

Maoism and central planning

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- Why has the capital historically been located in the north?

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- What was (and is) the Kuomintang? Who was its first leader?
- What was the Northern expedition?
- Which city was China's capital before WWII?

Today

- The intellectual journey of Marxism thought from Karl Marx to Mao Zedong
- Maoist rule of China (1949 – 1976)

Karl Marx

- „A is haunting Europe—the of communism“

Karl Marx

- „A specter is haunting Europe—the specter of communism“

Karl Marx

- Philosophy of history – **teleological development towards more advanced modes of society**

Karl Marx

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- Deterministic – the path is inevitable
- Historical materialism – structure and superstructure

Karl Marx

- „Theory of two revolutions“

Karl Marx

- „**Theory of two revolutions**“ (or two-stage revolution)
- Feudal system – **land** as the most important resource > landowners as the ruling class

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- Feudal system – **land** as the most important resource > landowners as the ruling class
- Exploitative and inefficient, **almost no sustained economic growth**

Karl Marx

- Bourgeois entrepreneurs **will gradually become richer than the land-owning nobility**
- **Eventually, they will overthrow the monarchy and impose a liberal regime**







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- = at first a change in the economic structure, than a change in the political superstructure
- Marx lived through the Revolutions of 1848 and already anticipated the next round

Karl Marx

- = „first revolution“ = transition from feudalism to capitalism

Karl Marx

- Is this good or not?

Karl Marx

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- **Yes!**

Karl Marx

- **Capitalism = improvement – technological progress and accumulation of wealth**

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- **Capitalism = improvement – technological progress and accumulation of wealth**
- Capitalists **compete** to effectively use labor and new technologies to serve their customers
- Significantly more efficient than feudalism
- But also even more exploitative – humans have no other value than as workers

Karl Marx

- > accumulation of wealth in the hands of the elite, impoverishment of everyone else

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- Ruthless competition **will bankrupt most capitalists**
- In the end, there will be only a few giant corporations + millions of destitute workers

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- Ruthless competition **will bankrupt most capitalists**
- In the end, there will be only **a few giant corporations + millions of destitute workers**
- = few people will actually support the régime!
- Workers will overthrow the few remaining capitalists and establish communism

Karl Marx

- = „second revolution“ > transition from capitalism to communism
- In the future, not in Marx' lifetime!

Karl Marx

- „Dictatorship of the proletariat“ – **the many will overthrow the few**
- = majority rule!

Karl Marx

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- The revolution will be led by the masses

Karl Marx

- It is hard to say what exactly will happen

Karl Marx

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- But in general – **the vast amount of wealth produced by capitalism will be enough to ensure welfare for everyone**
- Technology will have reached such a stage that people will only work a few hours a week

Karl Marx

- Why cannot a society go from pre-modern agricultural state straight to communism?

Karl Marx

- Why cannot a society go from pre-modern agricultural state straight to communism?
- **Because there would be no wealth to redistribute!**

Karl Marx

- Capitalism is a **necessary stage** through which every human society must pass

Karl Marx

- Capitalism is a **necessary stage** through which every human society must pass
- Therefore, **every society must at first have the liberal, bourgeois revolution**

Karl Marx

- Communist revolutions will happen in the **richest, most advanced societies on Earth**, as the **next step of civilization**

Karl Marx

- Communist revolutions will happen in the **richest, most advanced societies on Earth**, as the **next step of civilization**
- > Germany, Britain, or the United States

- Marxism vs. modern radical left
- Pro-growth (vs. degrowth environmentalism)
- Universalist, Western-centric (vs. post-colonialism, post-modernism etc.)

Lenin and Trotsky

- Active politicians who expected to **personally lead** the revolution

Lenin and Trotsky

- Active politicians who expected to personally lead the revolution
- Russia – Europe's economic periphery, **still at the feudal stage** >
„How can we have a communist revolution here?“

Lenin and Trotsky

- Poorer countries follow a different path (x Marx)

Lenin and Trotsky

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- > investment comes from foreign capitalists and the state

Lenin and Trotsky

- Poorer countries follow a different path (x Marx)
- > **investment comes from foreign capitalists and the state**
- > **there is no bourgeoisie to establish capitalism and liberal democracy!**

Lenin and Trotsky

- Exchange with rich countries will only enrich the traditional, conservative elite

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- For example, aristocratic landowners in Russia will export food to rich countries > they will make money and hold power indefinitely

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- Immanuel Wallerstein, World System Theory

Lenin and Trotsky

- **> poor countries don't follow the same path as the West**
- **They are not going to transition to Western-style capitalism**

Lenin and Trotsky

- > poor countries don't follow the same path as the West
- They are not going to transition to Western-style capitalism
- **The capitalist (and liberal democratic) stage must be bypassed**

**STRAIGHT
OUTTA**

FEUDALISM

LENIN AND TROTSKY

Lenin and Trotsky

- Russia (**and China!**) – **urban workers** in the few existing modern industries are a **minority**

Lenin and Trotsky

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- **Who made up the bulk of the population?**

Lenin and Trotsky

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- **Who made up the bulk of the population?**
- **Peasants**

Lenin and Trotsky

- Russia (**and China!**) – **urban workers** in the few existing modern industries are a **minority**
- **Who made up the bulk of the population?**
- **Peasants** – who are conservative and will never rise up

Lenin and Trotsky

- **Socialism cannot come via a popular revolt**
- > workers must become **organized and carry out a coup d'état**

Lenin and Trotsky

- **Communist party** – extremely important – it will unify the workers and carry out the coup
- „Leninism“, „party vanguardism“

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- The party must be disciplined and centrally led = „**democratic centralism**“

Lenin and Trotsky

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- The party must be disciplined and centrally led = „**democratic centralism**“
- = decision inside the party are made democratically, but once they are made, they are binding

Lenin and Trotsky

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- USSR – theoretically a loose federation, **held together by the Party > dissolved when Communism ended**
- Most officials simultaneously hold both governmental and Party positions > the leadership can give them orders through Party mechanism

Lenin and Trotsky

- Marx – the Party is cool, but the revolution will be driven by structural forces
- Lenin – the Party is a crucial historical instrument that will drive peripheral societies towards modernity

Lenin and Trotsky

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Lenin and Trotsky

- „Dictatorship of the proletariat“
- – Marx thought that almost everyone will be a worker at this stage, so **the revolution will simply mean majority rule**

Lenin and Trotsky

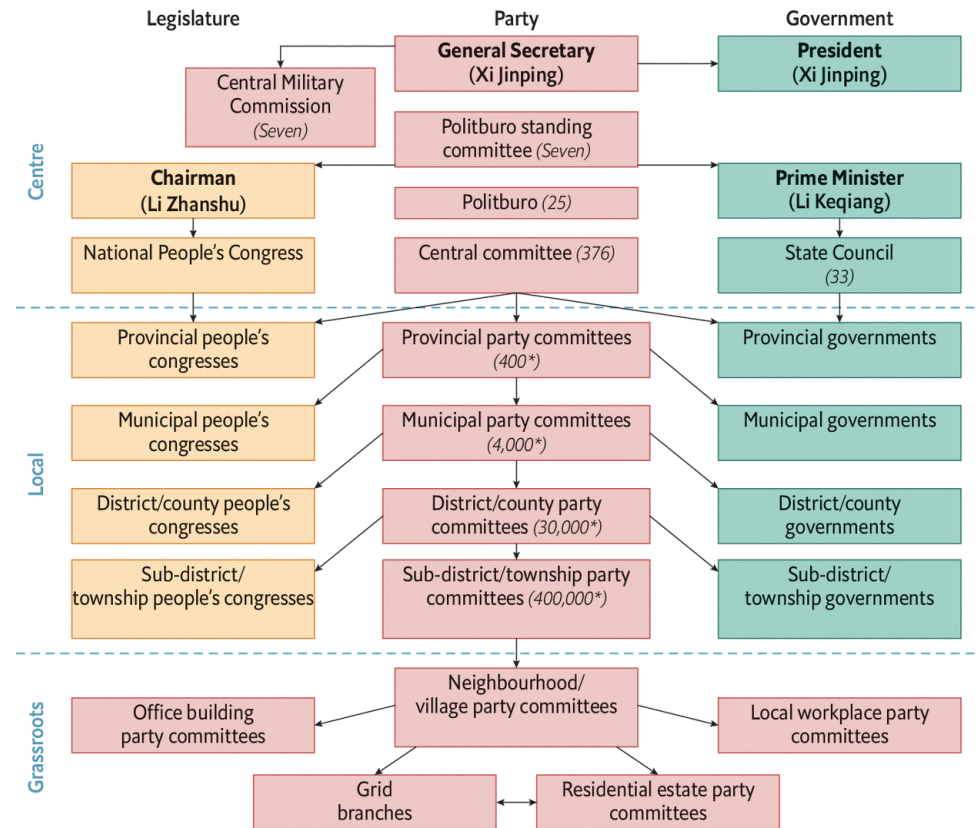
- „Dictatorship of the proletariat“
- – Marx thought that almost everyone will be a worker at this stage, so **the revolution will simply mean majority rule**
- x Lenin: one-party rule
- *„nothing other than power which is totally unlimited by any laws, totally unrestrained by absolutely any rules, and based directly on force.“*

Democratic centralism in China

Anatomy of a dragon

China, Communist Party and government structure, 2021

(Number of members, where available)

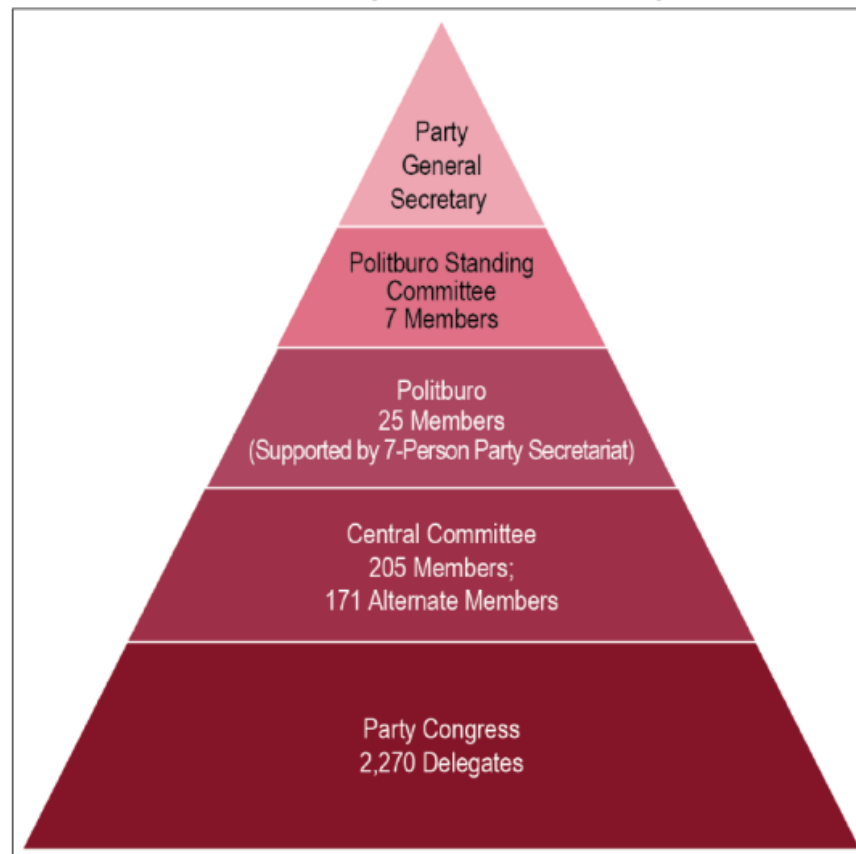


Sources: "The Party and the People", by Bruce Dickson; press reports; *The Economist*

*Estimate

Democratic centralism in China

The Hierarchy of the Communist Party of China



Source: Communist Party of China News Portal, <http://cpc.people.com.cn/GB/64192/index.html>.

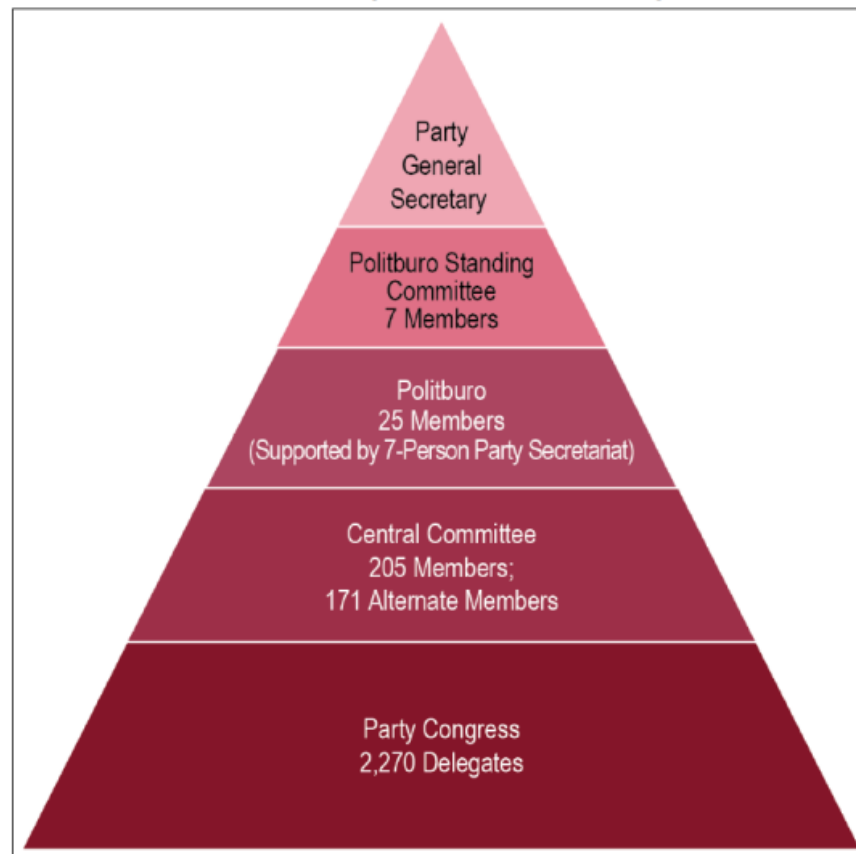
Source: CRS

Democratic centralism in China

- Theory – **lower levels of the Party („the people“)** elect the **upper echelons** = inter-party democracy, meritocracy
- The thus chosen leadership then makes a decision, which is meticulously implemented by millions of loyal members

Democratic centralism in China

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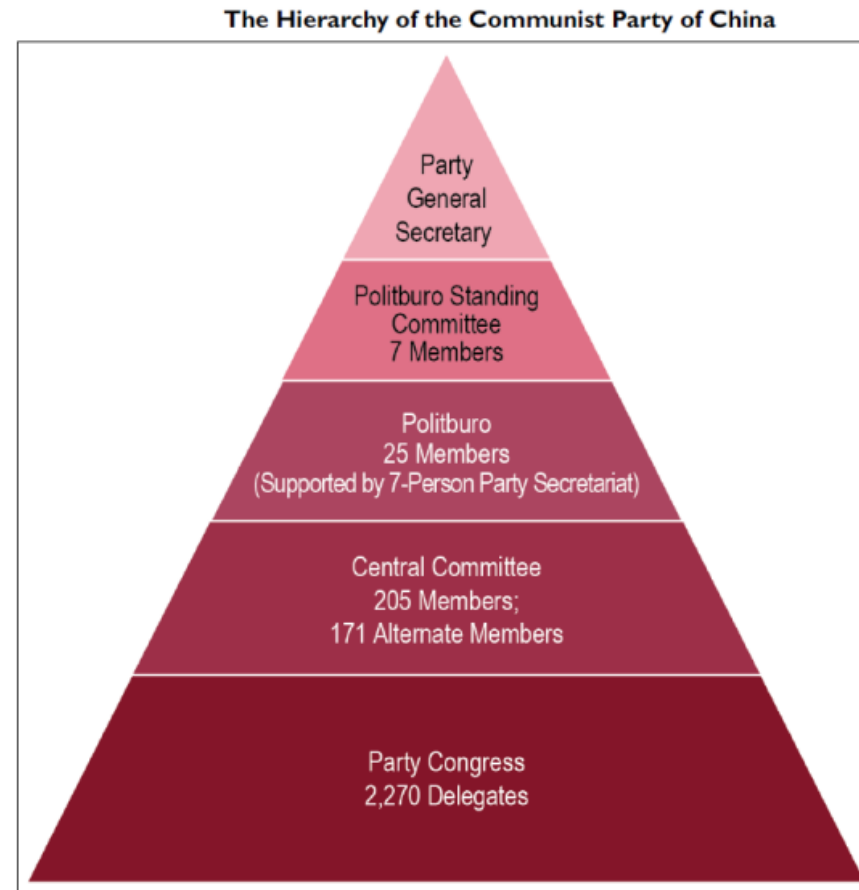
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- Influence shifts based on personal patronage networks, informal friendships etc

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- **These bodies themselves chose who is going to sit on them** and replace retiring members > lower level is told whom they should elect

Democratic centralism in China

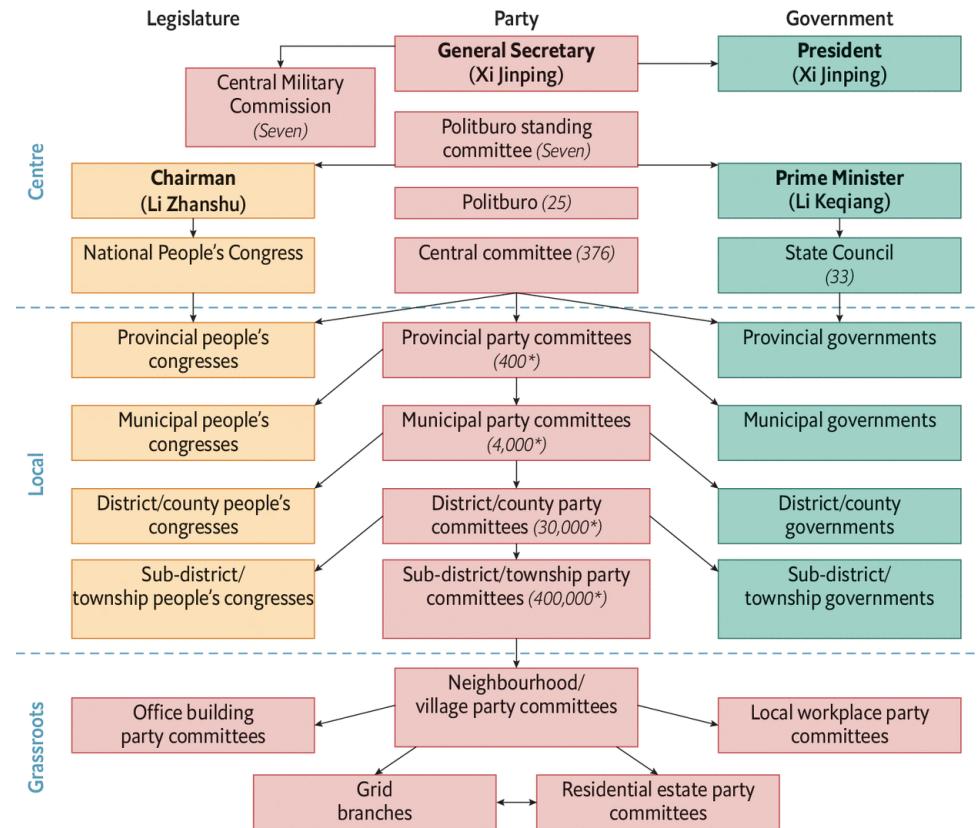
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- **These bodies themselves chose who is going to sit on them** and replace retiring members > lower level is told whom they should elect
- **But local and provincial party leaders are often powerful** and can sometimes successfully resist the centre + make policy decisions

Democratic centralism in China

Anatomy of a dragon

China, Communist Party and government structure, 2021

(Number of members, where available)



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*Estimate

- Back to the origins of Communism 😊

Central planning

- Then the Party must stay in power and **oversee the industrialization = the state will do what capitalists did in the West**

Central planning

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- > **central planning**

Central planning

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Central planning

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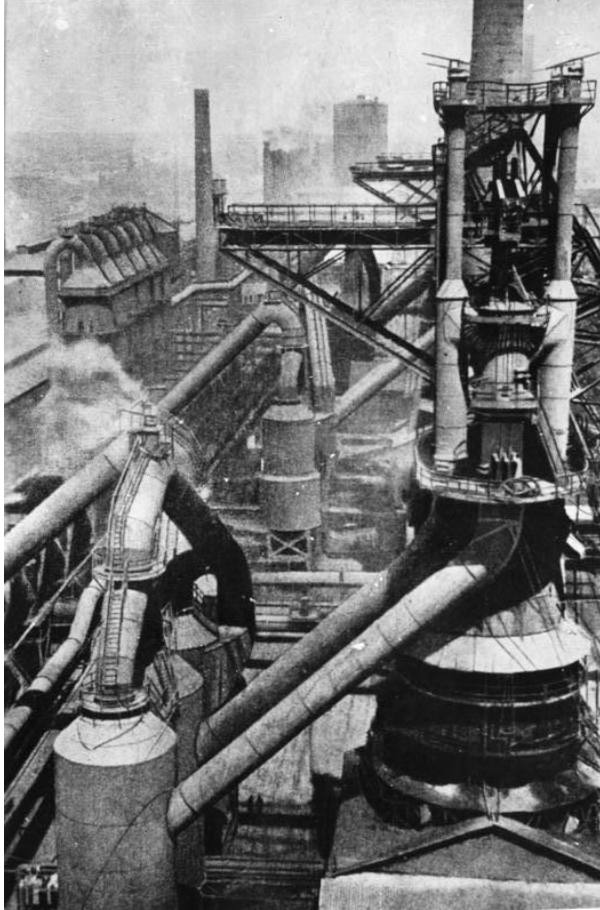
Central planning

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- Outright confiscation of harvest



Central planning

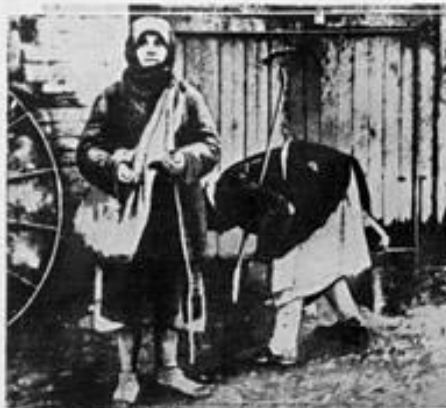
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- > black market, peasant uprisings > harsh punishments



Bundesarchiv, Bild 183-P66025
Foto: o. Ang. | 1920

SIX MILLION PERISH IN SOVIET FAMINE

Peasants' Crops Seized, They and Their Animals Starve



The famished look was passed on to the children of those killed by famine. They stand in line to keep alive in a land of ghosts—the Ukraine.

Starving children of Ukrainian peasants, leaving the world's most beautiful agricultural district, the Ukraine, stand in line to keep alive in a land of ghosts—the Ukraine.

Reporter Risks Life to Get Photographs Showing Starvation

STARVATION walks through the Ukraine under the iron heel of Moscow, leaving a ghastly trail of death and agony. The Ukraine is the most fertile grain-producing district in Russia.

The facts presented in the notes, at articles, of which this is the first, were obtained by Thomas Walker, an American newspaperman, now resident in London, at the peril of his life.

Mr. Walker cannot discuss here the story of his life in a column.

While the photographs show with stark reality the conditions of the famine, the evidence they present is more grim and graphic than words.

By THOMAS WALKER,
Special Journalist and Traveler and Director of Russian Affairs, Who for Several Years Has Traveled the Cities of Soviet Republics.

IN 1919, immediately after the Ukraine declared its independence, when 40,000,000 peasants have perished from starvation in the past eighteen months, due to the measures taken by the Soviet government.

Tom Walker, the author, writes, under the name of Thomas Walker, and on account of the reports of the famine in the Ukraine, which he had seen and heard of through the eyes of the Ukrainian people.

The famine in the Ukraine is the most terrible of the world's famines. It is the most terrible of the world's famines. It is the most terrible of the world's famines.

Mostly Immigrants.
(How Many Famine?)

During the famine in the Ukraine, in 1932-33, it is estimated that 40,000,000 peasants perished from starvation.

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In the article describing the starvation in the Ukraine, Thomas Walker has described the life of the Ukrainian peasants who are dying of starvation.

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Dead horse starvation in a Soviet field. Although the weather is a little better, the ground is still hard and the peasants cannot get enough to eat.

All Photos Copyright 1933, by American News Service, Inc.

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- „Foreign tourists in Russia stand in silent amazement before the gigantic enterprises created there, as they stand before the pyramids, for example. Only seldom does the thought occur to them what enslavement, what lowering of human self-esteem was connected with the construction of those gigantic establishments.“
- - Karl Kautsky

How central planning works

- Imagine all of society like a single corporation, or a military
- > giant **rationing system** controlled from the centre

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- > giant **rationing system** controlled from the centre
- **No markets - state-owned companies are supplied with resources and given orders on what to do with them**
- **Prices – artificially, bureaucratically imposed**

How central planning works

- Ideal plan – get rid of money altogether and function only via rationing
- Banks – unnecessary – everyone will be given what they need, loans are not needed
- **Attempted by Lenin during War Communism (1917-1921), later given up**

How central planning works

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- Problem – world market prices vs. domestic artificial prices
- > free trade would destroy the system!

How central planning works

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- Solution – **foreign trade companies – monopoly power to trade with the rest of the world**
- Import and export – part of the central plan!
- Problem – constant lack of foreign exchange

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- = they spend money on advertising their product and making it more attractive than the competition
- = „race to the bottom“ situations

Central planning

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- Capitalists behave in a way that is **individually rational but collectively irrational**
- = they spend money on advertising their product and making it more attractive than the competition
- = „race to the bottom“ situations
- **In a communist society, all these resources would be invested more productively 😊**

Central planning

- NEP

Central planning

- Russian Civil War (1917-1921) > **War Communism**
- = Attempt to stamp out money and all private transactions
- Allowed Bolsheviks to mobilize resources and defeat Whites, but unpopular > peasant uprisings
- > **New Economic Policy (NEP, 1923-1928) = market-oriented reform > small business allowed!**
- 1928 – Stalin – end of NEP, start of **Five Year plans**
- = blueprint for China and other communist countries

Central planning

- NEP proved that it's possible for a **Communist party to stay in power in a market economy** and even to **turn back the reforms if it wishes to**

Central planning

- NEP proved that it's possible for a **Communist party to stay in power in a market economy** and even to **turn back the reforms if it wishes to**
- x „Fukuyamist neoliberalism“

China

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China

- 1911 Xinhai Revolution
- Marxist theory – „**Perfect, this is China's first revolution!**“ (> capitalism > communism)
- Kuomintang – seen as China's bourgeois party
- Reality – the revolution was mostly an army mutiny + **KMT was too weak to take effective control** – lack of truly mass appeal

May Fourth Movement

May Fourth Movement

- WWI – shattering of the Western-dominated capitalist world order
- **Worldwide loss of faith in the old system** + Russian revolution = people embrace new ideologies

May Fourth Movement

- 1919 > China's May Fourth Movement
- Trigger – Versailles Conference accepted some Japanese claims against China > student protests
- Bigger point = **loss of faith in traditional elites (landowners and scholars), modern nationalism, populism, radical politics, new culture – literature in simple Chinese**

May Fourth Movement



May Fourth Movement

- The ideas and inspiration China lacked in 1911!

May Fourth Movement

- Desire to fulfill the promise of the republic
- **> injection of new energy and momentum into the KMT**

May Fourth Movement

- Desire to fulfill the promise of the republic
- > **injection of new energy and momentum into the KMT**
- **Intellectual habitat in which the CCP was founded**

The Chinese Communist Party

- 1921
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- **„We must help the Kuomintang to develop capitalism first“**

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- „**1911 was the first revolution**, the Kuomintang is the party of the Chinese bourgeoisie“
- „**We must help the Kuomintang to develop capitalism first**“
- = Soviet advice + opinion of Chinese orthodox Marxists

Maoism

- Mao Zedong (*1893) – unorthodox theory

新華叢書第一十種

新華日報館印行

毛澤東著



抗日游擊戰爭的戰略問題

Maoism

- Mao Zedong (*1893) – unorthodox theory
- > the Party **should organize peasants** instead of urban workers

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Maoism

- Mao Zedong (*1893) – unorthodox theory
- > the Party **should organize peasants** instead of urban workers
- > **a prolonged rural guerilla war against landlords and the KMT**
- = „Maoism“
- At first seen as a fringe position

- Marx – **short** mass revolution by **workers** – who are the majority
- Lenin – **short** armed insurrection by **workers**, who are a minority
- Mao – **long** armed insurrection by **peasants**, who are the majority

The Chinese Communist Party

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- > asymmetric guerilla warfare
- > **Mao's position vindicated**

The Chinese Communist Party

- CCP – compliant at first, the KMT turned against them after the Northern Expedition (1927)
- > asymmetric guerilla warfare
- > **Mao's position vindicated**
- > a rural guerilla is actually **necessary** – cities (with workers) are controlled by the KMT

The Chinese Communist Party

- Long March (1934-1935)





The Chinese Communist Party

- **Long March (1934-1935) > to the north of China where the KMT was less powerful**

The Chinese Communist Party

- **Long March (1934-1935) > to the north of China where the KMT was less powerful**
- Most leaders of the CCP died during the KMT crackdown, or during the march
- > Mao emerged as the **undisputed leader**

WWII

- Communists **patiently built their movement**, avoided major battles with the Japanese

WWII

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- „Long struggle“ – „It is **necessary to preserve our strength** for the final showdown against the Nationalists“
- > this will be the fight that really matters

WWII

WWII

- 1937
- „Marco Polo Bridge incident“

WWII

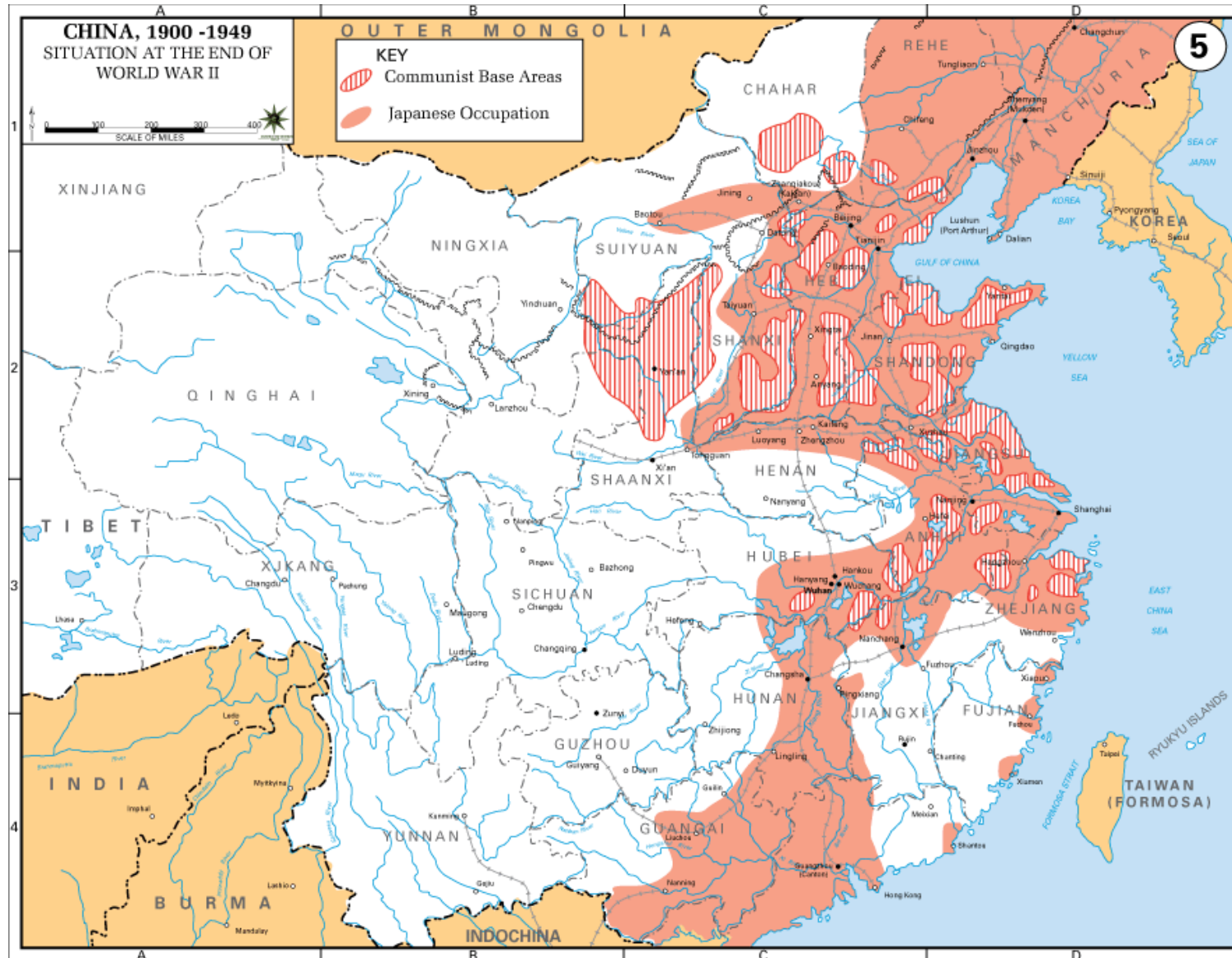
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- Main invasion = Shanghai and Yantze delta > **destruction of China's economic heartland, the rape of Nanjing**
- Huge battles, millions of casualties!

WWII

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- Huge battles, millions of casualties!
- By 1940 – **stalemate** – Japanese on the coast, Nationalists in the hinterland, Communists in the countryside

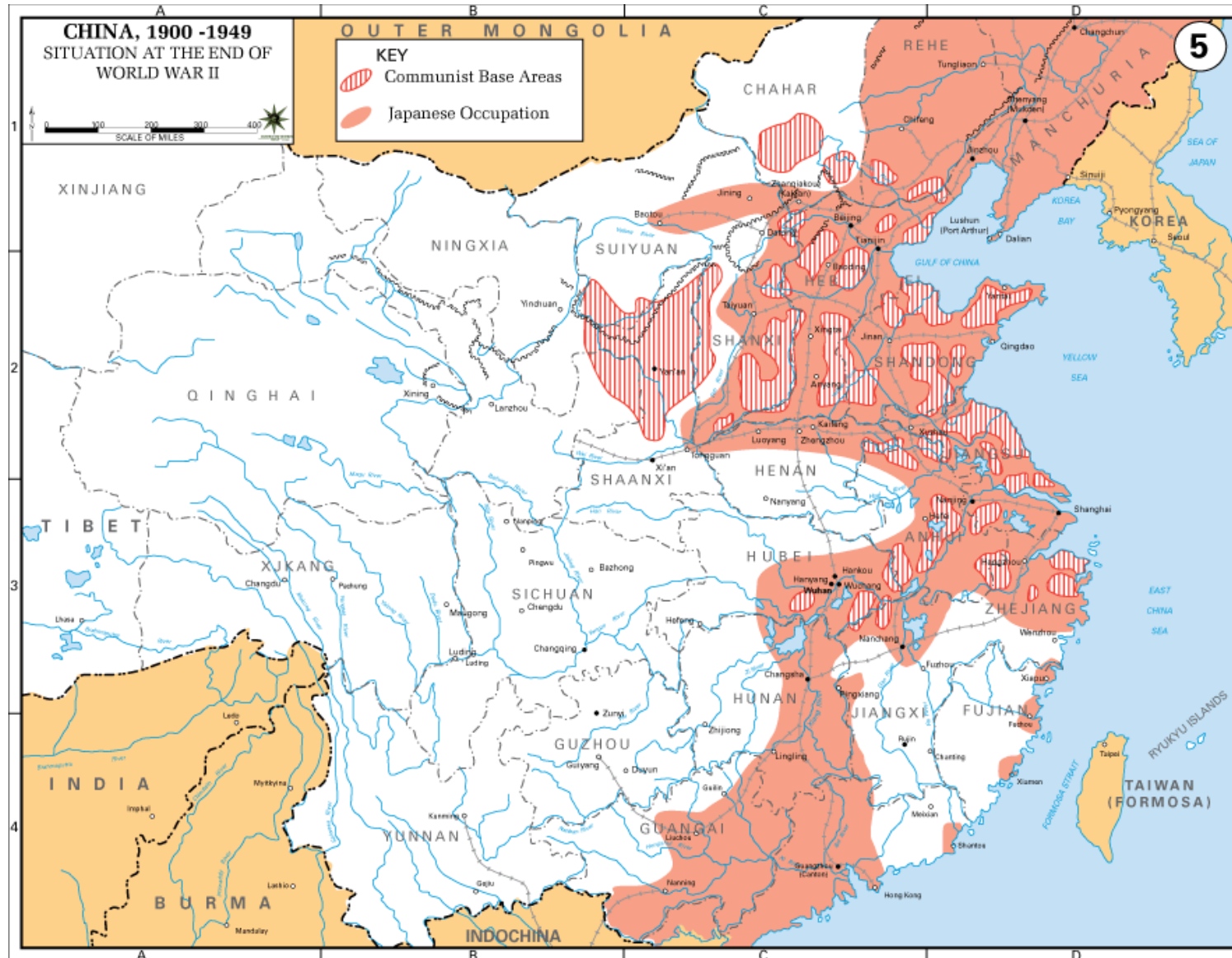


WWII

- The Japanese could only control large cities, **not the Chinese countryside** > the Party could probably operate easier than under KMT rule

WWII

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- = **blueprint for future purges**

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WWII

- „thought reform“, „though realignment“
- = confession of one's mistakes during combative sessions > opponents driven to suicide

Communist victory

- **1946-1949 – Civil war – communist victory** over the exhausted, overextended and corrupt KMT in 1949







Communist victory

- Communist promises: **to carry out a land reform**

Communist victory

- **Inequality of land ownership** – the main problem in all of East Asia
- Brutal **exploitation of peasants** > poverty and resentment
- KMT – allied itself with the landlords



- **Korea, Japan, Taiwan – land reforms „from above“** – carried out by the conservative regimes to avoid revolution – US pressure!
- > „blank slate“ > **start of a successful capitalist development!**

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- **CCP will thus finish what was started in 1911, Mao is the true heir of Sun Yat Sen!**



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- = **fulfillment of the dream of the republic from 1918!** ✓

First years of the PRC - 1949-1953

- **Massacre of landlords** > circa 2 million victims

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- Recovery from all the wars, participation in Korea > **the CCP was not strong enough to control all of the economy**

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- **Full nationalization of industry, collective farming**







互助代耕多打粮 军属生活过得强

力耕堂

湖南人民出版社 一九五二年出版

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- **Anti-Rightist Campaign** – another purge; **full one-party state**; led by Deng Xiaoping!

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- **Small industrialization** carried out by these village communes

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乘風破浪 各顯神通



chinese posters . net

1955年10月

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- People fulfilled their quotas by **melting down tools and reforging them** into useless, low-quality iron

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- Biggest famine in China's history – **30 million deaths**

„Great Leap Forward“ (1958-1962)

- The program had to be called off in 1962

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- Less ideology, more management
- Material rewards

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- **Basic economic model until 1978**

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- Typically, many enterprises were controlled on the provincial level etc.
- > opaque system, **it is difficult to say who is in charge of what**

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- Abroad – deconstruction of Stalin's cult of personality, more „boring“ and less bloody rule in the USSR

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- Officially: **attempt to prevent the Communist party from becoming a new elite** – permanent revolution

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- „**Self-criticism**“ – public humiliation and torture





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- **1968 – the army had to move in to rein in the Red Brigades**

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- Mao's final years (1970-76) – **the situation slowly calmed down**

- “Had Mao died in 1956, his achievements would have been immortal. Had he died in 1966, he would still have been a great man but flawed. But he died in **1976**. Alas, what can one say?”

Mao's final years

- Power struggle between **pragmatists** (Deng and Zhou Enlai) and **hardcore Maoists** (Gang of Four – Mao's wife)

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- „Gang of Four“ – blamed for the excesses of the Cultural Revolution so that Mao himself could be absolved of all responsibility

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- **No competition and no bankruptcies** > no pressure to make products and services attractive to buyers > low quality + little choice

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- > as communist countries neared the technological frontier, growth stalled
- > problem for all state-dominated economies (China...?)

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- But, obviously, also famine and death, trauma, destruction of institutions...

- Next time – **economic reforms after 1978**