

LWVTPC Book Club Review: VIKING ECONOMICS, by George Lakey

By Chuck Jensen

How is it that several of the five Nordic nations in the cold and cloudy North Atlantic, with few resources and arable land, have consistently been ranked as “the happiest nations on earth?” With that question in mind, the book club members jumped into Lakey’s recent book, and came out in agreement : “Let’s move to Norway !!”

Alright, so we have COVID, political rancor, protests over racial inequality, an economic recession, air pollution due to climate change, a high level of economic equality, and a lack of prison reform among other ills, but all that is most certainly better than SOCIALISM !! Right ?? So what do the Nordic nations have going for them, after all?

Lakey walks us thru the history of the five countries – Norway, Iceland, Denmark, Sweden, and Iceland – with special attention given to the first two. Married to a Norwegian woman, Breit, he lived a number of years in Norway does a deep dive into the country’s cultural, economic, and political past and present. They refer their brand of “socialism” as “capitalism with a human face”, or “capitalism under control”. They are “happy” because their needs are taken care of – free medical care (even house calls!), free education (even vocational and trade schools), paid maternity and paternity leave, free or subsidized child care, subsidized public transportation, subsidized family farming, and a strong pension system for retirees.

Unions dominate the work force – 100% in in the public sector, and at least 50% in the private sector. Vacations are one to two months long, yet the worker productivity is one of the highest in the world, given the highly educated work force (over 50% have college degrees). The minimum wage is about \$20 per hour, which leads to much less income inequality – and starting wages even for a tech school graduate is in the range of \$45,000 per year. Consequently, poverty ranges from 4% to 7% of the Norwegian population of 3 million, while the UK and US see rates in excess of 12-15%. Women occupy a higher percentage of the work force – and Norway ranks first as “the best place to be a mother”, while the US ranks 33rd.

Because poverty is lower, crime is only a small fraction of what is experienced in the US. Politically, women make up 40% of Norway’s Parliament, while the comparable number in the US is 23% in Congress. Iceland’s politically system is dominated by women. While we see a shrinking of our printed free press, Norway’s press is subsidized to “avoid a narrowing of perspective”. In a recent global survey, Norway and Sweden were tied for number one; Denmark was number 6; the US was 26th. Taxes? Yep, happiness doesn’t come free; incomes are taxed on a sliding scale, at about 33%, and VAT and other taxes also come into play.

In summary, a noted economist suggested that if the US were to adopt policies that reduced our income inequalities to the level of the Nordics, our prison populations would decline by 75%, rates of mental illness and obesity cut by two thirds, and an average increase in longevity all while working the equivalent of two months less per year.