

Sweden is now much more capitalist than US

by [Rainer Zitelmann](#)

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Many people think of [Sweden](#) as a “democratic socialist” country. But this is a big mistake.

In a survey on popular perceptions of the market economy and [capitalism](#), which I commissioned from Ipsos MORI for my book [In Defense of Capitalism](#), Sweden was one of the countries with the most pronounced pro-market attitudes. In just six of 34 surveyed countries was support for the market economy stronger. In questions that explicitly use the term “capitalism,” approval drops, but even then, there are only nine countries that have a more positive attitude toward capitalism than Sweden — and 24 countries in which attitudes are more negative.

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Another survey, also from Ipsos MORI, found that social envy targeting the rich is significantly lower in Sweden than in Germany and France and at the same (comparatively low) level as in the United States.

If Sweden was once a socialist country, that was several decades ago. But just as people find it difficult to shrug off an established image long after they have changed, so too do nations. We are generally very slow to adjust our familiar image of a country.

In the Heritage Foundation’s most recent Index of Economic Freedom, Sweden is [among](#) the 10 most market-oriented economies.

In 10th place in the 2023 index, Sweden is well ahead of the U.S., at 25th. What is particularly remarkable is how Sweden’s score has increased. Sweden gained a total of 16 points over the past 28 years — rising from 61.4 points in 1995 to 77.5 points in 2023. Only a handful of countries, including Vietnam and Poland, saw a somewhat larger increase in

sector decreased from 3 million to 2.6 million, while the number of people receiving most of their money from the state grew from 1.1 million to 3.9 million.

These radical socialist policies alienated even those who were sympathetic to the Swedish Social Democratic Party's project. Astrid Lindgren, the world-famous author of a raft of children's classics, including the Pippi Longstocking series, is just one example. By the 1930s, she had become a supporter of the Social Democrats. But Lindgren was also hit by the high tax rates and vented her indignation by publishing a satirical "tax fairy tale" in a leading Swedish daily newspaper, where she calculated that her earnings in 1976 had been subject to a 102% (!) marginal tax rate.

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Pushback against socialist ideas increasingly gained momentum, and by the 1990s, there was a comprehensive countermovement that, without fundamentally questioning the Swedish model of high taxes and comprehensive welfare benefits, nevertheless eliminated many of its excesses. A major tax reform in 1990 and 1991 slashed taxes in all areas and later abolished inheritance, gift, and wealth taxes. The number of billionaires in Sweden has risen sharply ever since.

In his book *It's OK to Be Angry About Capitalism*, Sen. Bernie Sanders (I-VT), who has mistakenly cited Sweden as a model for his flavor of "socialism," said there should not be a single billionaire in the U.S. He probably doesn't know that the number of billionaires in Sweden today, relative to population size, is 60% higher than in the U.S.

Rainer Zitelmann is the author of the book [In Defense of Capitalism](#).