

# Capitalism versus socialism: The great debate revisited

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The debate between socialism and capitalism is far from over. In fact the battle of ideas is intensifying. International agencies, including the United Nations, the International Labor Organization (ILO), the Food and Agricultural Organization, the World Health Organization and reports from NGO's, UNESCO and independent experts and regional and national economic experts provide hard evidence to discuss the merits of capitalism and socialism.

Comparisons between countries and regions before and after the advent of capitalism in Eastern Europe, Russia and Central Europe as well as a comparison of Cuba and the ex-communist countries provide us with an adequate basis to draw some definitive conclusions. Fifteen years of "transition to capitalism" is more than adequate time to judge the performance and impact of capitalist politicians, privatizations, free market policies and other restoration measures on the economy, society and general welfare of the population.

## Economic Performance: Growth, Employment and Poverty

Under communism the economic decisions and property were national and publicly owned. Over the past 15 years of the transition to capitalism almost all basic industries, energy, mining, communications, infrastructure and wholesale trade industries have been taken over by European and US multi-national corporations and by mafia billionaires or they have been shut down. This has led to massive unemployment and temporary employment, relative stagnation, vast out-migration and the de-capitalization of the economy via illegal transfers, money laundering and pillage of resources.

In Poland, the former Gdansk Shipyard, point of origin of the Solidarity Trade Union, is closed and now a museum piece. Over 20% of the labor force is officially unemployed (Financial Times, Feb. 21/22, 2004) and has been for the better part of the decade. Another 30% is "employed" in marginal, low paid jobs (prostitution, contraband, drugs, flea markets, street vendors and the underground economy). In Bulgaria, Rumania, Latvia, and East Germany similar or worse conditions prevail: The average real per capita growth over the past 15 years is far below the preceding 15 years under communism (especially if we include the benefits of health care, education, subsidized housing and pensions). Moreover economic inequalities have grown geometrically with 1% of the top income bracket controlling 80% of private assets and more than 50% of income while poverty levels exceed 50% or even higher. In the former USSR, especially south-central Asian republics like Armenia, Georgia, and Uzbekistan, living standards have fallen by 80%, almost one fourth of the population has out-migrated or become destitute and industries, public treasuries and energy sources have been pillaged. The scientific, health and educational systems have been all but destroyed. In Armenia, the number of scientific researchers declined from 20,000 in 1990 to

5,000 in 1995, and continues on a downward slide (National Geographic, March 2004). From being a center of Soviet high technology, Armenia today is a country run by criminal gangs in which most people live without central heat and electricity.

In Russia the pillage was even worse and the economic decline was if anything more severe. By the mid 1990's, over 50% of the population (and even more outside of Moscow and St. Petersburg – formerly Leningrad) lived in poverty, homelessness increased and universal comprehensive health and education services collapsed. Never in peace-time modern history has a country fallen so quickly and profoundly as is the case of capitalist Russia. The economy was “privatized” – that is, it was taken over by Russian gangsters led by the eight billionaire oligarchs who shipped over \$200 billion dollars out of the country, mainly to banks in New York, Tel Aviv, London and Switzerland. Murder and terror was the chosen weapon of “economic competitiveness” as every sector of the economy and science was decimated and most highly trained world class scientists were starved of resources, basic facilities and income. The principal beneficiaries were former Soviet bureaucrats, mafia bosses, US and Israeli banks, European land speculators, US empire-builders, militarists and multinational corporations. Presidents Bush (father) and Clinton provided the political and economic backing to the Gorbachov and Yeltsin regimes which oversaw the pillage of Russia, aided and abetted by the European Union and Israel. The result of massive pillage, unemployment and the subsequent poverty and desperation was a huge increase in suicide, psychological disorders, alcoholism, drug addiction and diseases rarely seen in Soviet times. Life expectancy among Russian males fell from 64 years in the last year of socialism to 58 years in 2003 ( Wall Street Journal, 2/4/2004), below the level of Bangladesh and 16 years below Cuba's 74 years (Cuban National Statistics 2002). The transition to capitalism in Russia alone led to over 15 million premature deaths (deaths which would not have occurred if life expectancy rates had remained at the levels under socialism). These socially induced deaths under emerging capitalism are comparable to the worst period of the purges of the 1930's. Demographic experts predict Russia's population will decline by 30% over the next decades (WSJ Feb 4, 2004).

The worst consequences of Western supported “transition” to capitalism are still to come over the next few years. The introduction of capitalism has totally undermined the system of public health, leading to an explosion of deadly but previously well-controlled infectious diseases. The Joint United Nations Program on HIV/AIDS (UNAIDS) published a comprehensive empirical report which found that in Eastern Europe and Central Asia...“infection levels are growing faster than anywhere else, more than 1.5 million people in the region are infected today (2004) compared to 30,000 in 1995” (and less than 10,000 in the socialist period). The infection rates are even higher in the Russian Federation, where the rate of increase in HIV infection among young people who came of age under the Western-backed ‘capitalist’ regimes between 1998-2004 is among the highest in the world.

A big contributor to the AIDS epidemic are the criminal gangs of Russia, Eastern Europe, the Balkans and Baltic countries, who trade in heroin and each year deliver over 200,000 ‘sex-slaves’ to brothels throughout the world. The violent Albanian mafia operating out of the newly “liberated” Kosova controls a significant part of the heroin trade and trafficking in sex-slaves throughout Western Europe and North America. Huge amounts of heroin produced by the US allied war lords of “liberated” Afghanistan pass through the mini-states of former Yugoslavia flooding Western European countries. The newly ‘emancipated’ Russian Jewish mafia oligarchs have a major stake in the trafficking of drugs, illegal arms, women and girls bound for the sex- industry and in money-laundering throughout the US,

Europe and Canada (Robert Friedman, Red Mafiya ,2000). Mafia billionaires have bought and sold practically all major electoral politicians and political parties in the self-styled “Eastern democracies”, always in informal or formal alliance with US and European intelligence services.

Economic and social indicators conclusively document that “real existing capitalism” is substantially worse than the full employment, moderate growth, welfare states that existed during the previous socialist period. On personal grounds -in terms of public and private security of life, employment, retirement, and savings -the socialist system represented a far safer place to live than the gang-controlled capitalist societies that replaced them. Politically, the communist states were far more responsive to the social demands of workers, provided some limits on income inequalities, and, while accommodating Russian foreign policies interests, diversified, industrialized and owned all the major sectors of the economy. Under capitalism, the electoral politicians of the ex-communist states sold, at bargain prices, all major industries to foreign or local monopolies, fostering monstrous inequalities and ignore worker health and employment interests. With regard to ownership of the mass media, the state monopoly has been replaced by foreign or domestic monopolies with the same homogenous effects. There is little question that an objective analysis of comparative data between 15 years of capitalist ‘transition’ and the previous 15 years of socialism, the socialist period is superior on almost all quality of life indicators.

Let us turn now to compare Cuban socialism to the newly emerging capitalist countries of Russia, Easter Europe and south-central Asia.

Cuban socialism was badly hit by the turn to capitalism in the USSR and Eastern Europe. Industrial production and trade fell by 60% and the daily caloric intake of individual Cubans fell by half. Nevertheless infant mortality in Cuba continued to decline from 11per 1000 live births in 1989 to 6 in 2003 (comparing favorably to the U.S.). While Russia spends only 3.8% of its GNP on public healthcare and 1.5% on private care, the Cubans spend 16.7%. While life expectancy among males declined to 58 years in capitalist Russia, it rose to 74 years in socialist Cuba. While unemployment rose to 21% in capitalist Poland, it declined to 3% in Cuba. While drugs and criminal gangs are rampant among the emerging capitalist countries, Cuba has initiated educational and training programs for unemployed youth, paying them salaries to learn a skill and providing job placement. Cuba’s continued scientific advances in biotechnology and medicine are world-class while the scientific infrastructure of the former communist countries has collapsed and their scientists have emigrated or are without resources. Cuba retains its political and economic independence while the emerging capitalist countries have become military clients of the US, providing mercenaries to service the US empire in the Balkans, Afghanistan and Iraq. In contrast to Eastern Europeans working as mercenary soldiers for the US in the Third World, 14,000 Cuban medical workers serve some of the poorest regions in Latin America and Africa in cooperation with various national governments that have requested their skills. There are more than 500 Cuban medical workers in Haiti. In Cuba, most industries are national and public with enclaves of private markets and joint ventures with foreign capital. In ex-communist countries, almost all basics industries are foreign-owned, as are most of the mass media and “culture industries”. While Cuba retains a social safety net for basic foodstuff, housing, health, education and sports, in the emerging capitalist countries the “market” excludes substantial sectors of the unemployed and underpaid from access to many of those goods and services.

Comparative data on economy and society demonstrate that “reformed socialism” in Cuba has greatly surpassed the performance of the emerging capitalist countries of Eastern

Europe and Russia, not to speak of Central Asia. Even with the negative fall-out from the crisis of the early 1990's, and the growing tourist sector, Cuba's moral and cultural climate is far healthier than any and all of the corrupt mafia- ridden electoral regimes with their complicity in drugs, sex slavery and subordination to U.S. empire building. Equally important while AIDS infects millions in Eastern Europe and Russia, Cuba has the best preventive and most humane treatment facilities in the world for dealing with HIV. Free anti-viral drugs, humane cost-free treatment and well-organized, extensive public health programs and health education explains why Cuba has the lowest incidence of HIV in the developing world despite the presence of small-scale prostitution related to tourism and low incomes.

The debate over the superiority of socialism and capitalism continues because what has replaced socialism after the collapse of the USSR is far worse on every significant indicator. The debate continues because the achievements of Cuba far surpass those of the emerging capitalist countries and because in Latin America the emerging social movements have realized changes in self-government (Zapatistas), in democratizing land ownership (MST Brazil) and natural resource control (Bolivia) which are far superior to anything US imperialism and local capitalism has to offer.

The emerging socialism is a new configuration which combines the welfare state of the past, the humane social programs and security measure of Cuba and the self-government experiments of the EZLN and MST. Wish us well!

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