

## The Enduring Lie of Socialism



Rainer Zitelmann

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Socialism is experiencing a resurgence around the world. In New York City, a socialist candidate could soon become mayor. Zohran Mamdani is the Democratic nominee for the office of Mayor of New York City in the November 2025 election. He won the Democratic primary, ultimately defeating more than 10 opponents, including Andrew Cuomo. Similarly, in the German capital Berlin, a radical socialist named Ferat Ali Koçak stands a good chance of being elected mayor next year. Koçak, a self-confessed Marxist and pro-Palestine activist, is expected to run for the party DIE LINKE, which is currently the second strongest party in Berlin and the strongest of the three left-wing parties poised to collectively win over 50 percent of the vote, according to the latest polls.

It is nothing short of astonishing: Socialism has already been tried in the Soviet Union, Yugoslavia, Albania, Poland, Vietnam, Bulgaria, Romania, Czechoslovakia, North Korea, Hungary, China, East Germany, Cuba, Tanzania, Benin, Laos, Algeria, South Yemen, Somalia, Congo, Ethiopia, Cambodia, Mozambique, Angola, Nicaragua, Venezuela, and many other countries. Without exception, all of these attempts failed. Either the systems collapsed completely – as in the Soviet Union – or the countries' populations live in severe poverty, as in Cuba, North Korea, and Venezuela. The only countries where living standards have improved in recent decades are China and Vietnam. However, the success stories of these two countries began only once they introduced private property and implemented capitalist reforms. In China, 88 percent of the population were living in abject poverty at the end of the Mao era; the economic upswing only began with the introduction of private property and Deng Xiaoping's capitalist reforms. Vietnam was the

poorest country in the world before it transitioned to a market economy in the late 1980s.

How can an idea that has failed so many times, in so many variations and under so many drastically different conditions, still be so popular? Because socialists have managed to successfully distance themselves from these failed experiments. When socialists are confronted with this long list of failed attempts, they always reply that these examples prove nothing, as they were not true socialist models. However, before each of these experiments failed so dismally, the socialists glorified every single one of them.

The most recent example is Venezuela, which was hailed by left-wing intellectuals around the world in the early 2000s. Today, 80 percent of the population of Venezuela, once the richest country in South America, is living in poverty. A quarter of its citizens have fled the country because the socialist leaders in Venezuela have overlooked a crucial point: socialism only “works” if you build a wall like in East Germany. And if you ask the socialists today, the same socialists who just a few years ago were heaping praise on Venezuela as a role model? They simply respond that it wasn’t real socialism after all.

In his book "*Socialism. The Failed Idea That Never Dies*," economist Kristian Niemietz outlines three distinct phases that every socialist experiment has gone through:

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**The Honeymoon Period:** During this initial stage, intellectuals around the world are enthusiastic and praise the system to the heavens.

**The Excuses-and-Whataboutery Period:** Western intellectuals still support the experiment, but their tone becomes angry and defensive. Mistakes are admitted, but often attributed to capitalists, external enemies, or boycotts by the United States.

**The Not-Real-Socialism Stage:** At this point, once the failings are obvious, former supporters deny that the system was truly socialist. They argue that the country was never socialist in the first place.

Anyone who points out that all of the systems inspired by Karl Marx and implemented over the past century have failed, the common response is that these systems misinterpreted or misapplied his ideas, which were in themselves correct. This reasoning serves as a key defense mechanism for anti-capitalists, allowing them to separate the “good Karl Marx” from the failed political reality of Marxism.

The thesis that a theory has been so consistently and completely misunderstood for over 100 years is quite bold and could be seen as a damning judgment of a theorist, because it would mean that he had expressed himself in an extremely unclear and misleading way. However, this does Marx an injustice. He intentionally kept his ideas about a future socialist or communist society vague. What is clear, however, is that socialism – as a transitional stage toward a classless communist society – was to be based on the abolition of private ownership of the means of production. Marx consistently emphasized this point.

And this is exactly what happened in all socialist systems. In today’s context, nationalization is no longer the only method to achieve this goal: modern socialism often retains the formal structure of private property, but in practice, it becomes nothing more than an empty shell. Present-day

socialists aim to dismantle capitalism not just through nationalizations, but primarily through a complex system of regulations and high taxes. But nationalization still remains an option. As in Berlin, where the Social Democrats have just presented a bill that would allow for the extensive nationalization and expropriation of companies and real estate.

Rainer Zitelmann is the author of the book *The Power of Capitalism*.