

Christian Libertarian Gets Sweden All Wrong

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Sweden is the most successful society the world has ever known.

—*The Guardian* (10/25/05)

Dale Courtney's column on Sweden (*Moscow-Pullman Daily News*, March 18, 2020) is filled with errors, but the most egregious one is his claim the "Nordics scrapped [their] welfare system decades ago."

The truth is that they still have the most comprehensive social and health services in the world. Sweden and Denmark are currently led by Social Democrats, whose European counterparts and those in Australia, New Zealand, and Israel have established some of the most successful nations in world history.

Courtney gives the false impression that conservative governments have ruled Sweden for decades. For 71 of the last 88 years Sweden's Social Democrats have reigned, and center-right governments were in power only 17 years: 1976-82, 1991-94, and 2006-14. In 1976 a Conservative Party leader offered this assurance to voters: "We have to keep all this social welfare of course, and we might make it better."

Generous Sick Leave and Unemployment Coverage

Courtney is wrong to describe the Nordic welfare system as "American style." With tax benefits taken into account, the U.S. actually spends 3 percent more than Sweden on much less effective and comprehensive programs. We have one of the worst social and health coverage in the industrialized world.

In stark contrast to U.S. where only 12 states (all blue except one) have limited coverage, every Swedish worker has paid sick leave. It is incredibly generous: 80 percent of income for a year and then 75 percent up to 550 days.

Swedish unemployment insurance is equally generous: \$962 for 52 weeks, and then \$842 for the next 12 weeks. In the U.S. the weekly payments range from \$823 for 30 weeks in the "People's Republic of Massachusetts" (as some libertarians call it) to \$215 for 26 weeks in "Let Them Eat Cake" Kentucky.

Family Leave and Child Support

After living in Denmark for four years, I know first-hand how important families are to the Scandinavians. Every Swedish child is guaranteed a \$120 monthly stipend, and in Denmark the amount is \$190 for the first child. (My daughter received \$50 in 1978-9 and we both had free health care.) Seventy percent of Sweden's poor children are in state-financed child-care, while fewer than 30 percent of their American counterparts are.

Sweden's parental leave policy is the most generous in the world. The government pays for a total of 17 months, but only if the father takes three of them. One dad was really excited:

“Think of what it would mean for yourself, your child, and for your relationship to stay at home with your infant for a long period of time.”

Low Teen Births; Low Infant and Maternal Mortality

American infants die at a rate of 6.5 per 1,000, whereas the Swedish rate is 2.6. American teens give birth at a rate of 21 per 100,000, while the number for Sweden is 5 (4 in Denmark). The U.S. has the highest rate of maternal mortality in the developed world, and the Nordic countries have the lowest.

Robust Private Sector in Nordic Countries

Courtney proudly quotes a former conservative Danish prime minister: “Denmark is far from a socialist planned economy. Denmark is a market economy.” Any Social Democrat, wherever they may be, would say that same thing. About 90 percent of the Danish and Swedish economies are in private hands, and they are some of the most successful in the world.

The World Economic Forum (of Davos fame) has consistently rated Sweden and Denmark as the most business friendly. *Forbes* business magazine notes Sweden flourished “with investment per capita in Stockholm second only to Silicon Valley.” The conservative Heritage Foundation ranks Denmark higher than the U.S. for economic freedom with Finland and Sweden just behind the U.S.

Swedish Social Democrats Cut Taxes and Public Spending

Nordic taxes are of course high, but Courtney again offers the false implication that center-right governments have done all the reductions. In 1983 the Social Democrats cut the marginal tax rate from 84 percent to 57 percent (37 percent for the U.S.), and corporate taxes dropped from 26.3 to 22 percent. In 2006 they eliminated the inheritance tax.

The largest reduction of public spending—from 67 percent of Gross Domestic Product in 1993 to 49 percent in 2012—was accomplished under the Social Democrats. It actually went up under the third center-right government of 2006-2014.

Strong Unions Make for Labor Harmony

Courtney errs once again when he implies that labor relations have improved because of center-right governments. For decades, all across Europe, worker have been allowed representation on corporation boards, which was an idea initiated by social democratic governments. Courtney’s attempts to poke union leaders in the eyes when he crows that there is no minimum wage in Sweden. It’s really not necessary when the average Swedish worker makes \$11,239 per month.

Sweden’s Private Schools Declared a “Failure”

Courtney is a supporter of a local Christian school, but his claim that 50 percent of Swedish students are in successful private schools is false. (It’s 18 percent.) Controlling for socio-economic status, studies show that public schools students perform better than those in private classrooms. In June 2015 Swedish Education Minister Gustav Fridolin declared that the private schools were a “failure,” because “standards in learning had dropped dramatically over

the years and were in a state of crisis.” Read more at <https://www.pbs.org/newshour/education/is-sweden-proof-that-school-choice-doesnt-improve-education>.

In 1985-86, my daughter attended (tuition-free) a private international school in Copenhagen, where the teachers were accredited by the government, something that America’s Christian schools of course reject. In 1978-79 she attended a superb all-day preschool—at no cost of course.

Christian libertarians such as Dale Courtney use the words “public” and “government” as swear words, but the libertarian principle that government intervention in the economy and society always fails has been proved wrong time and time again.

I’m sure that Courtney has championed Grover Norquist, who once wished that the federal government be so small that it could be “drowned in a bathtub.” I shudder to think where we would be today if libertarians, especially during a public health crisis such as the coronavirus, had their way.

Nick Gier taught philosophy and religion at the University of Idaho for 31 years. Read more about the “Middle Way” between communism and capitalism at www.tomandrodna.com/Nick_Gier/MiddleWay.pdf.

His View: Sweden found socialism to be a savage master

By Dale Courtney Mar 18, 2020, *Moscow Pullman Daily News*

Progressives have objected to my March 4 column, “Why Socialism in the US scares me to death.” Most did not object to the academic definition of socialism, in which the state allocates the means of production. Rather, they prefer the Nordic model of “democratic socialism” as practiced in Sweden, Norway, Denmark and Finland. But the Nordics scrapped the American-style welfare system decades ago because it was an abject failure.

In the post-World War II boom and through the 1960s, the Nordic countries had low taxes, minimal government, free markets and private ownership until the welfare state was introduced in the 1970s. Healthcare, education and retirement were nationalized and paid for by increasingly larger taxes. To avoid raising direct taxes, Sweden introduced an “employer’s fee” – a hidden payroll tax based on each employee’s salary. In 1970 it started off at 12.5 percent of each employee’s salary. By 1979 those taxes were 37 percent (compared to 12 percent in the U.S.). Since the employer was paying these taxes, few cared.

As Margaret Thatcher famously said, “the trouble with socialism is that eventually you run out of other people’s money.” The socialist solution had been to double down and have the labor unions take ownership of private companies using “wage earners’ funds” (where the company paid a percentage of their profits to fund the transfer of companies from private to collective ownership). Sweden fell from being the fourth-richest country in the world in 1970 to the 14th in 1993, with public spending reaching 67 percent of GDP.

Entrepreneurs behaved rationally and stopped investing and growing their businesses. Between 1976 and 1995, Sweden's economic growth was half that of other western nations. Interest rates soared to 500 percent. The wealthy were taxed at over 100 percent. Wealth and talent disappeared. In 1976, IKEA founder Ingvar Kamprad fled to Switzerland.

Kamprad said: "The high capital tax is extraordinarily oppressive in Sweden. It would bleed IKEA way too much. I think that many of our problems in Sweden are because we punish people who want to venture into business."

The truths finally became known by the 1990s. Socialism is economic suicide. You cannot tax your citizens into prosperity, and the only thing worse than a monopoly is a government monopoly. By abandoning socialism, Sweden's economic growth became 50 percent greater than other Western countries, and family disposable income grew by a factor of four.

What prompted these seemingly magical changes? They reformed their tax system and adopted a hands-off approach to free enterprise allowing private enterprise into schools, welfare, hospitals, etc. Many of these reforms would give American progressives apoplexy.

Education, for instance, was no longer in the hands of the government. So rather than letting the government assign students to schools, Swedes instituted a school voucher system instead, allowing parents to choose which school was best for their child.

Sweden allows parents to apply their vouchers to independently-run private schools or government schools for their kids' education. Today, 50 percent of Swedish high schools are voucher-funded private schools. This competition has raised the quality of both the government and the private schools.

Another idea so repellant to American progressives is Sweden has no minimum wage laws and the relationship between labor and employers is not antagonistic. Their Liberal Party even proposed that the right to strike be restricted.

Also, Sweden taxes their poor at significantly higher rates than the U.S. does. Sweden has also done away with the wealth tax and the inheritance tax, and has replaced property taxes with a capped fee.

Danish Prime Minister Lars Løkke Rasmussen responded to Bernie Sander's assertion that the Nordic economic model is a form of socialism: "I know that some people in the U.S. associate the Nordic model with some sort of socialism. Therefore, I would like to make one thing clear. Denmark is far from a socialist planned economy. Denmark is a market economy."

Nordic countries tried embracing socialism and found it to be a savage master. Dressing up this system as "democratic" socialism might make it more alluring, but Americans would soon find themselves in the same position as Sweden nearly three decades ago: suffering under the rule of socialism and longing for the freedom they so willingly handed over in the name of "equality."

Dale Courtney served 20 years in nuclear engineering aboard submarines and 15 years as a graduate school instructor. He now spends his spare time chasing his grandchildren around the Palouse.