

NATIONAL REVIEW

Is Socialism Making a Comeback?

Michael Tanner

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Despite Bernie Sanders's best efforts, socialism is still as bad an idea as it ever was.

Less than three decades after the fall of the Berlin Wall, socialism seems to be undergoing something of a revival. A self-professed “democratic socialist” is running for the Democratic presidential nomination, and he is running neck and neck with a party icon. Polls show that more than a quarter of Americans have a favorable opinion of socialism, which might not sound so bad until you learn that that includes 43 percent of those under age 30, and 42 percent of Democrats. Meanwhile, barely half of Americans have a favorable view of capitalism. Democrats, in fact, are as likely to view socialism positively as they are capitalism.

What accounts for this collective historical amnesia?

Perhaps people can be forgiven for having come to the belief that capitalism is synonymous with Wall Street shenanigans or bank bailouts. That's what politicians, academics, and the media have pounded into us for years. When was the last time you saw a movie where businessmen weren't greedy and evil, if not outright murderers. Perhaps we need to be reminded of what free-market capitalism really is, and how much better it has made our lives.

After all, if one looks at the long course of human history, our existence was pretty much hand to mouth for most of it. All that began to change in the 1700s with the development of modern — that is, capitalist — economics.

But one doesn't have to go back 300 years to see the advantages of free-market capitalism. Consider that in the last 25 years, a period during which much of the world has embraced free markets, a billion people have been lifted out of poverty, and the global poverty rate has been slashed from more than 37 percent to less than 10 percent.

It's not just the decline in poverty that tracks with the adoption of free markets and capitalism. Literacy rates increase and infant mortality declines as countries adopt market-based economies. Life expectancy rises, and people's health improves. Even the environment gets cleaner.

And opportunities open up for women and minorities. Indeed, nothing challenges entrenched elites like the “creative destruction” of free-market capitalism.

It is free-market capitalism that provides the innovation and opportunity that leads to the increase in choices we have today. Choices in where we work, how we live, and, yes, the products we buy. From new drugs that save lives to labor-saving devices that reduce the drudgery of household work to the device you are reading this essay on, capitalism drove these developments each step along the way.

There was a reason, after all, why West Germany built the Mercedes-Benz, while East Germany produced the Trabant.

Bernie Sanders may think it's terrible that we have a choice of deodorants, but most Americans would rather not shop in a Venezuelan supermarket.

Need more? According to the Human Freedom Index, more economic freedom correlates with more personal freedom. Just consider countries with state-controlled economies and how little personal freedom they allow. On the other hand, countries with free-market economies tend to be free in other ways, too.

Of course, when Bernie and his followers talk about socialism, they don't really want to turn the U.S. into Venezuela or Cuba. They want to have socialism while keeping all the benefits of capitalism — having their cake and eating it too.

That's why Bernie frequently cites Sweden and Denmark as examples of socialism. This ignores the fact that both countries have long since understood that you can't really tax and spend your way to prosperity. Call them SINOs — Socialists in Name Only.

In fact, when it comes to international trade and business regulations, both Sweden and Denmark are less socialist than the United States, according to the most recent Economic Freedom of the World rankings. In the 1990s, Sweden introduced school choice into elementary education, and it has even partially privatized its social-security system. Denmark recently cut the duration of unemployment benefits, and both countries have significantly reduced their corporate-income-tax rates; the Danish government has slashed the rate from 32 percent in 2000 to 23.5 percent last year. That can't be what Bernie Sanders wants, can it?

In the end, most of socialism's defenders wind up defining the term down to where it is nearly meaningless. Sanders likes to describe Social Security and public schools as examples of socialism. Then again, with Social Security running almost \$26 trillion in the red and the disaster that the public schools have become, maybe they aren't the best examples to point to.

Chances are many of socialism's current fans like it because they think it means "free stuff." But of course there's no such thing as a free lunch. The U.S. can't pay for the programs we have now. The deficit is on its way up, and the national debt just topped \$19 trillion.

If we wanted to finance expenditures at the level of European social democracies, we'd have to roughly double the amount of tax revenue that the federal government currently collects. And those taxes wouldn't fall just on the rich. Recall that Sanders's health-care plan would impose substantial new taxes on the middle class. We'd sacrifice economic growth and prosperity in exchange for a bunch of bureaucratic programs that sound good but don't actually work.

What is missing from this campaign is a candidate who can unapologetically speak to the power and promise of free-market capitalism. But that's hard to do while calling for subsidies for your favorite business or using government to seize property that people don't want to sell you. For that matter, it's hard to preach free markets while asking the government to prop up wages by restricting the flow of workers or demanding taxes — er, tariffs — on products that are built in places you don't like.

After all, it's not enough just to win elections. If we really want a better future for this country, we need to win the battle of ideas. And socialism, despite its new-found popularity, remains as bad an idea as it ever was.

*Michael Tanner is a senior fellow at the Cato Institute and the author of **Going for Broke: Deficits, Debt, and the Entitlement Crisis***