

## The Most Pernicious Form of an Old Fantasy: 20<sup>th</sup> Century Communism\*

*How the 19<sup>th</sup> Century writings of Karl Marx gave birth, with devastating consequences, to the great and terrible movement that consumed the world in conflict for much of the 20<sup>th</sup> Century is succinctly yet comprehensively described in Professor Pipes' latest book. In the end, ironically, it was Communism that contained its own fatal "internal contradictions"—most notably the need for "a new class" responsible for enforcing equality. This new class was in a position to make themselves "more equal" than the rest.*

Richard Pipes is arguably the world's foremost expert on the history of the Soviet Union. An Emeritus Professor of History and the former director of the Russian Research Center at Harvard University, Professor Pipes served as an advisor to President Reagan's National Security Council in 1981 and 1982. He is the author or co-author of roughly three dozen books. He describes his latest work, *Communism, A History*, as "an introduction to Communism, and, at the same time, its obituary." That this slim volume succeeds in doing full justice to its vast subject is the product of, and a tribute to, a lifetime of insightful scholarship.

### The Ideal

In western thought, the notion of a "Golden Age" of complete social and economic equality is at least as old as Ancient Greece. In the supposed Golden Age, there was great abundance but no violence or conflict, because all property belonged to everyone. It is sometimes asserted that there was such a Golden Age at some point in the distant past. However, as Prof. Pipes observes:

...the ideal of a propertyless Golden Age is a myth—the fruit of longing rather than memory—because historians, archaeologists, and anthropologists concur that there never was a time or place when all productive assets were collectively

owned. All living creatures, from the most primitive to the most advanced, in order to survive must enjoy access to food and, to secure such access, claim ownership of territory. During the aeons before humans settled down to pursue agriculture, when they lived primarily by hunting and gathering, kinship groups asserted exclusive access to their area, expelling or killing trespassers. Property claims intensified after transition to agriculture...because cultivation is arduous work and its fruits take time to mature.

More importantly for the present dis-

cussion, such a condition of peace and contentment has been held out as an alluring prospect, whether as restoration of the lost and distant past, or as newly constructed perfection. Various philosophers and radical thinkers have toyed with the notion not only of abolishing private property but also that human beings are malleable—that proper instruction and legislation could not only enable but *compel* people to be virtuous. However, according to Professor Pipes, "Prior to the middle of the 19<sup>th</sup> Century, the ideal of equality was an aspiration that occasionally produced social violence, but lacked both a theory and a strategy."

### The Program

What Karl Marx and his friend, supporter, and confidant Friedrich Engels offered was, according to the author, "a theory that purported to show why the kingdom of equality was not only desirable and feasible, but also inevitable. To advance this claim, they resorted to methods borrowed from the natural sciences, which had gained immense prestige in the 19<sup>th</sup> Century."

We will not here indulge in an explication of Marxist "theory" in mind-numbing detail. Suffice it to say that Marx claimed that contests for "ownership of

The costs of the experiments in utopia were staggering. They took a huge toll on human lives. Stéphane Courtois, the editor of *The Black Book of Communism*, estimates the global number of Communism's victims at between 85 and 100 million, which is 50 percent greater than the deaths caused by the two world wars. Various justifications have been offered for these losses, such as that one cannot make an omelette without breaking eggs. Apart from the fact that human beings are not eggs, the trouble is that no omelette has emerged from the slaughter....

Marx maintained that capitalism suffered from insoluble internal contradictions, which doomed it to destruction. In reality, capitalism, being an empirical system responsive to realities and capable of adjustments, has managed to overcome every one of its crises. Communism, on the other hand, being a rigid doctrine—a pseudoscience converted into a pseudoreligion and embodied in an inflexible political regime—has proven incapable of shedding the misconceptions to which it was beholden and gave up the ghost. If it is ever revived, it will be in defiance of history and with the certainty of yet another costly failure. Such action will border on madness, which has been defined as doing the same thing over and over and expecting different results.

—From *Communism, A History*, by Richard Pipes

\* This article is a review of *Communism, A History*, by Richard Pipes, New York, a Modern Library Chronicles Book, 2001, 175 pp. including index, \$19.95 hardbound.

the means of production” were the determining force of history, that industrialization had created a new and dominant class conflict (between “capitalists” and “workers”), that competition between workers and the unemployed would drive down wages, and that competition among capitalists would drive down profits, leading to ever more severe crises of production and consumption.

Relations between employer and employee did become more tenuous and remote when people moved to urban areas to take up industrial pursuits. When most laborers worked the land, the landlords and their tenants had been essentially neighbors and long-term partners. This fact gave some resonance to Marx’s notions among actual workers and their advocates, which the earlier radical pronouncements of philosophers had never been able to find outside intellectual *salons*.

Marx and Engels’s theories were the basis of the program of the International Workingman’s Association, “The First International,” which they founded in 1864, and such theories remained a staple of Socialist political parties for the next hundred years or so, even as they were overtaken by events.

Few things predicted by Marxism proved to be correct. For example, even well before Marx died, it was evident that, far from decreasing, the wages and living standards of workers were generally rising. That trend has continued up to the present. There *were* recurrent crises (business cycle contractions), but none brought a collapse leading to revolution. Where there were revolutions, it was not in the most advanced, urban, industrial societies, but in very backward nations where a large majority remained on the land. These developments were explained away: they hadn’t happened *yet*, “Imperialism” enabled “capitalism” to extend its life, etc.

However, it was World War I that produced the first incontrovertible evidence that Marxists had little understanding of human nature: they were ecstatic when the war broke out, because they believed that “workers” would everywhere refuse to become cannon fodder and unite to overthrow their “oppressors.” Instead, urban workers flocked to the recruiting stations and elected socialist politicians were the most ardent supporters of tax levies and bond issues in support of their countries’ war efforts. Ever since, it has been manifestly apparent that the traditional affinities of language, religion, race, and nationality easily trump any feelings of “international worker solidarity.”

### *The Regime*

Professor Pipes recounts the story of

how the monstrous state purportedly founded on the ideals and programs of Marxism came to be. Moving within the relatively marginal and squabbling radical left-wing factions of the time, the Russian exile Lenin (born Vladimir Ulianov) developed his own idiosyncratic variants of Marxist theorizing. He concluded that a revolution spontaneously initiated by “workers” was an impossibility. Instead, he called for a tightly organized group to bring it about. Lenin implicitly concluded that they, in Professor Pipes’ words, “of necessity had to be intellectuals...Indeed,” Pipes wryly observes, “only one solitary worker ever sat on the executive board of Lenin’s party, and he turned out to be a police spy.”

There was, in fact, no distinction between Socialism and Communism as political movements until Lenin reached this conclusion, rejecting democratic procedures in favor of the establishment of a “dictatorship of the proletariat.” Marx had believed that full communism would be preceded by a transitional phase, during which the old inequalities would be broken down. It was Lenin who labeled this transition period as foreseen by Marx “socialism.” At about the same time, he changed the name of his party to “Communist” from “Social Democratic.”

The rapid sequence of events that brought Lenin to power has been often recounted and Professor Pipes very ably does so again, stressing how Lenin’s ruthless single-mindedness of purpose carried the day against his confused and hapless opponents. Summarizing, he notes:

Viewing the Bolsheviks’ power seizure from the perspective of history, one can only marvel at their audacity... They saw in the overwhelming majority of Russia’s citizens—the bourgeoisie and the landowners as a matter of principle and most of the peasantry and intelligentsia as a matter of fact—class enemies of the industrial workers, whom they claimed to represent. These workers constituted a small proportion of Russia’s population—at best 1 or 2 percent... This meant that the new regime had no alternative but to turn into a dictatorship—a dictatorship not of the proletariat but over the proletariat and all the other classes. The dictatorship, which in time evolved into a totalitarian regime, was thus necessitated by the very nature of the Bolshevik takeover. As long as they wanted to stay in power, the Communists had to rule despotically and violently; they could never afford to relax their

authority. The principle held true of every Communist regime that followed.

Lenin realized this and felt no qualms about imposing a ruthless despotism. He defined “dictatorship” of any kind, including that of the “proletariat,” as “power that is limited by nothing, by no laws, that is restrained by absolutely no rules, that rests directly on coercion.” He was quite prepared to resort to unlimited terror to destroy his opponents and cow the rest of the population... Violence total and merciless (one of his favorite adjectives) had to clear the ground for the new order.

Professor Pipes continues with a concise narrative of Communist regimes in Russia and many other countries. Everywhere, violence and terror were essential to keeping all power firmly within the Communists’ grasp. However, the author concludes, “In advocating a regime resting on coercion, Lenin ignored [the fact that] the abstraction called “state” is made up of individuals who, whatever their historical mission, attend also to their private interests.”

So it was that violence and terror, which were designed to change human nature as well as preserve the regimes, were sometimes turned against the “new class” itself. Stalin’s “show trials” in the 1930s, Mao’s “cultural revolution,” Pol Pot’s wholesale “cleansing” of the urban and educated population of Cambodia, and any number of other murderous campaigns and purges in Communist societies all failed to resolve this fundamental contradiction. In the final analysis, the author observes:

...Communism failed and is bound to fail for at least two reasons: one, that to enforce equality, its principal objective, it is necessary to create a coercive apparatus that demands privileges and thereby negates equality; and two, that ethnic and territorial loyalties, when in conflict with class allegiances, everywhere and at all times overwhelm them, dissolving Communism into nationalism...

Professor Pipes’ *Communism* is a very satisfying read. What it lacks is a discussion of why Communism retained its attraction in intellectual circles for so long, especially after it became manifest as perhaps the most despotic system in history and incapable of providing the material benefits it promised. That would be another story well worth recounting. □

## WELFARE REFORM FIVE YEARS AFTER

*Welfare reform has significantly reduced caseloads and there has been a marked increase in employment among former recipients. However, it is not clear that the changes have curtailed the costs to taxpayers of income supports for the indigent and “working poor.”*

A 1531 statute in Britain required local officials to identify “all aged and impotent persons which... of necessity be compelled to live by means of alms...” and to grant such persons licenses to beg. The measure has been cited as the beginning of the welfare state in Anglo-Saxon polity, because it was the first instance of legislation acknowledging not only that some people were incapable of supporting themselves but also that the state had a role in providing for such persons. Previously, begging had been viewed as shirking labor and was subject to harsh penalties.

The history of the United States Government’s major involvement with public relief began in 1935 with passage of the Social Security Act, which, in addition to establishing unemployment compensation and old-age benefits, created Aid to Families with Dependent Children, or AFDC. Unlike emergency relief, which was temporary, AFDC was designed to enable a mother to stay at home and devote herself to housekeeping and the care of her children, whose fathers had died, become incapacitated, or deserted their families. The presumption was that, unless the mother belonged to the highly skilled or professional group, her contribution in the home was greater than her earnings outside the home.

Federal aid to dependent children was to be delivered through grants to states for the support of existing mothers’ pension systems as well as for services for the protection and care of homeless, neglected, dependent, and crippled children. The grant’s size would be one-third of a state’s expenditure. Roughly 150,000 families, including 500,000 or so recipients signed up the first year, at a cost to the Federal government of \$24,750,000.

By 1994, outlays for the program had increased to \$25.6 billion—more than 1,000 times its original price tag (roughly 100 times in terms of purchasing power). The welfare rolls had grown to include more than five million families and a total of 14.1 million recipients. In addition, the Federal Government was providing open-ended matching grants to states for AFDC, with the Federal share of expenditures varying from 50 percent to 79 percent, based on state income. Open-ended matching reduced the states’ marginal cost of providing benefits—an incentive to pro-

vide higher levels of benefits than they otherwise would.

Although the various proposals for reform introduced over the years increasingly stressed work incentives, a Republican controlled House and Senate were eager to help President Clinton make good on his 1992 campaign promises to pass a “two years and out” requirement and “end welfare as we know it.” On August 22, 1996 the Personal Responsibility and Work Opportunity Reconciliation Act became law, ending welfare as an entitlement. Rather than paying on demand, the Federal government would provide a \$16.5 billion-a-year block grant to states to disburse as they wish, within limits.

The Act requires recipients to work after two years on assistance, with few exceptions. It provides supports for families transitioning into jobs in the form of funds for child care and health coverage. Families who have received assistance for five cumulative years (or less at state option) are ineligible for cash aid. However, states are permitted to exempt up to 20

percent of their caseload from the time limit, and states have the option of continuing to provide non-cash assistance and vouchers to families that reach the time limit.

### Five Years After

Critics of reform argued that no jobs would be available for women leaving welfare, even the ones considered “employable.” Moreover, opponents predicted millions of children would be plunged into poverty. Yet, despite a dramatic drop in caseloads and recipients, 2.8 million families and 8.5 million people, respectively, neither development occurred. (See Chart 1.)

A Brookings scholar using statistics from the Census Bureau estimated that the employment rate of single mothers increased from about 57 percent in the years before reform to 72 by 1999. Over the same period, the employment rate of never-married mothers increased from 45 percent to 65 percent. Furthermore, survey data from the Census Bureau revealed that half of welfare leavers that got jobs worked 50 weeks or more, and that 40 percent of those worked 35 hours or more in all weeks.

The critics’ second fear was that, even if jobs were available, mothers would never be able to support their families on the wages they could earn as unskilled

Chart 1  
Welfare Recipients and Families  
(Millions)

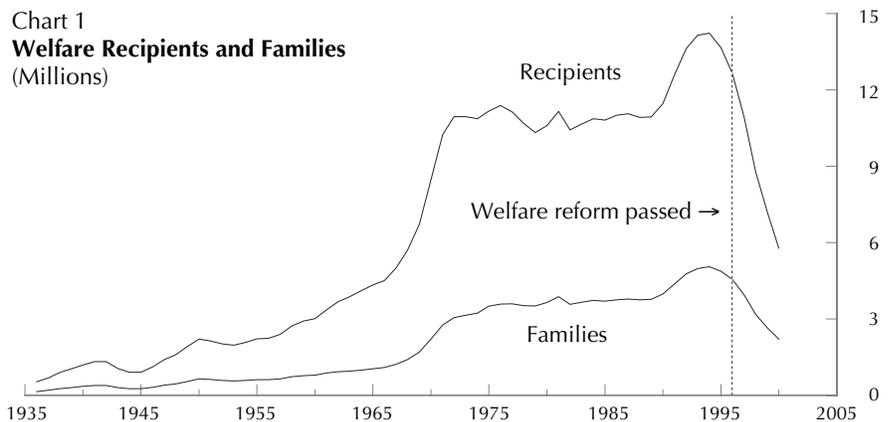
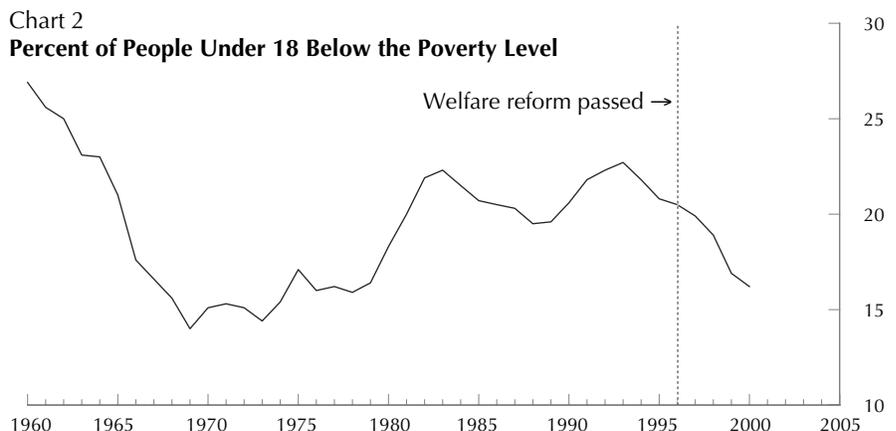


Chart 2  
Percent of People Under 18 Below the Poverty Level



entry-level workers. (See the box.) It may well be that many, or even most, currently employed former welfare recipients are not much better off financially than they were before reforms. Some policy analysts argue that this is the standard against which reform must be measured, not declining caseloads or increased employment. However, as Chart 2 shows, children are not worse off than before—the poverty rate among children has actually fallen 4.8 percentage points since welfare reform was passed. That the Federal Government spent billions of dollars to no avail is an indictment of the policies in effect prior to 1996, not the latest reform.

### Why Didn't the Sky Fall In?

No doubt the state of the economy was a major factor. The reforms took place during the longest peacetime expansion in U.S. history, when unemployment rates fell to as low as 3.9 percent. However, some downplay the importance of the economy's role. They point out that the economy added 20 million jobs during the 1980s, but caseloads increased by half a million families. Critics of reform—who were wrong in the past—now predict that current downturn will begin to undo whatever progress was made. However it remains to be seen whether increased levels of unemployment will make life any more difficult for former AFDC recipients than for job losers, *i.e.*, whether such households are in fact as exceptionally vulnerable as "welfare advocates" often insist.

Another reason for the decrease in AFDC caseloads was that policymakers have done much to mitigate the extent that efforts to reduce poverty reduce work efforts. When means-tested welfare recipients earn money, their benefits are at some point withdrawn. This has often meant that the effective marginal tax rates on earned income can be very high. Earlier welfare-to-work programs matched earning gains with a dollar-for-dollar cut in benefits, and income thresholds rendering beneficiaries ineligible for particular programs (food stamps, Medicaid, rent subsidies) often pushed effective marginal tax rate to well over 100 percent.

However, much of the current mix of benefits available to families who leave the AFDC program now continue when the head of the household receives significant earnings. With the head of the household working 50 week a years and 35 hours a week, the combination of earnings, the earned income tax credit (EITC), the Child Health Insurance Program (CHIP), food stamps, the child tax credit, and a wide variety of housing programs, can put the family's income above the official poverty line and well above what

had been available under the old system.

A key issue in the future is likely to be expanding aid to working poor families through the federal tax code by increasing the earned income tax credit or child tax credit. The EITC has long been said to be a "cornerstone" in the fight against poverty—and its continual expansion justified as a means of achieving welfare reform. Arguably, it might promote this goal, but only if it replaces the many other cornerstones such as food stamps, subsidized housing, Medicaid, and the like. Instead, it is likely to be joined by a whole new set of complementary tax credits for education, job training, transportation, etc.

Shifting the burden of welfare to tax subsidies is attractive from a political perspective. Tax subsidies provisions are not

subject to the annual review process that applies to appropriated expenditures. Federal agencies are required to develop annual plans for their programs that outline performance objectives to be achieved over a specific period of time. Although these are often far off the mark, they permit at least exposure of the most egregious failures. However, no such scrutiny pertains to tax subsidies, whose actual costs and benefits remain largely conjectural.

In short, while it is clear that welfare reform has indeed ended "welfare as we knew it," it may well be that any savings to taxpayers have resulted from the improved economy rather than from any reductions in the full costs, including outlays and tax breaks, of supporting needy individuals. □

### "Booted into the Labor Force"

Although welfare reform has yet to result in the disasters predicted for it, the *kveching* continues.

For example, Barbara Ehrenreich, in her recent book, *Nickel and Dimed, On (Not) Getting By in America\** tells of her experiences as a waitress, a hotel housekeeper, a maid with a housecleaning service, a nursing home aide, and a Wal-Mart clerk for a total of three months in three cities. The author was interested in learning "How were the roughly four million women about to be booted into the labor market by welfare reform going to make it on \$6 or \$7 an hour?" She had known people who started at the bottom—her husband had been a \$4.50-an-hour warehouse worker who became a Teamsters organizer and her father "managed to pull himself, and us with him, up from the mile-deep copper mines of Butte to the leafy suburbs of the Northeast"—but she decided to find out what it is like first hand, by taking a sabbatical from her writing life and supporting herself on the wages of an entry-level worker. Whether this experiment was at all realistic is questionable, inasmuch as the author was trying to start out as if she had no possessions, no working or educational history at all, and no history of personal relationships or family (she lived alone, not sharing expenses with anyone else, for example).

Not surprisingly, Ehrenreich found it very hard to make a go of it. In particular, she felt she was having a much more difficult time than her co-workers, even though their living and working conditions deeply disturbed her. Her greatest surprise was finding "no evidence ...that my co-workers share my outrage on their behalf." Later she gets "to ask the question she wanted to ask all this time" about what the maids think about the homeowners, who have so much while others, like themselves, barely get by. One replied, "I don't feel the slightest resentment because, you know, it's my goal to get where they are."

In the end, Ms. Ehrenreich admits, "Almost anyone could do what I did—look for work, work those jobs, try to make ends meet. In fact millions of Americans do it every day." And with a lot less sanctimonious muttering.

\* New York, 2001, Metropolitan books, \$23, hardbound.

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