

Newman Weekly

By Dr. Muriel Newman
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The New Zealand Centre for Political Debate

The Decline of Socialism

There was a time when New Zealand was one of the most progressive countries on earth. Most famously, we were first to give women the vote, but we also led the way in our early approach to social welfare, and in the economic reforms of the eighties. What we failed to do during that period, however – due largely to Prime Minister David Lange’s thirst for a cup of tea - was to implement a much-needed social reform programme.

These days, all around the world, countries are grappling with the problems of modern society: balancing a population’s desire for prosperity and individual freedom with the demands of the ‘greater good’. Invariably this centers on the need for state regulation and control as well as care for the disadvantaged.

The problem is that in applying a “soft-touch” welfare model, governments have contributed to social decline. Few writers have been able to describe this journey better than Dr Anthony Daniels, better known by his pen name of Theodore Dalrymple. Tony, who spent many years working as a doctor in the British prison system amongst the lowest of the low, is presently in New Zealand on a speaking tour. Brought out by the Cradle to Jail Coalition, full details of his itinerary can be found on www.cradletojail.org.nz.

In his writing, Tony throws political correctness to the wind and vividly describes the degradation of humanity that is eventually wreaked by a welfare state that indiscriminately gives hand-outs to people who do not deserve

them: the destruction of the family, the flight of personal responsibility, and the rise of criminality. While this problem is still emerging in New Zealand, the symptoms are plain to see in our growing youth crime problem, the escalation in child abuse and the record prison musters.

Today’s pragmatic countries are, however, turning away from welfarism and the dependency model to look for new solutions. Unfortunately for us, New Zealand is no longer the proudly progressive society it once was and is no longer

able to lead in this process. Ruled by a governing party that had its roots in communism, the doctrine of state paternalism is now heavily embedded in New Zealand society.

While the links between the destruction of human enterprise and extreme poverty created by communism are irrefutable, even moderate socialism destroys wealth and has been shown to be a failure. Last month in Sweden’s general election, the long-ruling social democratic party was ousted. Often touted by the New Zealand Labour Party as a model for their brand of socialism, the Swedish Social Democrats had delivered years of decline in living standards.

As Dr Dan Mitchell Senior Research Fellow at The Heritage Foundation (see article on www.nzcpd.com) points out, in his article “Hoping to Restore Growth, Voters Rebel Against Sweden’s High-Tax Welfare State”:

“A closer examination reveals that the famous ‘Swedish Model’ does not work very well... With government spending consuming

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nearly 54 percent of GDP Sweden has the biggest burden of government in the developed world... In 1970, Sweden was the world's third-richest nation, but it has fallen in the rankings as the welfare state has expanded. Indeed, Swedes now have less per capita disposable income than the average Western European and also trail the U.S., Canada, and several Pacific Rim nations. But, if Sweden hopes to regain its position as one of the world's richest nations, it needs to return to the small-government policies that allowed it to grow so rapidly in the years before the welfare state wreaked so much havoc".

Our NZCPD guest commentator this week is Johan Norberg, Senior Fellow at the Centre for the New Europe think tank. In his article, "The Swedish Model", Johan states: "Sweden used to be one of the world's most open and free economies. That is how Sweden got rich. As late as the 1950s, when Sweden was one of the wealthiest countries on the planet, Sweden had lower taxes and less public spending than the US and most West European countries. So when people ask how Sweden could be such a rich country despite the taxes and the regulations, it is very much like the old joke about how you get a

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small fortune: You start with a big one..."

In his article, Johan explains how one of the central election issues was whether voters wanted more public services or more jobs? With opposition parties exposing the fact that the real level of unemployment was around 15 percent, far higher than that claimed by the government, the fact that they appeared to be hiding the truth in order to look good, worked against them.

This issue has a familiar ring to it, with the New Zealand Labour Government standing accused of hiding the unemployed in training programmes and sickness benefits. Further, the economic growth of the last ten years has failed to reduce the levels of dependency that we should have been able to expect during times of global economic prosperity.

The question is whether the Swedish election result could indicate a global trend away from nanny state governments. Certainly Sweden is not the only country that appears to be turning its back on social democracy – the British too appear to be tiring.

The poll this week asks whether you think the New Zealand public is losing its patience with Labour's socialist agenda?

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