

# What Sweden thinks about markets, capitalism and the rich

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## Abstract

Attitudes towards the rich are far more positive in Sweden than in France, Spain, Germany, and Italy. Attitudes towards the market economy are also more positive in Sweden than in all other European countries, except Poland. Although Sweden is perceived by some as a model of ‘democratic socialism’, it has been 50 years since that this was – almost – the case. Today, Sweden is one of the ten most economically free countries in the world, although income tax is still above average. Corporate taxes are moderate, however, and inheritance, gift, and wealth taxes have been abolished. This article presents the findings of two surveys conducted by Ipsos MORI in Sweden. The first survey focused on perceptions of the rich, the second explored attitudes towards the market economy and capitalism.

## KEYWORDS

image of the market economy and capitalism, image of the rich, Sweden

## JEL CLASSIFICATION

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## 1 | INTRODUCTION

It can be hard for a person, or a country, to shake off an established image, even if they have long since changed. Despite Sweden's transition away from its experiments with socialism since the 1990s, many younger people outside the country still regard it as a model of this political ideology.

In the ranking of the world's most economically free countries, Sweden is nowadays one of the ten most market-oriented economies (these and the following figures are all taken from the *2024 Index of Economic Freedom*: Heritage Foundation, 2024). At ninth place in the Index, Sweden is well ahead of the United States, which ranks 25th. The advances in economic freedom made by Sweden are truly remarkable. Since 1996, Sweden has seen an increase of more than 16 points in the Index, rising from 61.4 points in 1995 to 77.5 points in 2024. Only a handful of countries, including Vietnam and Poland, have experienced a slightly greater increase in economic freedom during the same time period (Zitelmann, 2024a). In contrast, the United States has seen a decline of six points since 1995, and now lags behind Sweden with a score of 70.1 points.

Nonetheless, if you want to look for socialist elements in Sweden, you will find them. Swedish government spending is still high, totalling 49.6 per cent of gross domestic product in the years 2020 to 2022. And although the tax burden in Sweden is no longer as high as it once was, it is still amongst the very highest in the world at 41.4 per cent of domestic income. The top tax rate for individuals is 57 per cent and the top tax rate for companies is 20.6 per cent. It is well worth noting, however, that unlike most countries, Sweden has eliminated inheritance tax, gift tax, and wealth tax, setting it apart from most other countries. However, the labour market in Sweden remains more heavily regulated than those of most other countries.

But what do Swedes think of the market economy and capitalism today, how widespread is social envy in the country, and how do people in Sweden feel about the rich?

These were the topics of two surveys conducted by the Ipsos MORI organisation in Sweden. The first survey, conducted from 5 to 8 February 2021, focused on perceptions of the rich among 1,098 respondents. The second survey, conducted from 30 July to 9 August 2021, delved into attitudes towards the market economy and capitalism among 1,091 respondents. These surveys were part of two larger international studies on attitudes towards capitalism (Zitelmann, 2023a, 2023b) and the rich (Zitelmann, 2020a, 2020b, 2021, 2024b).

## 2 | HOW SWEDES VIEW THE RICH

To find out what people in Sweden think about the rich, our survey asked them whether they agreed or disagreed with a number of positive, neutral, and negative statements. We know from other surveys that respondents have very different definitions of what it means to be 'rich', which can skew survey results due to varying associations with the term. In order to overcome the limitations of previous surveys, respondents were clearly informed that the questions about wealthy people referred to people with assets worth at least 10 million Swedish kronor, not including the home they live in.

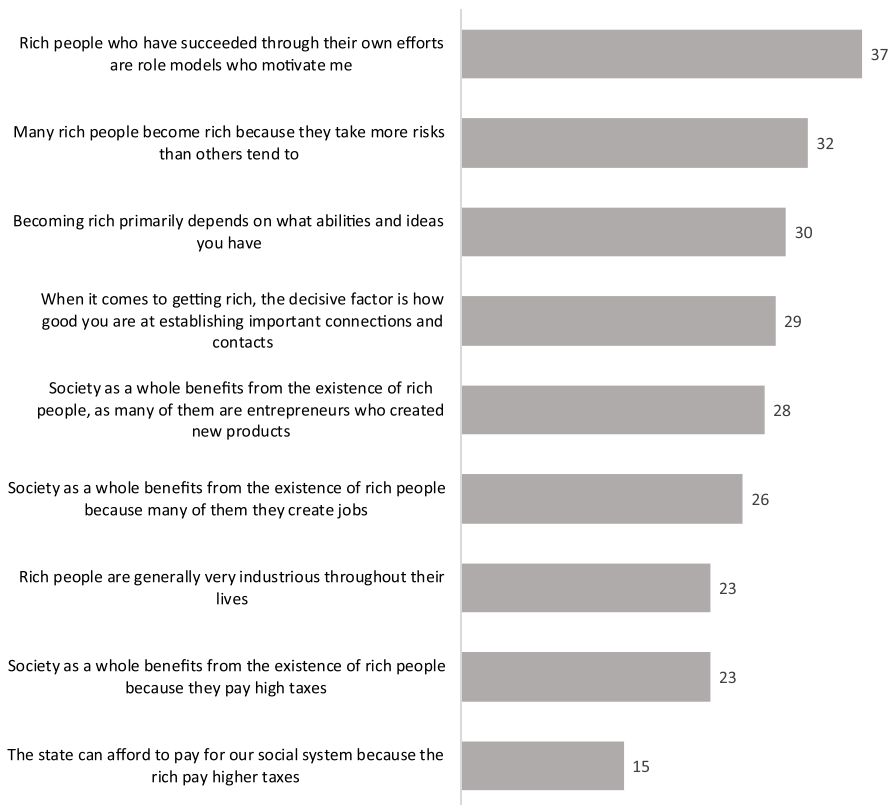
Respondents were then presented with a selection of positive, neutral, and negative statements about the rich. Interestingly, a relative majority of Swedes (27 per cent) expressed agreement with positive or neutral statements, while only 20 per cent agreed with negative

statements. This indicates a general tendency among Swedes to view the wealthy in a relatively favourable light, as depicted in Figure 1.

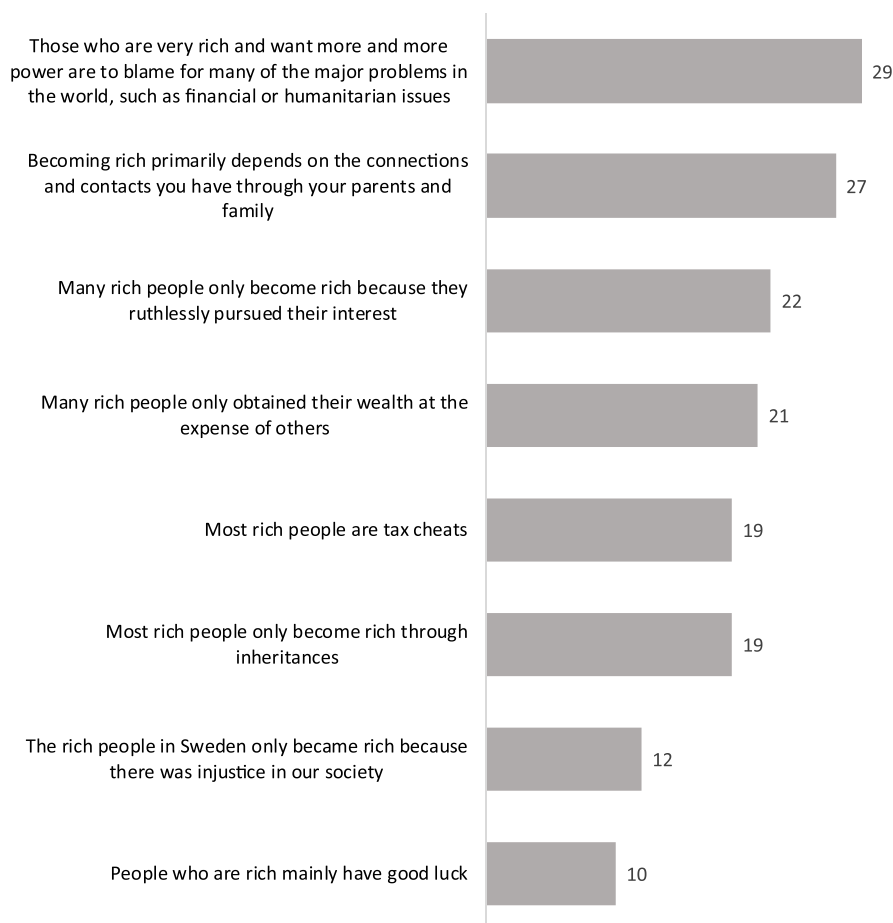
The negative statements that elicited the greatest approval were as follows: 29 per cent of Swedes believe: “Those who are very rich and want more and more power are to blame for many of the major problems in the world, such as financial or humanitarian issues”; 22 per cent say that the rich have only become rich because they ruthlessly pursued their own interests; and 21 per cent believe that many rich people have only obtained their wealth at the expense of others (Figure 2).

When asked about the personality traits they attribute to the rich, Swedes present a mixed view. Among the six most commonly cited characteristics of the rich in Sweden, three are negative and three are positive. Specifically, 36 per cent of respondents believe the wealthy are materialistic; 33 per cent view them as visionary and far-sighted; 32 per cent consider them greedy; 32 per cent see them as self-centred; 31 per cent perceive them as industrious; and 28 per cent describe them as bold/daring. On average, 26 per cent of Swedes attribute positive personality traits to the rich, while 24 per cent attribute negative traits.

Having asked our Swedish respondents about their attitudes towards wealthy people (assets worth at least 10 million Swedish kronor, remember), we wanted to know how many know



**FIGURE 1** Attitudes toward the rich: Positive and neutral statements. Question: ‘Here is a list of things that people have said about rich people. Which, if any, of the statements on the list would you agree with?’ Note: All data are in percentage of respondents agreeing with the statements. Source: Ipsos MORI survey J-20-091774-05, February 2021.

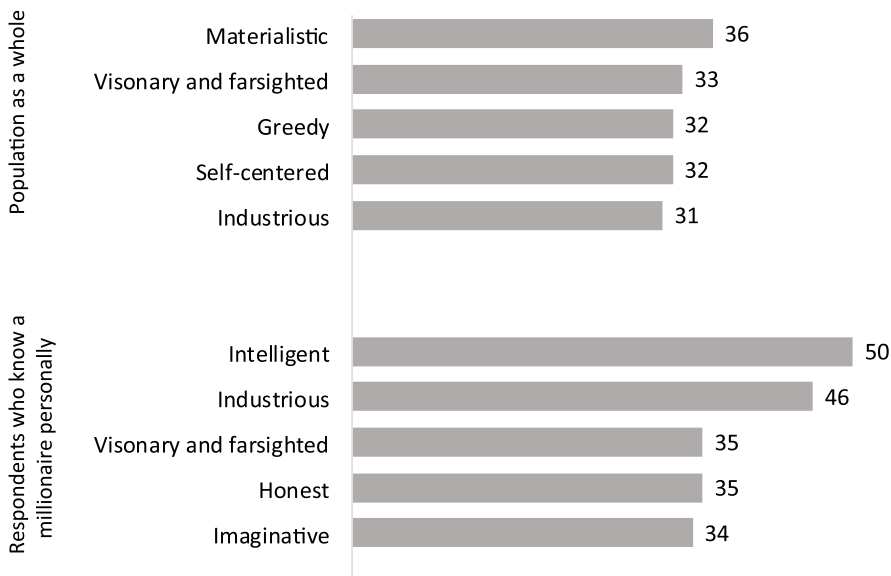


**FIGURE 2** Attitudes towards the rich: (Somewhat) negative statements. Question: ‘Here is a list of things that people have said about rich people. Which, if any, of the statements on the list would you agree with?’  
 Note: All data are in percentage of respondents agreeing with the statements. Source: Ipsos MORI survey J-20-091774-05, February 2021.

such a person at all – be it in the family, among friends, or as an acquaintance. Nineteen per cent said they knew at least one rich person, while a further 16 per cent said they knew several such people. The rest were unsure or said that they did not know any rich people.

Respondents who personally know at least one rich person tend to have a much more positive opinion of the rich than the population as a whole. At least they rate the rich person they know personally very positively and attribute positive personality traits to them: 50 per cent say the rich person they know best is intelligent, compared with only 25 per cent of the population as a whole who say the same about rich people in general. And 46 per cent of those who personally know a rich person say they are industrious, but only 31 per cent of the population as a whole say this about the rich. We see the biggest relative difference in honesty: while only 6 per cent of the population as a whole consider the rich to be honest, 35 per cent of Swedes say the rich person they know best is honest (Figure 3).

Respondents were presented with the following two statements, and asked to choose one of them:



**FIGURE 3** General and personal perceptions of the rich – the five most frequently mentioned traits. Question 1, to all respondents (top five bars): ‘Which, if any, of the following are most likely to apply to rich people?’ Question 2, to respondents who know a rich person personally (bottom five bars): ‘Which, if any, of the following are most likely to apply to the rich person you know best?’ Note: All data are in percentage of respondents agreeing with the perceptions. Source: Ipsos MORI survey J-20-091774-05, February 2021.

*Statement 1:* “The taxes on the rich should be high but not excessively high because they have generally worked hard to earn their wealth, and the state should not take too much away from them.”

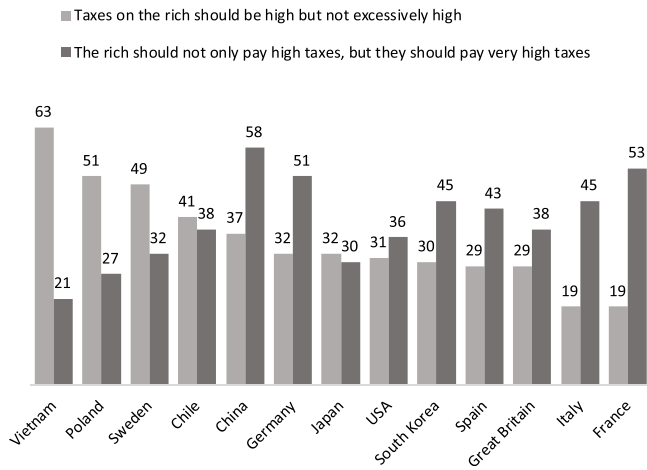
*Statement 2:* “The rich should not only pay high taxes, but they should pay very high taxes. In this way, the state can ensure that the gap between the rich and the poor does not become too great here in our country.”

Only 32 per cent of Swedes believe that the rich should pay not just high but very high taxes so that the state can ensure that inequality does not become too great. In contrast, 49 per cent of Swedes believe that taxes for the rich should be high but not excessively high, because they have worked hard for their wealth and the state should not take too much of it away from them.

In most other countries that have been surveyed (with the exception of Poland and Vietnam), the population takes a different view: the majority of respondents are in favour of extremely high taxes on the rich (Figure 4).

Interestingly, even among low earners in Sweden with annual incomes of less than 300,000 kronor, 47 per cent say that taxes on the rich should not be too high – and only 37 per cent of low earners in Sweden are in favour of very high taxes on the rich. Among high earners with incomes of more than 800,000 kronor, as many as 65 per cent are against very high taxes for the rich.

We asked many other questions, including some that may be considered indicators of envy. From the answers to these questions, which were asked in all countries, we calculated a Social Envy Coefficient for each of the 13 surveyed countries (Zitelmann, 2024b). This coefficient compares the ratio of social ‘enviers’ with ‘non-enviers’ in each country. The higher the Social Envy Coefficient, the more ‘envious’ people there are in a country. In Figure 5 you can see that envy



**FIGURE 4** Very high taxes for the rich? Popular opinions in 13 countries. Question: ‘On balance, which of the following statements do you agree with MOST?’. *Note:* All data are in percentages of respondents. *Sources:* Allensbach Institute survey 11,085, Ipsos MORI surveys J18–031911–01–02, J-19-01009-29, J-19-01009-47, and J-20-091774-05.

is less pronounced in Sweden than in France and Germany, for example (in Poland, however, levels of social envy are even lower).

By combining the Social Envy Coefficient and the Personality Trait Coefficient<sup>1</sup> (which shows whether respondents attribute positive or negative character traits to the rich), we arrive at the Rich Sentiment Index (RSI), which allows us to make an overall comparison of how people in a given country feel towards the rich. A coefficient greater than 1.0 means that attitudes towards the rich are predominantly negative – as in Germany, France, and Spain. A coefficient below 1.0, such as in Sweden, Poland, Japan, and Vietnam, shows that perceptions of the rich are predominantly positive, as shown in Figure 6.

### 3 | HOW SWEDES FEEL ABOUT THE MARKET ECONOMY AND CAPITALISM

In another survey, we asked people in Sweden about their attitudes towards the market economy and capitalism. Respondents were initially presented with six statements that intentionally avoided using the term ‘capitalism.’

An analysis of the responses to the pro-state and pro-market statements reveals that statements in favour of a stronger role for the government meet with 21 per cent approval, compared with 26 per cent approval for pro-market statements in favour of a reduced role for the government. Dividing the average of positive statements by the average of negative statements yields a coefficient of 1.21. We will come back to this coefficient frequently below: A coefficient greater than 1.0 means that pro-economic freedom attitudes dominate, a coefficient less than 1.0 means that anti-economic freedom opinions dominate (Figure 7).

In comparison with the other countries surveyed, Sweden belongs to a small group of only seven (out of a total of 35) in which respondents have a predominantly positive view of the market economy, as depicted in Figure 8.

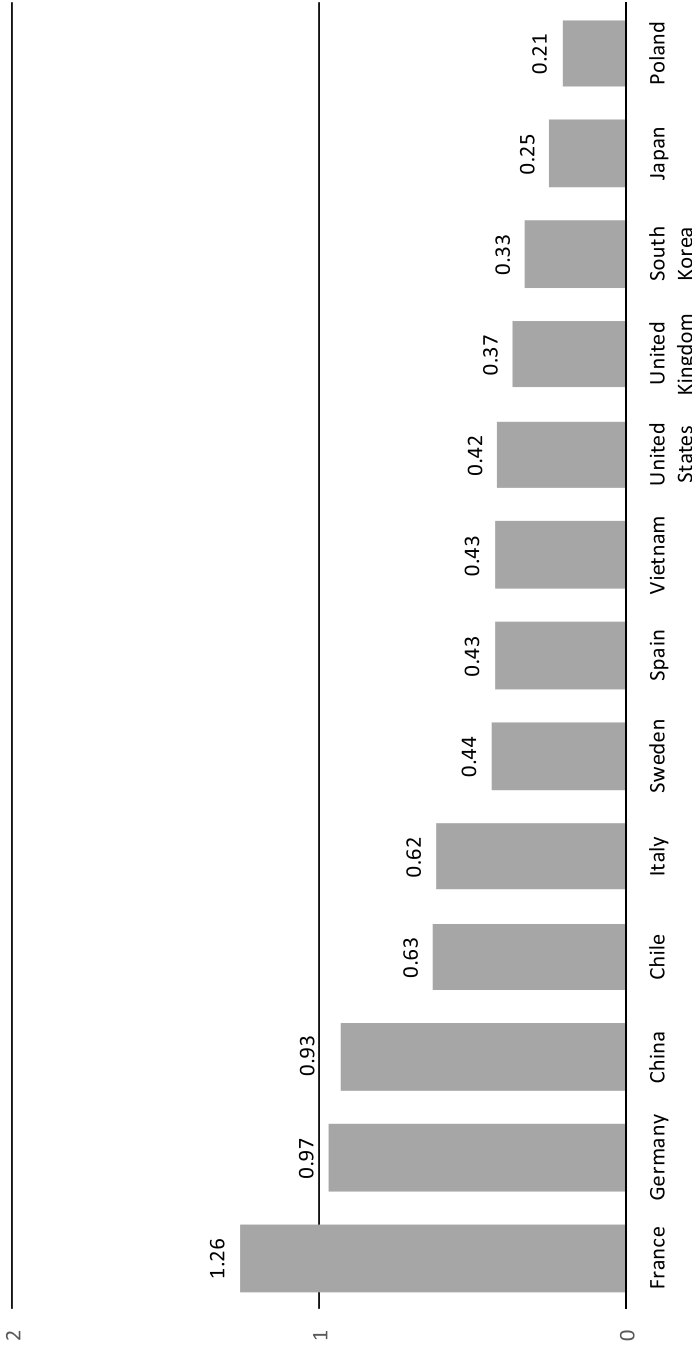


FIGURE 5 The Social Envy Coefficient in 13 countries. Sources: Allensbach Institute surveys 8,271 and 11,085, Ipsos MORI surveys 18-031911-01-02, 19-01009-29, 19-01009-47, 20-091774-05, 20-09-1774-30 and 21-041026-01, and Indochina Research.

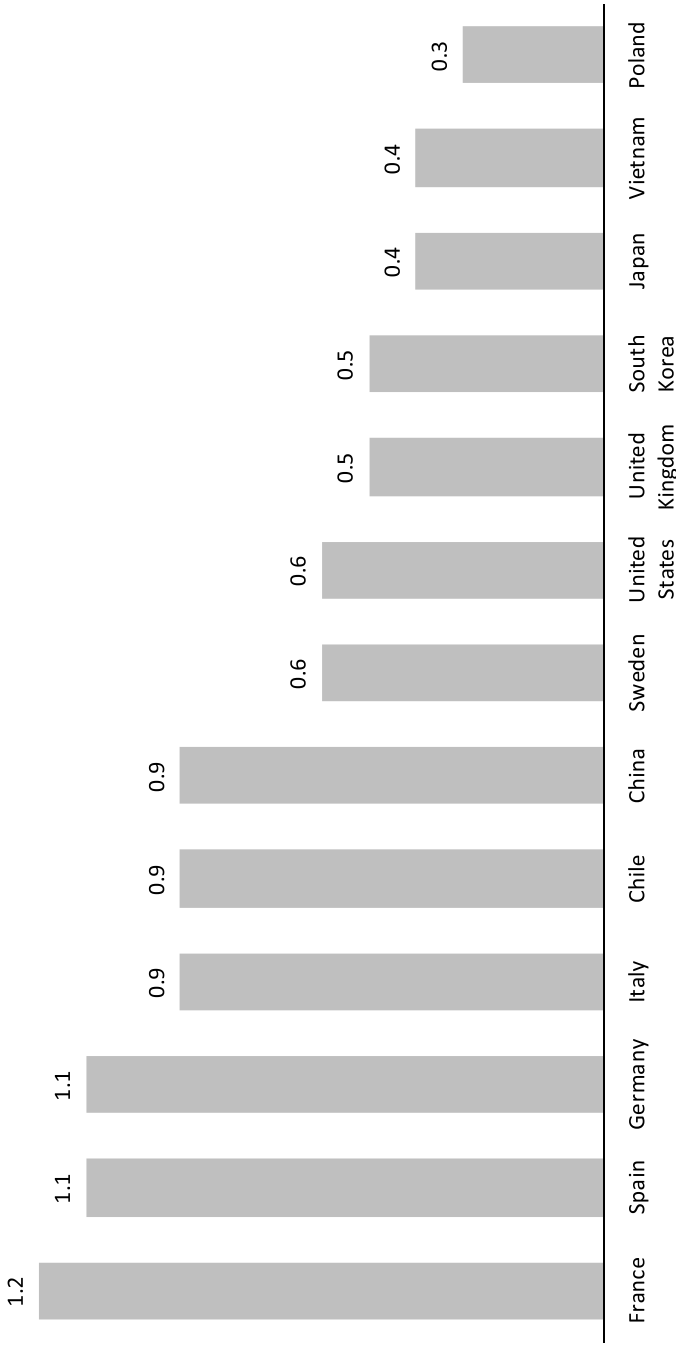
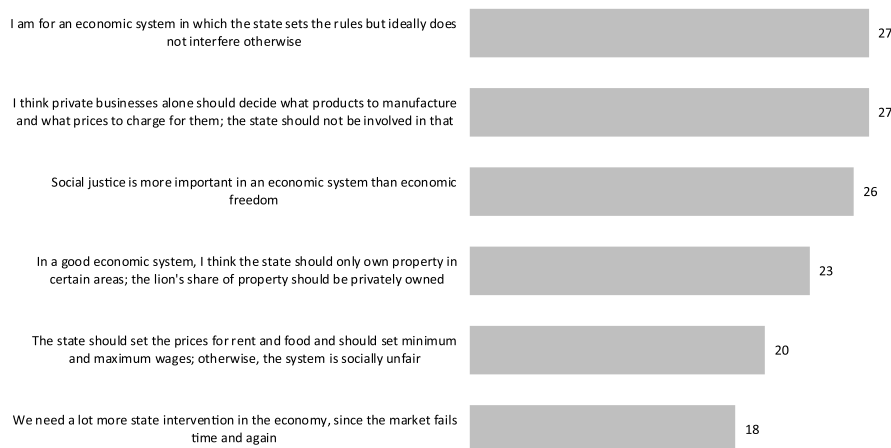


FIGURE 6 Rich Sentiment Index RSI in 13 countries. Note: The lower the coefficient, the more positive the attitude toward the rich. Sources: Allensbach Institute survey 11,085, Ipsos MORI surveys J18-031911-01-02, J-19-01009-29, J-19-01009-47, and J-20-091774-05.





**FIGURE 7** Six statements on economic freedom. Question: 'Here is a list of various things that people have said they consider to be a good economic system. Which of the statements would you say too?' Note: All data are in percentage of respondents. Source: Ipsos MORI survey 20–091774–30.

All respondents were presented with ten terms – five positive and five negative – and asked which they associated with the word 'capitalism'. The result: Swedes are as likely to associate the term capitalism with negative terms as they are with positive terms. The average percentage with which negative terms such as 'greed', 'coldness', or 'corruption' are mentioned is 60 per cent. Positive terms such as 'prosperity', 'progress', and 'freedom' are mentioned by 61 per cent. Respondents were also presented with a total of 18 statements about capitalism, ten of which were negative and eight of which were positive. Clearly, agreement with negative statements (averaging 29 per cent) outweighs agreement with positive statements (averaging 20 per cent). So attitudes towards capitalism in Sweden are no longer so positive when the word 'capitalism' is mentioned explicitly – but this is something we see in most countries.

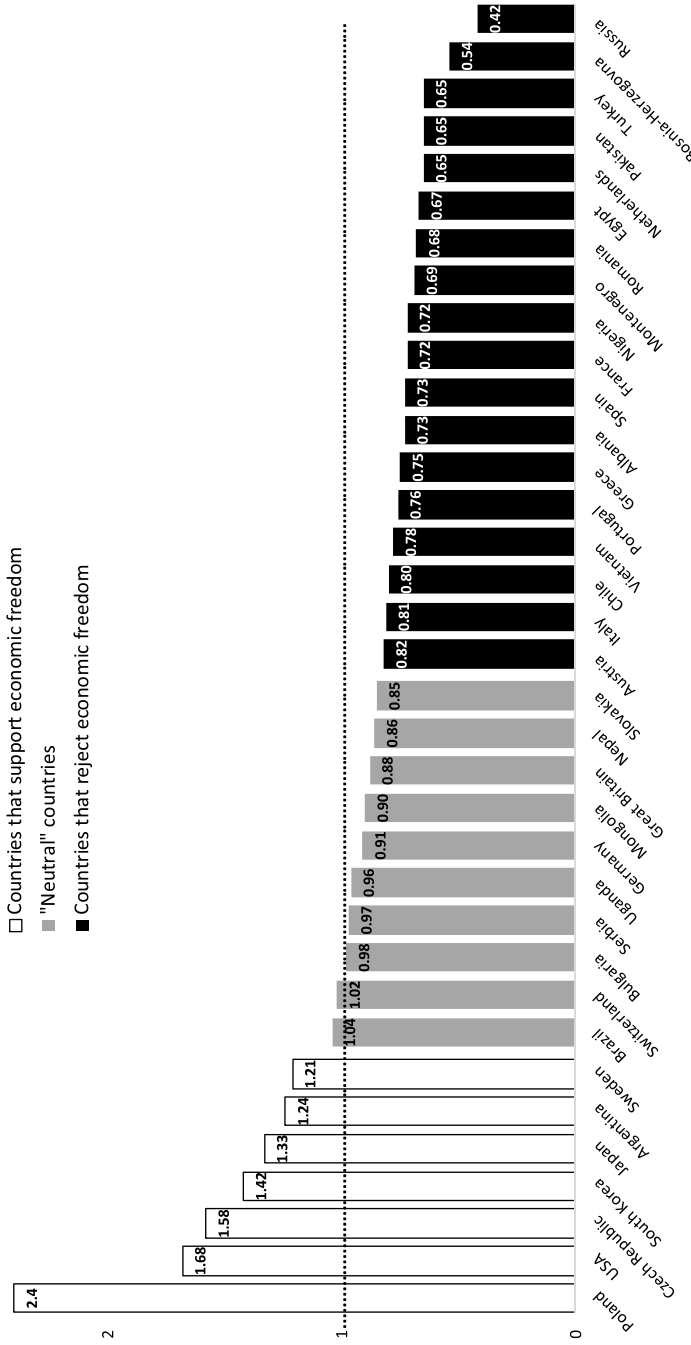
When the figures for economic freedom and the two capitalism questions are combined, the result is a coefficient of 0.97. This coefficient is decisive for comparison with other countries. You can see in the survey that the image of capitalism in Sweden is much better if you don't use the word, but only paraphrase what it stands for.

In this survey, only nine countries exhibit more pro-capitalist tendencies than in Sweden, in contrast to 25 countries which even have a negative attitude towards capitalism. The most positive attitudes towards capitalism are held by people in Poland, the USA and South Korea (Figure 9).

We also asked all respondents to rank themselves on a left–right scale from 0 (far left) to 10 (far right). 0–2 means 'far left', 3–4 means 'moderately left', 5 means 'centre', 6–7 means 'moderately right', and 8–10 means 'far right'.

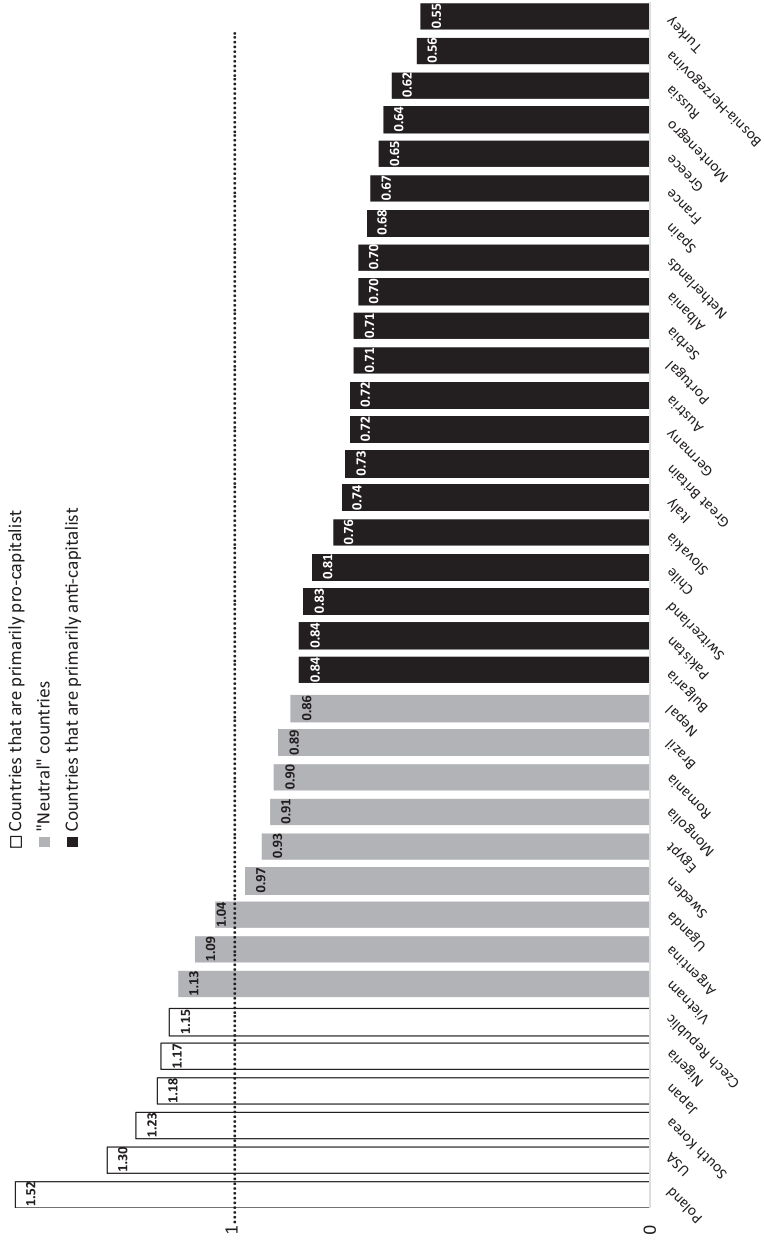
The differences between the various political camps in Sweden are stark. At one end of the spectrum, those who place themselves on the far left have a coefficient of 0.41, those on the moderate left have a coefficient of 0.63, respondents in the centre have a coefficient of 0.84, those on the moderate right have a coefficient of 1.78, and those on the far right have a coefficient of 2.65 (Figure 10).

The dividing line in rejection and approval of capitalism is particularly clear in Sweden: Only the moderate right and the far right are in favour of capitalism, while the left and centre decisively reject capitalism.

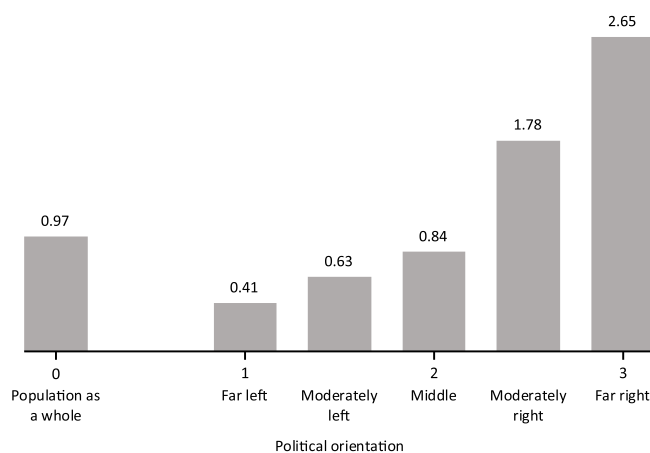


**FIGURE 8** Attitudes towards economic freedom in 35 countries. Average of statements in favour of a liberal economic system divided by the average of statements in favour of a state-controlled economic system (without using the term ‘capitalism’). *Note:* The lower the coefficient, the stronger the anti-capitalist attitude. *Sources:* Allensbach Institute survey 12,038, Sant Maral Foundation, Ipsos MORI surveys 20–091774–30, 21–087515–07, 22–014242–04–03, 22–087515–44 and 22–087220–42, Indochina Research, FACTS Research & Analytics Pvt. Ltd. and Research World International Ltd.

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**FIGURE 9** Overall coefficient showing attitudes towards capitalism in 35 countries. *Note:* The lower the coefficient, the stronger the anti-capitalist attitude. *Sources:* Allensbach Institute survey 12,038, Sant Maral Foundation, Ipsos MORI surveys 20–091774–30, 21–087515–07, 22–014242–04–03, 22–087515–44 and 22–087220–42, Indochina Research, FACTS Research & Analytics Pvt. Ltd. and Research World International Ltd.



**FIGURE 10** Overall coefficient on attitudes towards capitalism: Analysis by political orientation. *Note:* The lower the coefficient, the stronger the anti-capitalist attitude. *Source:* Ipsos MORI survey 20–091774–30.

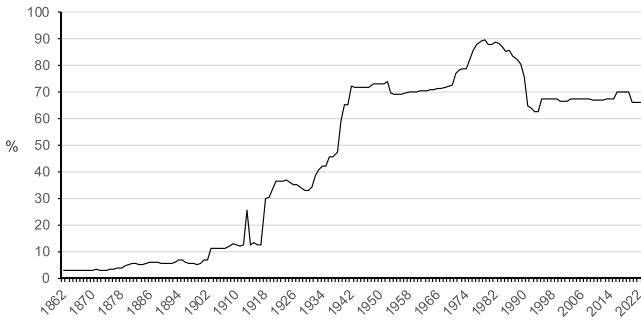
#### 4 | SWEDEN MAY HAVE LEARNT FROM ITS SOCIALIST EXPERIENCE

It is a common perception in many countries that Sweden is characterised by ‘democratic socialism’. This may once almost have been the case but, if so, the experience of socialist policies is now history. Today, Sweden is by no means a socialist country – as confirmed by the surveys presented in this study.

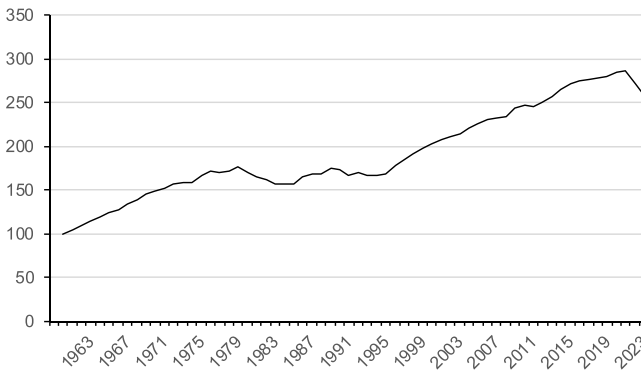
Sweden was one of the poorest countries in Europe when, on 18 June 1864, it introduced freedom of trade, giving all adults in Sweden the right to conduct business. Sweden acquired the basic capitalist institutions that research has shown are central to growth, such as the protection of property rights (North, 1981). From 1870 to 1970, Sweden experienced strong economic growth measured as GDP per capita, especially high compared with other countries until 1950. The growth rate was also high from 1950 until 1970 but rather slower than that of other countries (Krantz, 2000, p. 7). According to data from the Maddison Project Database,<sup>2</sup> for the whole period 1870 to 1970 economic growth in Sweden was the second highest in the world, and the country became the fourth richest in the world 1970 (Bergh, 2008, p. 41).

Until World War II, Sweden had lower taxes than other countries, but they started to rise when the tax-funded welfare state expanded, as shown in Figure 11. Long periods of rule by the Social Democratic Party, during which the Social Democrats gradually became more radical, led to markedly anti-business policies that peaked in the 1970s. Tax systems were designed according to a vision of capitalism without individual capitalists.

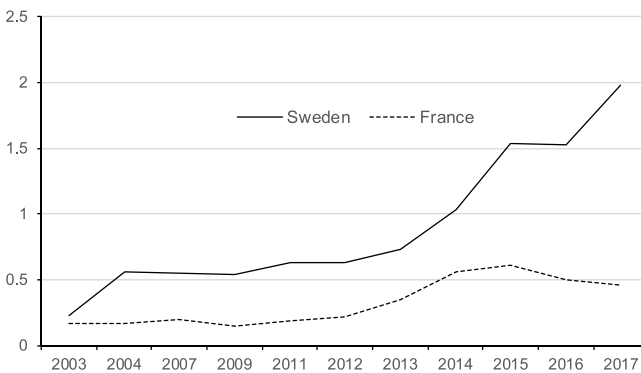
Formally, property rights remained in Sweden, but this skewed system undermined private ownership. Ownership became very unfavourable to the very form – individual ownership of one’s own company – that tends to be most common in new entrepreneurial companies (Sanandaji & Ydstedt, 2013). The Swedish Social Democrats pursued a policy based on functional socialism, which meant that companies would not be in public ownership but instead the market would be tightly regulated. This ideology was perhaps best summarised by Gunnar Adler-Karlsson (1967, pp.101–2):



**FIGURE 11** Swedish top marginal tax rate on wages, 1862–2024. *Source:* <https://www.ekonomifakta.se/>.



**FIGURE 12** Real wages in Sweden, 1960–2023 (1960 index = 100). *Source:* Medlingsinstitutet and Statistics Sweden. SCB.



**FIGURE 13** Billionaires (US\$) per million inhabitants in Sweden and France, 2003–2017. *Source:* Ydstedt and Wollstad (2020, p. 57).

Let us instead deprive our present capitalists one by one of their functions of ownership, so that in a few decades they will remain, perhaps formally as kings, but in reality as naked symbols of a passed and inferior development state.



Taxation of both wage income (Lindgren, 1976) and capital gains (Henrekson, 2022, p. 64) could exceed 100 per cent. Swedish inheritance tax peaked at its highest level (65 per cent) during the 1970s (Henrekson, 2022, p. 65). Taxes were so high that deductions became very important, perhaps sometimes even more important than making money. This is best illustrated by the band Abba. When Abba won the Eurovision Song Contest in 1974, the band's style was influenced in part by laws that allowed the cost of outfits to be set against tax – so long as the costumes were so outrageous they could not possibly be worn on the street (Bowers, 2014).

Spurred on by the trade unions, the Social Democrats made a break with their general ideology, not to socialise but to regulate businesses. In the 1970s, they introduced the proposal of wage earner funds (*Löntagarfonder*). Companies would have to pay part of their profits to funds controlled by the trade unions that would buy shares in the companies. Eventually, this arrangement would allow the trade unions to take over full ownership of the companies.

Many successful entrepreneurs, the most famous of whom was IKEA founder Ingvar Kamprad, left Sweden under the threat of high taxes and wage earner funds. Others chose to transfer the ownership of their businesses to foundations to avoid being socialised (Henrekson, 2022; Ydstedt & Wollstad, 2020).

The competitiveness of Swedish industry was eroded during the 1970s, and several sectors faced serious problems. The state stepped in and tried to take over non-profitable companies in the textile and shipbuilding industries. The state also initiated projects to build a huge state steelworks in northern Sweden in 1980, a plan it unfortunately relaunched in 2017. All this failed. Wages rose sharply, but so did inflation and taxes, causing real incomes to fall, as shown in Figure 12.

Dissatisfaction grew among entrepreneurs. In 1983, 100,000 entrepreneurs and their supporters demonstrated in Stockholm against the proposal to introduce wage earner funds (Ydstedt et al., 2013). The Swedish economy was heading for crisis and more and more people came to the conclusion that the development was not sustainable. Even the Social Democratic Minister of Finance, Kjell-Olof Feldt, concluded that Sweden's experiment with semi-socialism was “unsustainable”, “absurd”, and “rotten and perverse” (Norberg, 2020, p. 7). Some economic reforms were implemented in the 1980s, including the deregulation of credit markets.

In the early 1990s, the great crisis broke. During the 1980s, Sweden had severe economic problems and tried to put off solving them by making large devaluations of the Swedish kronor. In 1992 this policy collapsed, and for some days the Swedish central bank was forced to raise interest rates to 500 per cent before it had to let the Swedish currency float. Unemployment surged and the budget deficit reached 11 per cent of GDP (Norberg, 2020). Economists Thomas Hagberg and Lars Jonung noted in 2005 that the Swedish crisis of the 1990s was “exceptionally costly. Employment losses were greater than during any other crisis” and “the 1990s crisis also lasted longer than any other peacetime crisis” (Hagberg & Jonung, 2005, p. 30).

One of Sweden's foremost economists, Assar Lindbeck, was commissioned by the conservative prime minister Carl Bildt to propose economic reforms, and many of them were implemented (Ekonomikommisionen, 1992). State-owned companies were privatised, the electricity and telecommunications markets were deregulated. The state monopoly on radio and television was opened up to competition. A major tax reform for wage earners was carried out in 1990–91 with the aim of reducing the top marginal tax rate to a maximum of 50 per cent. Sweden joined the European Union in 1995 to gain access to the internal market. In 1998, Sweden introduced a new pension scheme inspired by the system in Chile, in which a portion (2.5 per cent) of wages was invested in private funds chosen by citizens themselves.

The system allows pension savers to participate in the growth in the value of the stock market.

In 2004, a Social Democratic government abolished inheritance and gift tax, and the decision was unanimously adopted by all parties in parliament, from conservatives to communists. The same government reformed the rules for owner-managed companies in 2005 and, in 2007, a centre-right government abolished the wealth tax.

A special tax system with flat-rate taxation on individual savings accounts was introduced in 2012, making it popular to both save and benefit from investments in the stock market. Today, more than one in three Swedes has an individual savings account.

The turnaround of the Swedish economy has been impressive. In the mid-1970s, there were 103 listed companies on the Swedish stock exchange, and their total value was less than 10 per cent of GDP. In 2022, there were 1,025 listed companies and their market capitalisation amounted to 280 per cent of Sweden's GDP (Henrekson, 2022, p. 1). Since 2014, 501 companies have listed in Sweden, more than the total number of initial public offerings in France, Germany, the Netherlands, and Spain combined (Asgari, 2024).

The exodus of investment capital and entrepreneurs stopped. Ingvar Kamprad and many other entrepreneurs returned to Sweden. A comparison of the numbers of billionaires per capita living in Sweden and France is striking and shows the negative effects of inheritance and gift taxes (Figure 13). In 2003, when wealth, inheritance, and gift taxes were still in place in both Sweden and France, the ratio of dollar billionaires per million inhabitants was 0.17 in France and 0.22 in Sweden. By 2017, the ratio had risen to 0.46 in France, which still retained the taxes, and to 2.0 in Sweden, which abolished wealth, inheritance, and gift taxes (Ydstedt & Wollstad, 2020, p. 56). Indeed, today Sweden has a higher share of dollar billionaires than the US, with 2.7 versus 2.4 billionaires per million inhabitants, excluding Swedish billionaires who live outside Sweden (Savage, 2024 combined with Forbes data). More entrepreneurs and more capital in Sweden provide opportunities for new and larger companies. New companies such as Spotify and Klarna are the result of entrepreneurs reinvesting in new companies and networks in Sweden.

The business climate for small and medium-size enterprises has also improved. The tax reforms for owner-managed businesses have helped them create 650,000 new jobs since 2005 (Brissle, 2024). The corporate tax rate, 20.6 per cent, is similar to the average in the European Union and the OECD. The tax to GDP ratio is 41.4 per cent; while still high, it is down from almost 50 per cent in 1990.

Sweden's failed path to socialism has been reversed. However, the country still has high taxes on labour and entrepreneurship compared with other countries. The rental market is regulated, creating major problems for the housing market. Sweden has no minimum wage regulations but the labour market is dominated by voluntary collective bargaining agreements.

The results presented earlier in this article about how Swedes feel about capitalism and the rich have gained much attention in Sweden. Although it was decades ago that Sweden turned its back on socialist policies, many Swedes were themselves surprised by the results from IPSOS Mori.

Unfortunately, there are no other Swedish studies that can be directly compared with those presented here. One reasonable explanation for the results is that many Swedes remember, or have learned a lesson from, how bad things were in Sweden during the 1970s and 1980s. The fact that Sweden lost generations of entrepreneurs to foreign countries probably contributed to all Swedish parties voting with the government to abolish inheritance tax in 2004. Sweden's leading opinion research institute, the SOM Institute at the University of Gothenburg, found in 2005 "that there was a strong commitment to the inheritance tax issue from the country's



entrepreneurs and equally strong support from the general public.” In its annual report for 2005, the Institute writes that inheritance and gift taxes were among the least popular taxes...” (translated from Hammar et al., 2005, p. 101). In a more recent study (2019), the same Institute presented a study about taxes in which 16 per cent of respondents were in favour of higher taxes and 54 per cent were against. When the question was asked the opposite way, 45 per cent were in favour of lowering taxes and 29 were against this proposal (Weissenbilder, 2020, pp. 6–7).

The business sector in Sweden is characterised by owner-managed companies, and this also applies to companies listed on the stock exchange, unlike in the UK and the US, for example. The importance of wealthy entrepreneurs is therefore clear: without ownership, no control of companies. When successful entrepreneurs left Sweden, there was a clear and visible threat to jobs and growth in Sweden that no one wants to risk experiencing again. This was one of the main messages of the campaign against inheritance tax; politicians explained that the abolition of the tax aimed to save entrepreneurs from risky changes of ownership (Ydstedt, 2024; Klitgaard & Paster, 2020, p. 9). This may be one explanation for Swedes' more positive attitude towards the rich than is found in other countries.

Sweden is a small country with a high dependence on trade with other countries. Attitudes to free trade are therefore positive, particularly within the trade union movement. In a Eurobarometer survey from the European Commission in 2019, Sweden had the highest percentage of people who consider themselves winners from international trade. As many as 86 per cent of Swedes said they were “currently benefitting from international trade” (European Commission, 2019). There may be a correlation between the highly positive view of free trade and the view of the market economy shown in the Ipsos MORI survey.

## 5 | CONCLUSION

In popular culture today, many Swedes refer to the 1970s and 1980s as ‘DDR-Sweden’, associating Sweden with communist East Germany. Birgitta Almgren, a Swedish professor who studied the STASI archives, actually tells the story in a book about how the East German secret police used Sweden as their first soft training destination before going to the more dangerous West Germany (Almgren, 2011, p. 251).

It may be that Swedes have been inoculated against excessively high taxes and socialist policies. The Swedish ownership model, with a clear link between owners and companies, may also provide a more positive view of active entrepreneurs and their need for capital to be able to control their companies. Reforms that increased incentives for private stock market savings through individual savings accounts and the funded pension savings have probably also increased understanding of the value of a well-functioning market economy.

The Swedish professors Magnus Henrekson and Ulf Jakobsson (2001, p. 1) argue that the Swedish case show that Schumpeter was nearly right about how capitalism would evolve in his *Capitalism, Socialism and Democracy* (1942):

Large firms became increasingly predominant in production and innovative activity, ownership of firms became more and more concentrated, individual entrepreneurship waned in importance, the general public grew increasingly hostile towards capitalism, and by the late 1970s explicit proposals for a gradual transfer of ownership of firms from private hands were launched.



This development was eventually brought to a halt by the revolutionary changes in the outside world with the fall of communism in the Soviet Union and eastern Europe. Swedish social democrats' balancing act between West and East was no longer possible. Sweden also gained from the fall of communism.

## ENDNOTES

- <sup>1</sup> Personality Trait Coefficient: In all 13 countries, we presented respondents with a list of 14 personality traits and asked, 'Which, if any, of the following are most likely to apply to rich people?' Of the 14 personality traits, seven were positive: visionary/farsighted, industrious, bold/daring, imaginative, intelligent, optimistic and honest. The remaining seven traits were negative: materialistic, greedy, self-centred, arrogant, superficial, ruthless and cold-hearted. We then calculated the average percentage of positive traits and negative traits for each country and divided these two percentages to arrive at the Personality Trait Coefficient (PTC) – the lower the PTC, the more positive the respondents' perceptions of rich people. See Zitelmann (2024b).
- <sup>2</sup> <https://dataverse.nl/dataset.xhtml?persistentId=doi:10.34894/INZBF2> (accessed 24 October 2024).

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