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Under the Red Banner: Socialism, Physical Quality of Life, and Development

Abstract

Despite a steep decline since the Cold War, socialism still plays an important role on the world stage. Because of this, it is important to continue studying the effects of socialist governance. This study seeks to use multiple linear regression to determine the effect that socialism and economic development (as measured by GDP per capita) has on physical quality of life. Previous studies have examined the relationship between physical quality of life and socialism, but these were done in the 1980s. Much has changed since then, and updated information is required. Additionally, examining the impact of economic development's impact on physical quality of life will add to the debate regarding which aspect, socialism or economic development, has a greater impact on physical quality of life. Results show that both socialism and economic development have a positive, statistically significant impact on physical quality of life. This suggests that socialism following the collapse of the Eastern Bloc is still capable of producing positive quality of life outcomes. It also suggests that because economic development has a significant impact on improvements in quality of life outcomes, socialist health and education policy when combined with increased economic development would likely see the best quality of life outcomes for developing nations .

Introduction

Living standards vary across the world. Wealthy, developed nations are well known for their relatively positive quality of life, while poorer nations in the Global South often have worse quality of life outcomes. Researchers have produced a number of theories to explain global disparities in living standards; there must, after all, be a reason why some countries succeed in this arena while others fail. This is valuable research, as ensuring the general well being of the global population is a worthwhile goal. Understanding how best to achieve that goal has obvious practical applications that could make a profound impact on billions of people. With starvation, poverty, disease, infant mortality, illiteracy, and other problems so prevalent, learning how some countries have managed to mitigate these social ills is of immense benefit. Knowing which policies can curb poor living standards can allow policymakers, particularly those in developing nations, to make more intelligent decisions that benefit their people to a higher degree. This makes it important to learn what governments can do to make their countries better places to live in for all residents.

One aspect of a country that could play an important role in the improvement of living standards is economic structure. Differences in the orientation of a state's economy may have a profound effect on the general living standards within the state, especially for postcolonial nations coming from a position of poverty and underdevelopment. This makes the question of socialism's effect on quality of life particularly interesting. Even with the fall of the Soviet Union and collapse of most of the socialist world in the early 1990s, socialism still remains a massively influential ideology on the world stage. The People's Republic of China stands today as an undeniable global superpower, and it stands alongside Cuba, Vietnam, Laos, and North Korea as the last remaining Marxist-Leninist states. Other countries are currently ruled by self-professed socialist parties, including Venezuela, Bolivia, Nicaragua, Angola, and Syria. Much more recently, the coup government of Ibrahim Traore in Burkina Faso has taken great inspiration from the ideas and actions of assassinated Burkinabe president and Marxist Thomas Sankara. Burkina Faso, owing to its new pan-African direction, is now in the process of forming a defensive and economic alliance with similarly aligned coup governments in Mali and Niger. This indicates that socialism may not just be hanging on past the Cold War, but could be on the rise.

While there are similarities between the various socialisms of these countries, there are myriad differences, making it all the more difficult to determine the common features that constitute a socialist country, as well as which of these countries may succeed or fail at fitting the definition. Socialism as a concept can be difficult to pin down. There is no single definition of the term that will satisfy every researcher. Each country that has attempted to implement some self-described form of socialism has come with its own peculiarities that make crafting an all-encompassing, broadly agreeable definition verge on impossible. On top of this, numerous states that have never described themselves as socialist have the title foisted upon them by outside researchers,

sometimes as a genuine descriptor, more often as a pejorative. The numerous ideological interpretations of socialism that have never materialized into an actual structure of governance muddy the waters even further.

Although the task of even defining socialism can be difficult due to these competing interpretations, studying the relationship between socialism and living standards is still a valuable undertaking. While not as prevalent as it was during the era of the Cold War, socialism is nonetheless an influential ideology on the world stage, and one that seems to be experiencing something of a resurgence in recent years. Understanding what kinds of policies actually facilitate improvements in quality of life is certainly a worthy cause, and can serve to benefit generations of policy makers to come.

Literature Review

Opinions on the driving factor behind improvements in quality of life vary among experts. While some argue that socialist governance is a key factor in the improvement of living standards in developing nations, others contest this idea. Factors like stability and economic development are also claimed as defining elements.

The Socialist Hypothesis

Could the presence of socialist governance improve a country's living standards? It is true that most socialist regimes place a heavy emphasis on education and public health initiatives when they come into power. It seems reasonable to suggest that countries with robust state-run health enterprises could produce more favorable quality of life outcomes than their non-socialist peers. Cereseto and Waitzkin offer evidence for this interpretation. Using data taken from the World Bank, they compared physical quality of life metrics among numerous countries, both socialist and capitalist, to determine which economic system tended to produce the best physical quality of life outcomes. Cereseto and Waitzkin found that socialist countries tended to have better physical quality of life outcomes, when compared with capitalist countries at similar levels of economic development. While Cereseto and Waitzkin agree that economic development itself is an indicator of higher physical quality of life, their study found that socialism improved these metrics even further, particularly in the poorest nations: "Profound differences in PQL (physical quality of life) between the capitalist and socialist systems have arisen in the less developed countries. There, the options in public health and education that a socialist political-economic system provides seem to overcome some of the grueling deprivations of poverty."¹ In a different study, Cereseto and Waitzkin found that, "Socialist countries consistently showed higher

¹ Shirley Cereseto and Howard Waitzkin, "Capitalism, Socialism, and the Physical Quality of Life," *International Journal of Health Services* 16, no. 4 (1986), 655.

numbers of health professionals per population than capitalist countries at equivalent levels of economic development.”²

Economic Development

As Cereseto and Waitzkin admit, higher economic development is also a clear indicator of higher physical quality of life. Nijim finds the same trend in a study of physical quality of life specifically among Arab nations. While a nation with a nominally socialist government like Iraq skyrocketed in physical quality of life between the 1970s and 1980s, other non-socialist Arab countries, like Qatar and Saudi Arabia also saw massive increases.³ Nijim notes the different factors behind each country’s shift over this period, with the common factor being increased economic development. While Iraq was developing during this period along socialist lines, Saudi Arabia was developing too, through foreign investments. Both saw meteoric rises in the physical quality of life over this period. A proponent of the socialist argument could point to Iraq still ultimately having a higher physical quality of life than Saudi Arabia, although it also ranked higher than Saudi Arabia in the original data set, meaning the actual rate of improvement was similar for both nations.⁴

Economic development can also produce stability, which is potentially associated with higher quality of life. Obviously, a stable nation will have higher living standards than an unstable, war torn nation; this is not a particularly valuable insight. What is more interesting is that authoritarian governments of a certain type may be conducive to higher physical quality of life. Young found that a type of government he describes as “constrained authoritarian” seems to have higher physical quality of life outcomes than what might be expected. This type of government does not have a specific economic program; it can be a socialist or capitalist state. In fact, Young places Chile under General Augusto Pinochet’s military dictatorship into this category along with explicitly socialist nations. Suggesting a possible reason for why this is, Young devises a novel approach. Young suggests that nations under the largest threat of instability will have better physical quality of life outcomes under constrained authoritarianism, because this type of regime encourages greater stability. Young says, “The geopolitical situation that many of these countries find themselves in may be characterized as one of generalized threat to national security and sometimes even to national identity.”⁵ The presence of a stabilizing factor in the country, and by extension the absence of political instability, economic instability, and outright conflict could also be viewed as potential sources for physical quality of life development in poor nations.

² Shirley Cereseto and Howard Waitzkin, “Economic Development, Political-Economic System, and the Physical Quality of Life,” *Journal of Public Health Policy* 9, no. 1 (1988), 111.

³ Basheer K. Nijim, “The Physical Quality of Life Index in Arab Countries,” *Journal of Third World Studies* 7, no. 2 (1990), 211.

⁴ Nijim, “The Physical Quality of Life Index in Arab Countries,” 209.

⁵ Frank W. Young, “Do Some Authoritarian Governments Foster Physical Quality of Life?” *Social Indicators Research* 22, no. 4 (1990), 361.

Methods

This research will test two variables in relation to a quality of life metric. The test will use physical quality of life as the measure for this. This statistic uses three main variables to determine living quality in a country: literacy rate, infant mortality, and life expectancy at birth.⁶ This data will be taken from *Human Progress*.⁷ The two variables that will be tested as causes of higher physical quality of life are economic development and socialism. Economic development will be measured by GDP per capita, which will be taken from the database.earth.⁸ Determining socialism is a more difficult issue that requires further elaboration.

Socialism: Competing Definitions

The difficulty with determining whether or not a country is actually socialist is that there is not one agreed upon definition of socialism. Different people have different opinions on what socialism is. Most of these differences of opinion do not come from alternative interpretations of the facts, but instead from differing views on what constitutes socialism. For this, we will use the case of Ba'athist Iraq as a case study.

The Orthodox Marxist View

One significant trend is the Marxist understanding, which typically does not view Ba'athist Iraq as a true socialist state. For the Marxists, socialism requires much more than just extensive state control over the economy; it requires some form of worker ownership over the means of production. This factor was not present in Iraq to any significant degree. Many Marxists would describe Iraq during this period as a state capitalist economy, where the state itself acts as an individual capitalist. Soviet scholar Grigory Shakhbazian argued exactly this, that Iraq had not sufficiently developed its economy along socialist lines.⁹ Even if Iraqi Ba'athism had been able to implement Aflaq's previously mentioned Yugoslav-style worker participation, its status as a socialist nation would still be contentious. Enver Hoxha, a staunch critic of the Yugoslavian system, stated, "...private property exists in Yugoslavia not only in a disguised form but also in its open form," and by quoting Lenin affirms that, "...[this] form of small-scale production...gives birth to capitalism every day and every hour."¹⁰ For Hoxha, state ownership was a key aspect of socialism, but it is only possible for state ownership to constitute socialism under a dictatorship of the proletariat, or a state controlled by the workers. It can be disputed whether Hoxha's own nation of Albania actually fit this definition either, but Iraq certainly did not. Ali Kadri describes the ruling class of Ba'athist Iraq as a "state bourgeoisie," and goes as far

⁶ M. Mukherjee, A.K. Ray and C. Rajyalakshmi, "Physical Quality of Life Index: Some International and Indian Applications," *Social Indicators Research* 6, no. 3 (1979), 283.

⁷ "Physical Quality of Life Index," *Human Progress*,

<https://humanprogress.org/dataset/physical-quality-of-life-index/?countries=171-230-341-294-366-266-347-322-348-357-331-246-303-292-275-287-272-358&view=selected&y-axis-start=0>.

⁸ "GDP per Capita by Country in 2008," *Database.earth*, <https://database.earth/economy/gdp-per-capita/2008>.

⁹ Roderic Pitty, "Soviet Perceptions of Iraq," *Middle East Report*, no. 151, (1988).

¹⁰ Enver Hoxha, *Yugoslav "Self-Administration": A Capitalist Theory and Practice* (Toronto: The November 8th Publishing House, 2021), 24.

as to say that this class actively benefited from the development of a black market outside of the legal state-run economy.¹¹

The Revisionist Marxist View

Not all Marxists fully accept this understanding, though. Chinese economists Cheng Enfu and Li Yan argue that modern day Belarus constitutes a unique form of market socialism, where private markets exist to supplement the primary, state run modes of production.¹² While their research does not pertain directly to Ba'athist Iraq, the general findings are definitely applicable. While not as popular among Marxists, this more lax interpretation of what socialism is has many adherents. Most notable among them for our purposes were the Ba'athists themselves. As stated in chapter five of *Revolutionary Iraq 1968-1973*, "Planning occupies a central position of importance in the building and development of the national economy and all of its branches in accordance with present and future needs. Without planning, preludes to socialism cannot be made and national progressive economy cannot be developed."¹³ Of course the Ba'athists, who are self described socialists, would view their policy positions and the state they controlled as socialist in nature. This is not a surprise. Still yet, their understanding of socialism as mainly a matter of state ownership and public services is not unique. As stated previously, Cheng Enfu and Li Yan make a very similar argument, and many Soviet Marxists during the 1970s argued that Iraq was a, "state of socialist orientation."¹⁴ The scholar Martin Sklar goes as far as to say that countries have a consistent interplay between capitalist and socialist production modes, using the United States as an example.¹⁵ Sklar argues that American government institutions like fire departments and public schools illustrate a socialist component of the American economy that coexists with capitalist production modes. While an interesting argument, Sklar's position is dubious. Classifying socialism as any time a government takes action outside of the private sector robs it of any real meaning. Arguing that socialism is when the public sector is dominant over all other economic modes is a much more tenable position.

Socialism Variable

Because of the aforementioned difficulties in defining socialism, I will attempt to use a method that avoids potential ideological trappings that may skew results. I will use a simple scale, giving each country a score of 1, 0.5, or 0 to denote whether it is a socialist regime or not. Explicitly Marxist-Leninist states will receive a 1, states describing themselves as socialist but whose socialism is more debatable will be given a 0.5, and non-socialist states will receive a 0. This is a simple way to quantify whether a state is socialist or not, while still providing nuance for states that are more difficult to categorize.

¹¹ Ali Kadri, *The Unmaking of Arab Socialism* (New York: Anthem Press, 2016), 47.

¹² Li Yan and Cheng Enfu, "Market Socialism in Belarus: An Alternative to China's Socialist Market Economy," *World Review of Political Economy* 11, no. 4, (2020), 430.

¹³ *Revolutionary Iraq, 1968-1973: The Political Report Adopted by the Eighth Regional Congress of the Arab Ba'ith Socialist Party - Iraq*, Marxist Internet Archive, January 1974.
<https://www.marxists.org/history/iraq/baath/index.htm>.

¹⁴ Pitty, "Soviet Perceptions of Iraq".

¹⁵ Martin Sklar, "Thoughts on Capitalism and Socialism: Utopian and Realistic," *The Journal of the Gilded Age and Progressive Era* 2, no. 4, (2003), 367.

Case Selection

Because the main focus of this research is to better understand socialist nations, case selection will exclude the United States, Canada, and Western Europe. All historical socialist countries have been nations coming from semi-feudal, colonial, or postcolonial backgrounds, and comparing them to nations with centuries of industrial development would skew the results. To compare socialist (both Marxist and non-Marxist) states, I will use non-socialist states also coming from colonial and pre-industrial backgrounds. Fully socialist states, states receiving a score of 1 on my socialism score statistic, in this study will be the five current Marxist regimes, China, North Korea, Cuba, Vietnam, and Laos. States receiving a 0.5 include Venezuela, Syria, Belarus, Eritrea, Libya, Angola, Zimbabwe, Bolivia, and Nicaragua. To fill out the non-socialist states, states receiving a score of 0, I will use states that the World Bank classifies as low and middle income, these being Albania, Algeria, Argentina, Armenia, Azerbaijan, Bangladesh, Benin, Bosnia and Herzegovina, Botswana, Brazil, Bulgaria, Burkina Faso, Burundi, Cabo Verde, Cambodia, Cameroon, Central African Republic, Chad, Colombia, Comoros, Democratic Republic of the Congo, Costa Rica, Côte d'Ivoire, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eswatini, Ethiopia, Gabon, Gambia, Georgia, Ghana, Guatemala, Guinea, Guinea-Bissau, Haiti, Honduras, India, Indonesia, Iran, Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kyrgyzstan, Lesotho, Liberia, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, Moldova, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Niger, Nigeria, North Macedonia, Pakistan, Papua New Guinea, Paraguay, Peru, Philippines, Russia, Rwanda, Samoa, Sao Tome and Principe, Senegal, Sierra Leone, South Africa, Sri Lanka, Sudan, Suriname, Tajikistan, Tanzania, Thailand, Timor-Leste, Togo, Tonga, Tunisia, Turkiye, Turkmenistan, Uganda, Ukraine, Uzbekistan, Vanuatu, Yemen, and Zambia.¹⁶ South Sudan, while on the World Bank's list, will not be included, as the most recent data available for all countries is from 2008, before South Sudan existed as an independent nation. Other nations on the World Bank's list are not included due to lack of data.

Hypothesis and Testing

To find potential causal relationships between the dependent variable physical quality of life and the independent variables socialism and economic development, I will be using multiple linear regression. I hypothesize that the variable socialism will have a strong positive effect on the dependent variable, physical quality of life that is significant, and that the variable economic development will have a slightly positive, but insignificant, effect on the dependent variable.

Results

Ultimately, the model was significant, $F(2,109) = 22.52, p < .001$, which suggests that socialism and economic development together play a significant role in physical quality of life. With an adjusted R^2 of 0.28, the model managed to account for 29.2% of variance in the physical quality of life variable. $R = 0.54$, meaning that the correlation between the observed data and what is predicted is moderate. Individually, both the socialism variable ($t = 2.289, p = .024$) and the economic development variable ($t = 6.223, p < .001$) were significant predictors of physical

¹⁶ "Low and Middle Income," *The World Bank*, <https://data.worldbank.org/income-level/low-and-middle-income?view=chart>.

quality of life. Line fit plots for both independent variables can be seen in Figure 1 and Figure 2. The regression equation was $Y = 62.0026 + 11.8801X_1 + 0.0023X_2$, where Y = the physical quality of life variable, X_1 = the socialism variable, and X_2 = the economic development variable. While this information does confirm that socialism has a significant and positive impact on physical quality of life, it does not confirm the hypothesis that economic development's impact on physical quality of life would be insignificant. There are limitations with this model, however. While the overall sample consists of a large number of nations, the overall pool of socialist nations is relatively small; only five nations included scored a 1 on the socialism scale. While the study suggests that socialism positively impacts physical quality of life, the small sample of socialist countries makes these findings less certain. The definition of socialism used may also act as a limitation on the study. Many may disagree with some of these nations being described as socialist, and the nations that scored a 0.5 on the socialism scale may also be disputed by other resources. It will always be worth considering different definitions of socialism and how these definitions may affect the results of a study like this. There is also the problem of recency. While this study was meant to act as an update to research conducted mostly in the 1980s, the newest data available for physical quality of life in the countries researched was 2008, meaning that, while more recent than the old studies, this data is still over a decade old. While this shows that socialism continued to have an effect of physical quality of life after the fall of the socialist bloc in the early 1990s, the world has changed a lot since 2008, and studies using newer data will be more valuable to today's context.

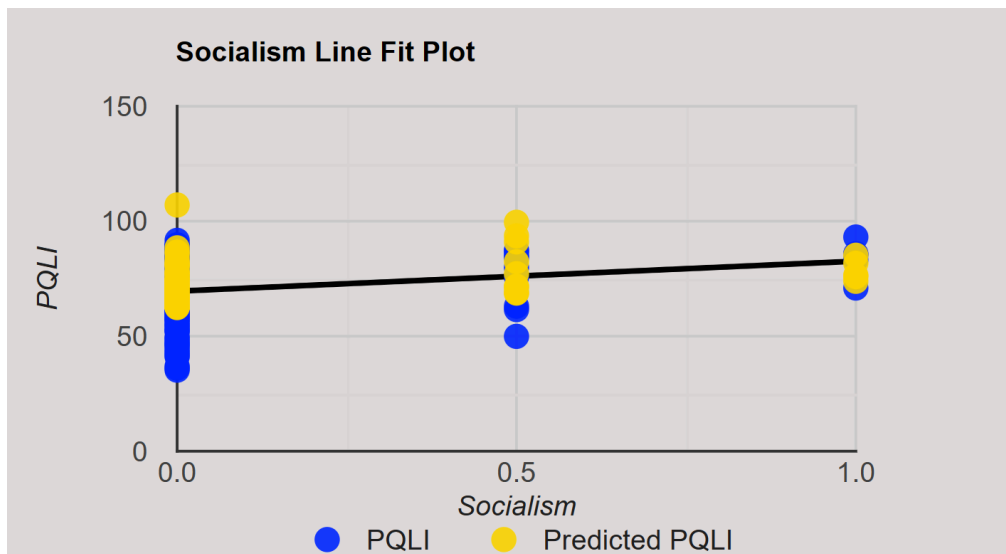


Figure 1

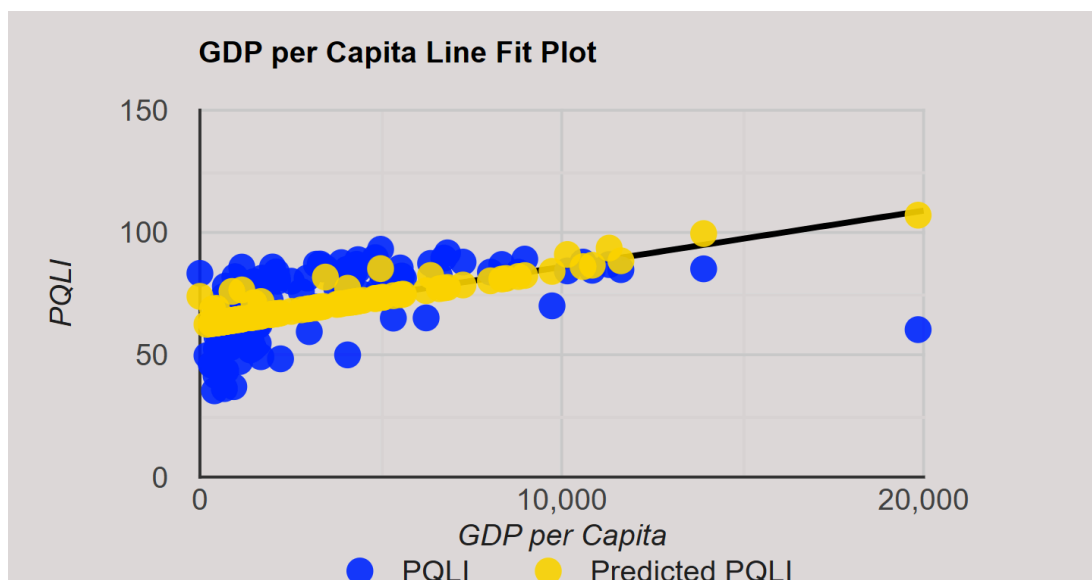


Figure 2

Conclusions

The results of this study suggest that both socialist governance and economic development play a role in improving the physical quality of life in a nation. These are important findings for policy makers in the developing world because knowing what policies actively benefit the living standards of the general populace is extremely valuable. Ignoring overall moral judgements and issues such as civil liberties, it seems as though the policies employed by the socialist nations in regards to health care and education have been successful at improving overall living standards among their people. This would suggest that these policies are worthy of further research, especially for other developing nations who may want to replicate or adapt some of these policies. The significance of the economic development factor is also of interest. The significance of both independent variables suggests that socialism in addition to economic development would create the best quality of life outcomes. Given recent geopolitical developments, it seems as though the world is in a prime position for these outcomes to occur. China is well on its way to becoming the globe's dominant economic power, and all of the socialist nations today have adopted at least some of its economic policy. Even North Korea today has a special economic zone, home to mostly Chinese and Russian investment. Other developing countries now have more options for economic development than before. Chinese international investment continues to grow and offer other developing nations an alternative to the, often predatory, investments given out by the West. Growing economic alignment among developing nations is also significant. The BRICS economic alliance is expanding, and its investment bank will likely play an important role in the economic development of the Global South in the near future, as will increasing pushes toward de-dollarization among these nations. All of these recent developments suggest a future where socialism and third-world economic development will be on the rise, meaning that studies like this will continue to be invaluable.

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