.'"

The German economist Holger Schmieding, who first visited the U.K. in the late 1970s as a young man, remembers feeling shocked "by the terrible standard of living across the country. Many households lacked the appliances we had in our kitchen, utility room and living room at home. Large parts of the country looked quaintly dilapidated. The antiquated transport system and the abominable quality of many goods and services made matters worse. At the time, the U.K. was miles away from the standards I was used to from home or those I had been privileged to experience a few years earlier as a high-school student in the U.S. If it hadn't been for the memory of the many British soldiers stationed close to my parents' house near Osnabruck at the time, my first visit to the U.K. might have made me wonder which country had actually won the war."



It was not until Thatcher's reforms, introduced after her election victory in 1979, that Great Britain, the home of capitalism, was restored to the capitalist path. Several million new jobs were created as Thatcher's government implemented its program of privatizations, tax cuts, and deregulation.

Socialism in Sweden

Between 1965 and 1975, the heyday of democratic socialism in Sweden, the number of civil servants rose from 700,000 to 1.2 million. The state increasingly intervened in the economy and numerous new regulatory authorities were created. In 1960, for every 100 Swedes earning their incomes in the private sector, there were 38 receiving their money from the state. In 1990, in contrast, for every 100 people earning their living in the private sector, there were 151 receiving most of their income from the state.

Socialism damaged the Swedish economy, led to dramatic economic decline, and drove many frustrated entrepreneurs to flee the country. One such dispirited businessman, Ingvar Kamprad, the founder of the furniture manufacturer Ikea, emigrated to Switzerland in order to escape Sweden's extremely high wealth tax.

But modern Sweden is no longer a socialist country — although taxes are still very high even after a series of drastic reductions. Yet, in the Heritage Foundation's ranking of the world's most economically free countries, Sweden ranks as one of the 20 most economically free countries in the world.

In both the U.K. and Sweden, experiments with "democratic socialism" failed miserably. The results: mass unemployment and pitiful economic growth, countries paralyzed by strikes and massive declines in prosperity. In both countries, people eventually turned their backs on "democratic socialism" and embraced capitalist reforms, which returned their countries to prosperity again.

Socialism, whatever form it has taken, has never worked — not even "democratic socialism."

Rainer Zitelmann describes the failures of “democratic socialism” in his recently published book, [The Power of Capitalism](#).