



The Myth of the Socialist Paradise Sweden – summary of presentation European Students For Liberty May 1st



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[SLIDE 2] Problem description,

Two categories of myths:

1. Sweden is a socialist paradise where Socialism works.
2. Sweden is deregulating and we should follow Sweden as an example.

There is a lot of disinformation going around in different categories like the one I mentioned. I reject these views completely and I will tell you more about this today.

[SLIDE 3] Historical background and basic facts

Sweden is a small country in northern Europe.

It is a difference between the nation state Sweden and the local culture and society. The state of Sweden is a concept that was created many hundreds of years ago to further oppress the people living in this geographical area, a parasite on our society. So it is very important to make a difference between the state and society.

Society is you and me that makes voluntary exchanges and agreements, the state is a parasite on our society that initiate force and lives as a parasite on our society. The state can't produce or create anything of value just destroy and steal property.

If we remove the state we still have the society.

Even if Sweden is considered a fairly peaceful nation today it has a very bloody history full of war and plunder.

A roman historian mentions the Swedes (Suiones) in the book Germania AD 98 as: *“a powerful tribe, distinguished not merely for their arms and men, but for their powerful fleets”*.

[SLIDE 4] Viking travels

The Swedish Viking Age which you may have heard about lasted roughly between the 8th and 11th centuries. They travelled far distances like Finland, the Baltic countries, Russia, Belarus, Ukraine, the Black Sea, Baghdad, Constantinople, Iceland and even North America. You can see this both from the items they brought back for trade in Sweden but also from local tales and sources in the different countries.

From around the year of 1050 Sweden is counted as a Christian nation, before that the population believed in the old gods like Odin and Thor.

[SLIDE 5] When Sweden was born

It is not known exactly when Sweden was born, but the first monarch that they believed ruled both Svealand (Sweden) and Götaland (Gothia) as one province was Erik the Victorious. But Sweden and Gothia was two separate areas long before that. The yellow area displays Svealand and the blue area Götaland.

[SLIDE 6] Sweden's era as a super power in Europe

Gustav Vasa who became king 1523 June 6th is counted as the founding father of Sweden. This is today also our national holiday. I will tell you more about Gustav Vasa later. Gustav Vasa rejected Catholicism and led Sweden into the Protestant Reformation. Gustav Vasa was the first king to use the title King of Sweden, of the Goths and of the Wends. Actually our present king is the first one to use the title King of Sweden.

Sweden became a country with a lot of power and influence during the 17th century especially under Gustavus Adolphus and played a part in the Thirty Years War. Gustavus Adolphus planned to become the new Holy Roman Emperor but he was killed in the battle of Lutzen in 1632. The Swedish armies may have destroyed up to 2000 castles, 18 000 villages and 1500 towns in Germany which was one-third of all German towns.

In the middle of the 17th century Sweden was the third largest country in Europe by land area only surpassed by Russia and Spain. You can say that Sweden's history as an important super power in Europe ended 1718 when Charles XII was shot in Norway.

During 1850 and 1910 more than one million Swedes moved to the United States and in the early 20th century more Swedes lived in Chicago than in Gothenburg which is Sweden's largest city.

Sweden was officially neutral during World War I and World War II but in reality Sweden had close ties to Germany.

[SLIDE 7] Gustav Vasa the founding father and Nils Dacke

I promised that I was going to tell you more about the founding father Gustav Vasa who is hailed everywhere in Sweden. He was the great good king who formed Sweden and defended it against its enemies. In school you also learn a little about an evil little trouble maker and rebel with the name Nils Dacke. The truth is that Gustav Vasa was an evil and violent tyrant and oppressor and Nils Dacke was our very own freedom fighter and Braveheart.

Nils Dacke lived in the south part of what today is Sweden but at the time this was no man's land. This part was known as Småland or in English small countries or provinces. But the part Nils Dacke lived in was not a part of Sweden or Denmark. What happened was that Gustav Vasa tried to tax Nils Dacke and his relatives and this started an uprising against the king. Nils Dacke almost defeated Gustav Vasa who tricked Nils Dacke into a false peace treaty and then killed Nils Dacke who mainly was successful thanks to guerilla warfare.

After this nothing could stop the central power in Stockholm to expand the central state and Sweden so from a freedom perspective this was a turning point.

Nils Dacke and his men were free men who wanted to make a living for themselves and their families and raise their children in peace. Instead they were harassed, robbed, got their property burned and pillaged, they had to witness their mothers and daughters to be raped and their father and sons tortured.

Nils Dacke did what should be every free man's duty; he drew his crossbow and rose against the tyrant. He didn't want any central state, he wanted to live alone in peaceful cooperation. To honor Nils Dacke the Swedish Mises Institute has a charged crossbow that points north to the central power of Stockholm in the middle of our crest.

[SLIDE 8] Definition of property rights

It is important to have some definitions what I mean by property, ownership and different kinds of socialism. I will not defend these principles here in detail I just want to make clear what definitions I use.

To describe the ideas of property rights I will quote Professor Hoppe in an article called State or Private Law society where he defines this in four basic rules:

First: Every person is the private (exclusive) owner of his own physical body. Indeed, who else, if not Crusoe, should be the owner of Crusoe's body? Friday? Or Crusoe and Friday jointly? Yet that would not help avoid conflict. Rather, it would create conflict and make it permanent.

Second: Every person is the private owner of all nature-given goods that he has perceived as scarce and put to use by means of his body, before any other person. Again: who else, if not the first user, should be their owner? The second user? Or the first and the second user jointly? Yet such rulings again would be contrary to the very purpose of norms: of helping to avoid conflict, rather than to create it.

Third, every person who, with the help of his body and his originally appropriated goods, produces new products thereby becomes the proper owner of these products, provided only that in the process of production he does not physically damage the goods owned by another person.

Fourth, once a good has been first appropriated or produced, ownership in it can be acquired only by means of a voluntary, contractual transfer of its property title from a previous to a later owner.

[SLIDE 9] Types of Socialism

There are different types of Socialism and to avoid confusion I will make a short definition of this as well. Some people say that you don't have full blown Socialism since the government doesn't own all the factors of production. If we use that as the definition that is of course true. I recommend that you read the book *A Theory of Socialism and Capitalism* by Hans-Hermann Hoppe where he goes into great detail about these issues and I will only give you the outline here. You can see the link here in the presentation to where you may read this book for free as a pdf or epub-file.

- **Socialism:** "must be conceptualized as an institutionalized interference with or aggression against private property and private property claims."
- **Capitalism,** on the other hand, is a social system based on the explicit recognition of private property and of nonaggressive, contractual exchanges between private property owners."

Further on in this book Professor Hoppe defines that:

[SLIDE 10] Types of Socialism

*"[...] there must then exist varying types and degrees of socialism and capitalism, i.e., varying degrees to which private property rights are respected or ignored. Societies are not simply capitalist or socialist. **Indeed, all existing societies are socialist to some extent.**"*

He then devotes three full chapters to look at three different kinds of Socialism:

- Socialism Russian-Style
- Socialism Social-democratic Style
- The Socialism of Conservatism

[SLIDE 11] Definition of Socialism

"We have defined socialism as an institutionalized policy of redistribution of property titles. More precisely, it is a transfer of property titles from people who have actually put scarce means to some use or who have acquired them contractually from persons who have done so previously onto persons who have neither done anything with the things in question nor acquired them contractually."

So a pure socialistic system is a social system in which the means of production, that is the scarce resources used to produce consumption goods, are "nationalized" or "socialized".

[SLIDE 12] Tax pressure in Sweden compared to other countries

Let us look at some figures for taxes and tax pressure in Sweden.

According to the OECD, the tax ratio, measured as total income from taxes and social security contributions divided by the gross domestic product, was 45.8 percent in Sweden in 2010. This means that the Swedish tax ratio exceeded the OECD average by 12 percentage points. Compared with the other OECD member states, only Denmark displays a higher tax ratio.

[SLIDE 13] Tax as a percentage of GDP Sweden

The tax burden in Sweden increased heavily during primarily the 1960s and 1970s. The tax ratio then peaked at well over 55 percent in the late 1980s. However, over the last couple of years the tax ratio has tended to decrease somewhat, much due to tax cuts on work income.

[SLIDE 14] Tax structure

The total taxes 2010 in Sweden was around 1506.9 billion Swedish crowns:

Direct taxes on labour (income taxes, state income tax, additional state income taxes, municipal income tax, general pension)	469,3	31,1%
Indirect taxes on labor	399,3	26,5%
Tax on capital	188,5	12,5%
Value-added tax (VAT)	324,1	21,5%
Excise taxes (tobacco, alcohol, gas)	119,2	7,9%
Taxes on import	5,7	0,4%
Other taxes	0,8	0,1%
= Total tax revenues	1506,9	100,0%

[SLIDE 15] Direct and indirect taxes

Another interesting measurement is how large part of the taxes is direct and indirect. As you can see in this diagram it is mainly the indirect taxes that have increased. The direct taxes are easy to see but the indirect taxes are not always easy to see. Of course we can understand that the reason to do it this way is to hide the real tax rate for the public.

One of the more important indirect taxes is the employment tax that is not displayed for the employee when he receives his salary. This tax is today 31.42% of the gross salary. So for example if an employee receives 25 000 SEK in gross salary he can easily see that he receives around 19 400 SEK after the income tax has been deducted. But what he can't see is that the employer pays an additional amount of 7 855 SEK in employment tax.

This is a very good thing for the state since it can take in a large amount of taxes on income without the employee even being aware of this.

Another important tax is the value-added tax or VAT that is around 25% but lower in some areas of production. This tax is added on top of other taxes which lead to absurd situations where for example the total tax on gasoline is around 60%.

[SLIDE 16] Income taxes

Sweden has a progressive tax system that means the more you earn the higher percentage in taxes you pay. The municipal tax differs depending on where you live and you can see the limits for paying state income taxes here.

The marginal tax rate is the rate on the last dollar/euro of income earned. In Sweden this is 66.1 % and if you exclude the employment tax around 55.5% which they tend to do in international studies. This is still the highest in the world. Then of course if you consume your salary on consumer products the total amount of taxes increases even more when you pay the value-added taxes and other special taxes on alcohol, tobacco and gasoline.

[SLIDE 17] Sweden a socialist country

So if we look at the economic facts alone its absurd for me to say that Sweden is anything but a socialist country. If we look at the basic rules in a private property society we can see that we are not the private owner of our property. We don't have a voluntary exchange of property titles; instead a large part of the economy consists of theft and redistribution of stolen goods.

The rules of the game may change at any time, for example how much we can keep of what we produce, and how much we must pay. Not all means of production are publicly owned, but if you don't have the right to what you produce, do you really own yourself?

[SLIDE 18] Another view of the socialist paradise

Even if it is really bad if we look at the economic effects there is something else that is even more important. For me you can take all the money that I have but what is even worse is when they start to focus more and more to brainwash the children and the young generation. An important step in this is to get an even tighter grip on state education.

It is said that we have the best school system in the world, and this is definitely true when it comes to applying feminism and the so called "gender studies" to every subject. In all other aspects, it is rapidly falling apart. Sweden is the land where they kidnap your children and put their parents in prison if they choose to home school their children. In Germany a law against home schooling was enacted 1938, in Sweden 2010. Today we have several families that had to flee from Sweden because of home schooling.

There are also politicians that want to legislate that we should put the children in mandatory day care from three years old to start the indoctrination even earlier. Since we now are in the age of the Internet and it becomes harder and harder to brainwash young people since they can find out the truth themselves online, they have decided to go after our children when they are even younger.

As an example we have the Domenique case which has received some international attention. Dominic was home schooled by his parents Christer and Annie. The social services bothered the family so much so they decided to leave Sweden for India. When they sat on the plane the police stormed the plane and abducted Dominic who was 7 years old, this was three years ago and he is still in care of the social services. So this is the result if you try to home school your kids.

[SLIDE 19] School system

Let me tell you a few things about the school system in Sweden.

Students in Swedish primary schools have very limited choice in their education. For instance, advanced mathematics courses are available only during the fall term of the seventh grade (the year students will turn 13); until then, all students take the same basic mathematics courses. A similar situation applies to most other subjects.

This is the result of a concerted effort to streamline education, in the hope that this will favor students from families with lower levels of educational attainment. This has lowered results a lot among talented students without raising them within other groups.

From 1992 so called “free schools” were allowed in Sweden. These schools are funded with public money from the local municipality based on the number of pupils they have enrolled in the same way Swedish public school are funded. The big difference is of course that the free school has to show a positive result at the end of the year to be able to continue with its business. They are not allowed to require admission examinations or to charge the students any additional fees but they are allowed to accept private donations.

Within this system it is possible to have a somewhat alternative profile but you must still follow the central plan for education. So all education in Sweden is state education. Yes there are private companies but again they have to operate under heavy regulations and rules [and follow the state curriculum]. And again it is a single payer system where they care nothing about the real clients because the payer is again the state.

[SLIDE 20] Trojan horse

This leads us to what I call the Trojan horse. I think you all are familiar with the legend where the Greeks used a giant hollow wooden horse to gain entrance into the city of Troy during the Trojan War. Within the horse some Greek army soldiers were hidden that later on could open the gates to their comrades and then they could capture the city.

So there are actually liberals and libertarians in Sweden and over the world that points to Sweden and says that it is an example of how we should do. That Sweden has liberalized the economy. This is false and I will tell you why. What these people are doing is to let the Trojan horse in. I will give you some examples here first.

They can say things like:

[SLIDE 21] Does the welfare state create social good?

“The Swedish welfare state does create some social good, for example, by providing relatively generous social security nets.”

And as Rothbard has taught us about the parasite is that a welfare state can never produce any social good for the aggressor/parasite or for the victim. To call a process where the state aggresses against a producer to later redistribute the loot, a social good is nothing but an abomination.

First of all, the state can't produce anything; it has to appropriate first by force. The aggressor is not a producer but a predator that lives on the fruit of other peoples labour. Instead of living according to man's nature the aggressor becomes a parasite that is living on other peoples labour and energy.

This is clearly against all universal ethics. A man cannot live as a parasite because a parasite must have non parasites to live on. The parasite doesn't contribute to welfare and is totally dependent on his host. If the parasite intensifies his parasitic way of living this will continue until the producer dies out and shortly after that the parasite will die as well.

What you often forget is that the parasite doesn't only harm the producer but also himself in the process. The aggressor hurts himself by abandoning man's natural way of living to be a parasite. This is what the welfare state does to people and their nature, slowly step by step they are broken down to parasites until they have destroyed themselves and the producers at the same time. To create a

social good is to help people help themselves, not to aggress against innocent people and make other parasites.

[SLIDE 22] Is Sweden a socialist nation at heart?

“It is important to realize that Sweden is not a socialist nation at heart. Taxes are high and the labor market is rigid, but policymakers have sought to compensate for this lack of economic freedom with economic liberalizations in other parts of the economy.”

How could anyone say that Sweden is not a socialistic nation with 45.8% tax to GDP ratio (2010) and with a non-existing respect for private property, the right to self-ownership, or not to mention the right to your own children? To say that you have compensated this within other areas is a cynical and bizarre statement. I really want to know what these policies are that has compensated all the other attacks on our integrity, and the policies that has tighten the grip on our children’s mind with even more socialism and state education.

[SLIDE 23] Is Sweden moving away from the idea of a welfare state?

“Swedish society is not necessarily moving away from the idea of a welfare state, but continuous reforms are implemented towards economic liberty within the scope of welfare. The rise of government has been stopped and even reversed in recent years. The nation is again returning to the free market policies which served it so well in the past.”

That the rise of government should have been stopped and even reversed somehow is a false statement. On the contrary the grip has tightened. The new government is as socialistic as the former one. I don’t share this view on reality and neither do the large amount of people that are affected by the state’s cold hand of steel every day.

On mises.se we write every day about the abuses and intrusions into people’s lives, and this is something we will continue to do even if some percent of some tax is decreased somewhere in the economy the same time as we are flooded with regulations somewhere else.

The enemy is alive and remains the same, we must continue to fight socialism and statism and don’t give in for these type of deceptions.

[SLIDE 24] Pharmacies in Sweden

I will use the Pharmacies in Sweden as an example to further describe this Trojan Horse. The market for pharmacies were deregulated in 2009 in Sweden even if the state still runs a lot of pharmacies. Recently I read news article about the pharmacies that illustrates my point very well.

In the article they tell you about a mother that tries to buy medicine for her five year old daughter. She has received this on a prescription from their doctor. The problem is that this medicine is out of stock on all of the five pharmacies that she has to visit. After visiting pharmacy number five she gives up and calls her doctor who then writes out a new prescription on a similar medicine and she can buy the medicine on pharmacy number six.

The guilty party in this story is of course the deregulation of the market people start to scream that we need to regulate the pharmacies again. The mother and the reporter conclude that there are big

problems with the deregulation of the pharmacies. So this problem the poor mother has is blamed on free market and capitalism.

So what were the real problems? You can find this information hidden in the article:

- First of the medicine has been out of stock at the company that manufactures the medicine. You can hardly blame the private pharmacies for this.
- The real problem here is that the doctor prescribed a medicine that was out of stock. That had been out of stock for months.

But why was the medicine out of stock at the manufacturer? The problem is that the pharmacies cannot sell any products they want, this is decided by a government agency called TLV (Tandvårds- och läkemedlesförmånsverket) that decides what the pharmacies should sell during a given time period which is the cheapest one with a given active substance. This obviously leads to big logistic and supply/demand problems for the manufacturers and the pharmacies.

[SLIDE 25] Pharmacies

So here we have a “free market” where you as a businessman not can:

- Decide what products you are going to sell.
- What you can or must sell is changed on a monthly basis.
- You cannot decide what price you should charge for your products.
- You have to pay a government agency for the infrastructure that you need for the pharmacy like IT-system at a price they decide.

You can apply this on other areas of business and result is the same. So when liberals and libertarians hail these kinds of deregulations or privatizations they let the Trojan horse in because this has nothing at all to do with a “free market”.

Later when these “free markets” fails or get problems which they will sooner or later this is blamed on the free market and capitalism which will lead to even more regulations and socialism than ever before. And for the liberals and libertarians that let this Trojan horse in it is too late to do anything.

[SLIDE 26] No safe-haven for Socialism in Sweden

We can't let Socialism get a safe-haven not even in Sweden and certainly not under a new disguise were it is called liberalization. Oppression is oppression and Socialism is Socialism so let us start by calling things for what they really are. The new “right-wing” government is as socialist to the core as the old, “left-wing”, one.

The total tax burden has decreased by 3% from 48.9% 2005 to 45.9% 2010. To call this liberalization is a slap in the face of the people who are slaves under a socialistic regime. To watch them brag about how they reformed Sweden is a mockery of true freedom. We don't want their candy, we want real freedom.

From my point of view you can take everything I own, I won't like it but I will survive. But what is even worse is when you further restrict my freedom, tighten the grip of our children's mind with socialism and state education and invade my personal integrity even more.

This is why organizations like ESFL are very important to fight Socialism and statism early in peoples life. So you are doing an important job here.

If you care about freedom, please stop spreading these lies and misconceptions that I have told you about. In Sweden we still have the same old enemy and that is Socialism.

[SLIDE 27] We need to crush socialism and statism

We need to crush socialism and statism, end the state parasite and cleanse it out of our society before it devours ourselves and our children.

[SLIDE 28] Contact information

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