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**DAILY
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Swedish Author Johan Norberg On The Devastating Impact Of Socialism, And What It Could Cost The U.S.

Frank Camp

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With the success of 2020 Democratic presidential candidate Sen. Bernie Sanders (I-VT) and rival Sen. Elizabeth Warren (D-MA) has come the rise in notoriety and popularity of so-called Democratic socialism in the United States.

According to a 2019 Gallup survey, 43% of Americans said that “some form of socialism [would] be a good thing” for the United States. Regardless of whether or not Americans fully understand what “socialism” means, they appear to support it in some way nonetheless.

Because of this development, I thought it would be vital to speak with Swedish author Johan Norberg, an historian of ideas and CATO Institute fellow, who has written such books as “[In Defense of Global Capitalism](#)” and “[Progress: Ten Reasons to Look Forward to the Future](#),” among others.

His documentary film, “Sweden, Lessons for America?” hit the airwaves in 2018, and can be rented or purchased on [Amazon](#) and [iTunes](#), and is available for free on [YouTube](#).

In part one of this two-part interview, Norberg discusses socialism as a philosophy, the rise and fall of Sweden due to its experimentation with socialist ideas, the popularity of Sen. Bernie Sanders and what that means for the United States, and how even voluntary “libertarian” experiments in socialism have failed.

DW: There are a lot of people who cite the so-called “Nordic model” when advocating for socialism or “democratic socialism.” Is Sweden a socialist nation? And if it’s not, why do people seem to think it is?

NORBERG: Well, for some reason when I describe Sweden and Swedish policies to American socialists, they hate it; they seem to think that it’s awful. It’s a model not just based on an economy of private property and private enterprise, but also specifically, when you look at the business climate, we have low corporate taxes, we have free trade, we have, in many areas I would say, less regulation of business than the United States. We don’t have the kind of occupational licensing requirements that you do. In many of those areas, we are more fiercely capitalist than the United States. And those don’t seem to be the policies that the [Sen. Bernie] Sanders supporters are in favor of.

And if you also think about the kind of reforms that we've put in place since the 1990s – we've reformed social security, partially privatized it; we've opened up the public sector to competition and to freedom of choice; we have a national school voucher system – many different things to encourage dynamism and market forces. And that seems to be the total opposite of what any socialist that I've met is in favor of.

DW: Can you give me the abridged version of what happened in Sweden with the accumulation of wealth, the implementation of socialism, and then the realization that such ideas were not working?

NORBERG: Sure. We have to go back to that because this is the one story that people have forgotten. Their perception of Sweden is in many ways stuck in the 1970s and 1980s. That's what they remember. This was the brief interlude in Swedish history when we really did experiment with socialist ideals. The background was that we had already made ourselves one of the richest countries on the planet, so we had a lot of money to redistribute. But, that was based on a different model. All that wealth was produced in an incredibly open economic model with a very limited government. Up until the early 1960s, Sweden had lower taxes than not just other European countries, but also lower taxes than the United States. That was the model that gave us all the wealth.

At that point, Swedish socialists and politicians said, "Let's just redistribute this. We've got all of this wealth, so we don't have to care about economic orthodoxy anymore." And that's the moment in time when they doubled the size of government, and jacked up all the taxes, and regulated the labor markets. The problem was that while you can go for some time with the accumulated wealth of yesteryear, eventually, you run out of it. At the beginning of the 1970s, we were 10% richer than other industrialized economies. 25 years later, we were 10% poorer than they were.

So almost at the exact moment when we began to grow the size of government, we began to lag behind all the other economies, and it was really the "Atlas Shrugged" moment in Swedish history because businesses left, entrepreneurs, innovators, our IKEAs and Tetra Paks, our great inventors and sportsman left Sweden because it wasn't a hospitable climate for innovation and for starting businesses anymore. It all ended in a terrible crisis in the early 1990s, and that was the moment in time when everybody from the Left to the Right said, "This is all over. We can't do this. We have to reform our systems and get back to the future, to get back to growth."

DW: Proponents of socialism will tell you that the ideology works in concept, but simply hasn't been implemented correctly. They'll set aside Venezuela, which they once championed as a socialist success story, as having been corrupted. What's the reality there? Why hasn't socialism ever succeeded?

NORBERG: Well, it's interesting because they always adore the policies. It's just that they don't like the outcomes and the results, the consequences. Socialists in Sweden and in the United States adored Venezuelan policies until it destroyed the economy, and had GDP per capita collapse by more than 60%, and people began to starve. At that point they said, "It's not real socialism."

So, apparently their definition is not just some kind of socialist policy, but it also has to turn out well – and in that case, they’re right because it has never been implemented anywhere with good results.

What they did was that they started to regulate the economy in a real way, in a socialist way, that Sweden never did. They began to take over private businesses. They began with drastic price controls because they thought that this was the way to give people cheap bread. But obviously, the result was, as it is everywhere where such things are being implemented, that farmers stopped producing food, and instead, they sell it on the black markets, and they smuggle it out of the country because they can’t make a living with those kinds of price controls.

They took all the capital, some of which they got because of the price increases in oil (some \$1,000 billion over ten years), which could be used to invest in the country, it was all taken by the government to give to their supporters, some for programs and policies, but most of all just wasted in corruption and other stuff, which meant that they didn’t even invest in the future of the oil industry. So, the output grows smaller and smaller all the time. The moment when prices began to come down to normal levels, they couldn’t sustain anything anymore, and it all collapsed tremendously – and we all knew this. We could all see this because those policies on socializing businesses and implementing price controls, wasting capital rather than investing it, always ends up in tears – but socialists loved it until they noticed that people began to starve.

DW: What’s your opinion of socialism as a philosophical concept, and as a form of government?

NORBERG: Lots of people say that the ideas of socialism are wonderful, it’s just that the means were too brutal and awful, and the means corrupted the ends in Eastern Europe and the Soviet Union and Venezuela. Therefore, it collapsed. I would say it is the other way around. It’s the complete opposite. The problem is that socialism goes against human nature. It is the total opposite of any kind of system of human morality, and that’s why they always end up with walls and barbed wire and machine guns because that’s the only way to force people to do it. We know this because we’ve seen so many different experiments with socialism – even libertarian voluntary forms of socialism, like the kibbutz in Israel for example, and they were done by idealists.

No one was forced to work collectively. From each according to his ability, to each according to their needs – but it didn’t even work there. What happened was that people didn’t want that regimentation, that kind of collective ownership. People began to demand to do things in different ways and own stuff. They began to realize that when everything was in common, they began to waste stuff. People kept the light up and the heat during night when they didn’t need it because they didn’t have to pay market prices. People took their pets to the dining room because food was free. So people began to demand this kind of freedom, and when it came to work, what happened was that as one of the kibbutzim pioneers said, “It became a paradise for parasites” because if you don’t get your wage according to what you’ve done, the effort you put into it, why bother? Why do you ever work at all, in that case?

People of talent then began to leave the kibbutz.

The thing is, had this been Eastern Germany or Venezuela or the Soviet Union, they saw the same thing, and forced people to work, not for gain of a profit, but for the government, they had

to force them. They brought out the machine guns. And if people wanted to leave for another place, they built the walls and they killed people who did it. So, it's really that the brutal ends were a result of the whole system going so much against the human nature of people who want some freedom, who want some individual responsibility, and who want to gain according to what they do rather than what the governments tell them.

That's a very long way of answering the question, but I think that's important for the philosophical part of it. It's not that the means corrupted the ends. It's that the ends would never work, and that's why they needed brutal means.

DW: One of the current front-runners in the Democratic primary race is a self-proclaimed socialist. What does that tell you about the political climate in the United States?

NORBERG: Well, it tells you that you should be worried about the state of political discourse in the United States, and I recognize this because this was where Sweden was in the 1970s. We had this tremendous growth; we had big, successful companies bringing in the money and the profits to the economy; and we thought two things: We thought that we were on top of the world and we could do anything. We didn't have to care about economic orthodoxy anymore. But also, people began to say, "Well, that's unfair. Why should a little group and the few businesses make all this money? Let's just redistribute all of this."

And especially, I think, if you are young, if you're a student, if you haven't been actively involved in working to sustain yourself to a large extent or never been involved in business, you're used to the money just being there for you, and you also notice all these definite problems and inequalities in the world, and you just think, "Well, all the money's there. Let's just do something about it." And you forget that, no, the money isn't "just there." We have to create it every minute, all the time, constantly, and the worse we make the situation for those who create that wealth, the less we will get in the long run. It happens again and again in human history, and often paradoxically, it happens when times are good and people think that they can do anything.

In part two of this interview, which will be released on Saturday, Norberg discusses the essentially non-existent distinction between "socialism" and "democratic socialism," polls suggesting that 43% of American voters are amenable to socialism, how Sweden turned things around, how capitalism hasn't "failed" as many socialists suggest, and more.

I'd like to thank Johan Norberg for taking the time to speak with me about such an increasingly important topic. For more information, you can follow him on [Twitter](#), or visit his [official website](#).