



Conservatives Can't Decide If Nordic Socialism Is a Totalitarian Nightmare or *Actually* Capitalist

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A specter is haunting the American right — the specter of social democracy. The Democratic Party's top presidential prospects appear to have all forgotten the words “George McGovern,” and remembered American liberals' long-forsaken ambitions to establish nationalized health insurance, a job guarantee, universal child care, and worker representation on corporate boards. Meanwhile, blue America's rank-and-file voters are turning red: For the first time in modern history, Democrats approve of “socialism” more than they do “capitalism.” A self-avowed socialist has become one of the most popular politicians in America, while another just knocked off a high-ranking House Democrat. A sizable portion of the American public wants what the Scandinavians are having.

And conservatives are having a hard time figuring out why they shouldn't.

After all, Americans have never shared the right's enthusiasm for minimizing the tax burden borne by wealthy individuals, or the labor costs of U.S. corporations. Most have always evinced a preference for prioritizing low poverty rates over low top-marginal tax rates, and high wages over high corporate profits. Historically, conservatives compensated for the unpopularity of their economic agenda's first-order effects by imploring Americans to look at its second-order ones: Low taxes for the rich, little bargaining power for the worker, and scant social benefits for families might sound bad, at first, but they're a necessary price for the high rates of economic growth and innovation that only America's “free enterprise” system can produce. (Oh, and all left-wing economic policies lead, inexorably, to gulags.)

But the last half-century hasn't been kind to the right's case. Since the Reagan revolution, America has been steadily lowering taxes on the rich and euthanizing private-sector unions — only to experience much lower rates of growth and innovation than it did at the height of New

Deal liberalism. What's more, the growth that Reaganomics did deliver largely bypassed ordinary workers. Meanwhile, on the other side of the Atlantic, Europe's social democracies failed to degenerate into totalitarian hellscape. In fact, the most socialistic economies in the Western world — those of the Nordic countries — managed to put up rates of growth and innovation comparable to America's, while guaranteeing all of their citizens access to affordable health care, child care, higher education, weeks-long vacations, exceptionally generous unemployment benefits, job training, and in Norway, a modicum of oil wealth.

For a while, Republicans could ignore these harrowing indications that there was, in fact, "an alternative." But the revival of a movement for "democratic socialism" in the U.S. — led by a popular senator who cites the Nordics as his North Star — has forced the right's thought leaders to explain why, precisely, Americans can't have nice (Danish) things.

Thus far, the right has come up with two distinct — and utterly contradictory — answers.

Response No. 1: Nordic economic policies are a totalitarian nightmare.

Some conservatives are sticking to the old-time religion. Fox Business anchor Trish Regan recently likened Denmark to Nicolás Maduro's Venezuela. And in a new column on the scourge of democratic socialism, *Commentary*'s Noah Rothman casts all proponents of single-payer health care as proto-Stalinists.

Rothman begins his polemic by acknowledging that conservatives have often exaggerated the extremism of the American left in the past. Barack Obama's policies weren't socialist, but merely "culturally progressive" — and Republicans were wrong to say otherwise, Rothman concedes. Still, the conservative writer is less perturbed by the right's history of "rhetorical excesses" than by the possibility that "self-doubt" will prevent his fellow conservatives from calling a pinko a pinko in the present.

And make no mistake: America *is* hurtling down the road to serfdom at a terrifying pace. Democrats may think they "can control the monster they're bringing back to life," Rothman writes, but if socialists are given an opportunity to prevail at the polls, Nancy Pelosi and Chuck Schumer "will find themselves prisoners to their party's collectivists soon enough. After all, taking captives is what socialism does best." (Oddly, Rothman neglects to note that America outperforms socialism even at the latter's supposed strong suit.)

Here's how Rothman substantiates his claim that — *this* time — left-wing Democrats really are would-be Bolsheviks:

Political observers have been unable to ignore the Democratic Party's recent turn away from Barack Obama's signature health-care reform law and toward a government monopoly on health insurance. Call it Medicare-for-all or single-payer; the new affinity among Democrats for the functional nationalization of the health insurance industry speaks to a paradigm shift on the left. Likewise, establishing as a right the ability to access tuition-free education at public universities and a federal jobs guarantee—all planks of the Democratic Socialist agenda with increasingly broad appeal—are pillars of the Soviet Constitution.

It's true that nationalized health insurance, tuition-free universities, and a commitment to promoting full employment through mass government hiring were all features of the Soviet system; but they're also features of the Nordic social democracies and many of Western Europe's mixed economies — and, for a little while there, the United States had two out of three. Rothman feels no need to explain why any attempt to implement this model in the 21st-century U.S. would bring Stalinist tyranny instead of Scandinavian “flexicurity.” He appears to genuinely believe that, “You know who else thought public education was a social good?” is an edifying argument.

Elsewhere in the piece, Rothman flags the progressive journalist Bryce Covert as a subversive for her “Marxist” critique of Marco Rubio's family-leave plan. The Florida senator has proposed legislation that would provide America's parents with paid leave — but only by allowing them to draw down on their future Social Security earnings. As Rubio has put it, he merely wants to let families “use their own money.” Covert felt this sentiment was wrongheaded, arguing that it “perpetuates the idea that child-rearing is an individual, not a collective, responsibility.” Which leads Rothman to solemnly inform his readers:

The collectivization of child-rearing and the breakdown of the “bourgeois family” so as “to rescue education from the influence of the ruling class” is straight out of the Communist Manifesto.

The argument here is that Covert's description of child-rearing as a “collective responsibility” is telling, as it reflects the novel and nefarious influence of communist thought on the democratic left. Remarkably, Rothman goes on to contrast the lamentable Marxism of Covert & Co. with the moderate legacy of Bill and Hillary Clinton — apparently unaware that the latter wrote an entire book about how child-rearing is a collective responsibility.

Again, Rothman is content to rest his case on guilt by free association. Covert's actual argument is not that the bourgeois family is a tool of the ruling class that must be destroyed — but rather, that affluent Americans who do not have children should subsidize the child-care costs of working-class ones who do. The logic of this point isn't hard to discern: None of us will be able to retire if other Americans do not birth and raise a new generation of workers. And our nation's falling birth rate makes this an immediate concern (rather than a merely theoretical one). Given that we all have a collective dependence on our nation producing more happy, healthy, productive human beings, why don't we also have a collective responsibility to help bring this new generation into being?

Rothman's sole answer is that that sentiment reminds him of a passage he once read in *The Communist Manifesto*. Ostensibly, if someone informed the columnist that Vladimir Lenin had once defined communism as “Soviet Power plus electrification of the whole country,” he would call on Democrats to disavow the light bulb.

This mode of argument might be sound enough to persuade *Commentary*'s aging, neoconservative readership that they are not out of touch (and that it is the children who are wrong). But to anyone who is aware that literally every other advanced democracy treats child-rearing as a collective responsibility, in the sense that Covert uses that phrase — and that none of

those nations holds as many of its young people “captive” as the United States does — Rothman has nothing whatsoever to offer.

Option No. 2: Nordic economic policies are actually capitalist.

Some conservatives are willing to acknowledge the existence of Scandinavia. In fact, the right’s most agile thinkers are even willing to concede the Nordic model’s success — they just insist on (bizarrely) claiming that success as a vindication of their ideology.

The libertarian Cato Institute tweeted out its version of this argument Tuesday evening.

Cato’s case is less blinkered and juvenile than Rothman’s. But it is no less a testament to the obsolescence of the American right’s economic thought. The think tank’s 2015 paper, “The Danish Model — Don’t Try This at Home,” offers some empirical support for the (nevertheless, tendentious) claim that Denmark’s economic strength preceded its adoption of social democratic policies, and therefore, should not be attributed to them. Instead, the paper suggests that the real secret of the Nordic country’s success lies in its “strong protection of property rights and the integrity of the legal system,” along with its commitment to free trade, light touch with regulations, and the fact that its “labor market is very flexible: there is no legislated minimum wage, and there are few restrictions on hiring and firing.”

Even if we took Cato’s analysis of Denmark at face value, it would still leave Paul Ryan’s party with no leg to stand on. Perhaps Denmark’s welfare state isn’t the source of its strong economic growth. But there’s little question that the country’s aberrantly high levels of social spending are responsible for its exceptionally low levels of relative poverty and income inequality. If conservatives concede that it is possible for a country to provide all citizens with low-cost health insurance, child care, paid family leave, etc. — and still function as a vibrant, free-market economy — then how could they possibly justify the GOP’s ambition to throw millions of Americans off of Medicaid?

In its attempt to attribute the Nordics’ success to their least socialistic attributes, Cato writes that “Denmark is the least corrupt country in the world.” And yet, if it is possible for a country to have a historically large and ambitious public sector — and still be the most cleanly governed nation on the planet — what is left of Ronald Reagan’s philosophy of government? “Actually, according to the data, the best government is that which governs most” is no small concession!

And when we look at the Nordics’ actual economic model (as opposed to the one Cato invents for them) the think tank’s embrace of Denmark becomes even more irreconcilable with GOP orthodoxy. As policy analyst Matt Bruenig explains, the idea that, once you put their welfare states to one side, everything about the Nordics is “properly capitalist and even more capitalist than the United States” isn’t remotely true:

In addition to their large welfare states and high tax levels, Nordic economies are also home to large public sectors, strong job protections, and labor markets governed by centralized union contracts ... The governments of Norway and Finland own financial assets equal to 330 percent and 130 percent of each country’s respective GDP. In the US, the same figure is just 26 percent.

... State-owned enterprises (SOEs), defined as commercial enterprises in which the state has a controlling stake or large minority stake, are also far more prevalent in the Nordic countries. In 2012, the value of Norwegian SOEs was equal to 87.9 percent of the country's GDP. For Finland, that figure was 52.3 percent. In the US, it was not even 1 percent.

... In Norway, the state manages direct ownership of 70 companies. The businesses include the real estate company Entra; the country's largest financial services group DNB; the 30,000-employee mobile telecommunications company Telenor; and the famous state-owned oil company Statoil.

(Denmark is also home to many state-owned enterprises, albeit fewer than some of its neighbors.)

So: The economic success of the Nordic countries is actually a testament to the vitality of free-market capitalism — because free-market capitalism is (apparently) totally compatible with giant welfare states, nearly universal private-sector unionization, and state-owned oil, telecoms, and financial services companies.

All this leaves us with two possible conclusions. Either the right's argument against Alexandria Ocasio-Cortez's brand of "democratic socialism" (which presently involves far less state ownership and worker control than Nordic social democracy) is a purely semantic one — or else, the collectivists have already taken the Cato Institute captive.