

Bernie Sanders is far more radical than Corbyn's Labour

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It may be early days in the Democratic primary race, but Bernie Sanders is now the favourite to win the party's nomination and set up a Trump-Sanders presidential election.

As the prospect of Sanders winning becomes ever more real, some commentators are downplaying his socialist credentials, painting the veteran Senator as no more than a moderate social democrat.

“Memo to left-wing Americans who adore Sanders's radical ‘socialism’...” says Al Jazeera's Mehdi Hasan, “in most other Western/European countries, Sanders would be considered a pretty mainstream, centre-left social democrat.”

His view is shared by the economist Paul Krugman. Dastardly Republicans might have the audacity to use Sanders' own preferred label to describe him, but since he doesn't want to “nationalise our major industries” or “replace markets with central planning”, Sanders “isn't actually a socialist.” Ignore scare stories about Venezuelan economics then, Krugman advises. Sanders just wants the US to look more like Denmark.

Krugman is right to say that Sanders shuns nationalisation. To simply label him a socialist, without any caveats, is misleading. But it's even more grossly misleading to suggest his “democratic socialist” ambitions stop at a Scandinavian-style welfare state. More redistribution is central to his agenda, sure, but he also proposes massive new market interventions, including the Green New Deal, a federal jobs guarantee, expansive price and wage controls, overhauling labour and corporate governance laws, and enforced mutualisation of companies.

Any given European country might engage in one or some of these interventionist policies. Combined though, whatever label you give it, Sanders' platform goes far beyond any modern social democracy in terms of government size and scope. Indeed, his policies can only be considered moderate if some three-way lovechild of the economics of 1970s Sweden, Argentina, and Yugoslavia's market socialism is the baseline.

Rather than countries, perhaps we might use another politician as a barometer here. Hasan suggests Sanders is less “left” than Labour's Jeremy Corbyn and John McDonnell, which is quite a low bar to crawl under. Corbyn and McDonnell are certainly widely regarded as contemporary socialists and not social democrats.

So, is Hasan right? Our best tool is to compare Labour's 2019 manifesto against the Sanders' economic platform. Doing so makes clear that Bernie is more radical than Corbyn on economics, both in absolute terms and relative to their countries' respective politics.

Take the size of government. The Manhattan Institute's Brian Riedl calculates that Sanders' promises would add \$97.5 trillion to spending over a decade, taking total annual US government spending to around 70% of GDP and more than doubling the size of the federal government. Even if climate investments prove a one-off, spending would settle at a massive 64% of GDP. That's far higher than Labour's planned 44% and even France's current 57% (itself the highest in the OECD).

A look at certain individual spending areas also underlines just how radical the Sanders agenda is. Like Labour, he wants government-funded free public higher education. Unlike Labour, he'd also forgive all existing student debts. On climate change and infrastructure, Labour planned for £400 billion investment over 10 years (about 20% of current annual UK GDP). Sanders wants to invest \$16.3 trillion over 15 years (about 75% of current annual US GDP.) On healthcare, both want government spending to expand to cover all medical treatment, prescription charges, long-term care for the elderly, and dentistry. But only Sanders would explicitly ban private health insurance (Labour did consider that proposal but held off in the end).

True, Corbyn and McDonnell favoured nationalising buses, railways, the energy sector, water, and parts of the broadband network. Corbyn even wanted free government-funded broadband for all. But even here the results of Sanders' pledges would bring similar results. He would set up "publicly owned" and "democratically controlled" broadband networks. And his Green New Deal would bring most public transport under government control and deliver effective public ownership of energy production. And Sanders historically has supported exactly the types of nationalisations Corbyn favours.

When it comes to financing their promises, Sanders is arguably more radical again. Labour planned to only borrow to invest, raising the deficit by about 2% of GDP per year. But Bernie's tax plans get nowhere near fully funding his agenda. Absent further broad-based tax rises, Riedl calculates annual borrowing would soar to around 30% of US GDP if his spending plans were implemented.

That doesn't mean he hasn't got radical plans for higher tax rates as well. As with Labour, Bernie would tax capital gains and dividends as ordinary income and introduce a new financial transactions tax. But he'd also go much further in terms of higher rates on the rich and corporations.

Combined with national insurance, Labour's top marginal income tax rate would have been 52%. Sanders' top *federal* income tax rate alone would be 52%, bringing a top combined top rate of around 80% once state and payroll taxes are considered. Sanders wants a new wealth tax too, another option Labour shirked. And while Labour wanted to raise the UK's main corporation tax rate to 26%, Bernie would opt for 35% with a broad base.

Again and again on economics, where there are differences, it's because Sanders is offering the more radical leftwing policies. He and Labour both proposed big minimum wage rises, national rent control, mandated employee ownership, and workers on boards, for example. But where Labour proposed 10% worker ownership stakes in large companies, Sanders would mandate

20%; while Labour want 33% of boards to be made up of worker representatives, Sanders wants 45%.

Then there's Sanders' federal jobs guarantee – the mammoth plan to offer any American who wants one a \$15-per-hour job with full benefits. If implemented, the federal government would become the largest global employer by far. No European country engages with such a large labour market intervention. Nor did Labour propose one.

Now, there are no doubt some areas where Labour or even the current Tory government are more interventionist than Sanders envisages. It may well be true too that, in their hearts, Corbyn and McDonnell are more hardcore ideologically socialist than Sanders, and that their 2019 manifesto merely reflected having to gain acceptability from the broader party and country, whereas Sanders (for now) is just trying to win a primary.

Certainly, there are more constraints on elected leaders in the US, meaning Sanders' full agenda has less chance of being implemented than Labour's would have done. And economics isn't everything. Sanders seems more deferential to American institutions than Corbyn was to British ones, and though Sanders has himself had staffing and historical problems of unpleasant racial or foreign policy views, he doesn't suck up to terrorists and authoritarian regimes in the way Corbyn has for his entire political career.

Nevertheless, on the role of government, the declared economic platforms are instructive. Call it "democratic socialism," or just plain old "interventionism," Bernie Sanders is, in many respects, putting a more radical interventionist offer to the electorate than Jeremy Corbyn did.

Given how Corbyn crashed and burned in a country much less hostile to "socialism" and "big government", I can understand why commentators such as Hasan or Krugman might want to downplay the revolutionary nature of the platform. But that doesn't make them correct.

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