

Understanding the History of Socialism in the US and its Appeal to Voters Today

Making Waves for Democracy Meeting

October 4, 2026

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Terms like "socialism" and "democratic socialism" are frequently debated in modern American politics, often with vastly different meanings depending on who is speaking.

In this talk, I will unpack these terms objectively, examine how they function in practice, and understand why socialism is resonating strongly with some contemporary voters, especially the younger generation. I will define the differing economic systems, explain the Nordic model of socialism, draw the distinction between Democratic Socialists and other socialist traditions, discuss the history of socialism in the U.S, and describe the socio-economic drivers behind the modern socialist revival.

Capitalism (Free Market):

- Private ownership of the means of production, decentralized decision-making, and market-driven pricing determined by supply and demand.
- Strength: Fosters intense innovation and economic growth
- Can lead to severe wealth inequality and market failures if left entirely unregulated.

Populism

- Whereas socialism is an economic and political ideology, populism is a political style.
- Populism argues to return power to “ordinary people” from an entrenched establishment.
- Populism can be left-wing or right-wing.

Socialism (Strictly Defined):

- Collective ownership and/or democratic control of the economy's major means of production and distribution, aiming to reduce inequality and prioritize public need over private profit.
- To eliminate private ownership, a government must suppress political opposition, independent labor unions, and private enterprise.
- Historically, attempting to establish a strictly socialist economy—where the state owns and centrally plans nearly all industry, agriculture, and commerce—requires immense authoritarian control.

- As a result, a centrally planned socialist economy has almost invariably gone hand-in-hand with a one-party totalitarian or authoritarian state, the defining feature of communist governments. Examples are Cuba and North Vietnam.

Democratic Socialists of America (DSA)

- Currently focus on expanding the social safety net, environmental action, advocating for robust healthcare, housing, education, and childcare programs, free higher education, federal jobs guarantees, and strong labor unions.
- The legislative agenda championed by democratic socialists and progressives today (Bernie Sanders, Alexandria Ocasio-Cortez) rarely call for the total abolition of private property, nationalization of all industries, or a centrally planned economy. The policy proposals look like the Nordic Model.
- The platform includes many socialist concepts, such as healthcare and housing for all, worker's rights, and free education.
- However, while their immediate policy goals of the DSA are social democratic, many members of the DSA consider themselves true socialists and their long-term goal is to regulate capitalism with public control of much of the economy.

The Nordic Model: Social Democracy (term economists use) or Democratic Socialist in Practice

- Nordic Countries like Denmark, Sweden, and Norway are frequently cited as examples of "socialism" by American politicians, but they are actually social democracies.
- They embody a robust, competitive free-market capitalist economy that generates substantial wealth.
- A strong welfare state funded by progressive taxation (universal healthcare, free or low-cost higher education, generous parental leave, and strong social safety nets).
- Strong labor unions and centralized collective bargaining between employers and workers.
- It is not state ownership of industry, but rather capitalism with a human, egalitarian face.

- When many American politicians refer to socialism, they are usually referring to the Nordic-style social democracy.

Comparing the Nordic model (often colloquially called "Nordic socialism," though economists prefer social democracy) to the United States

- Nordic countries have consistently dominated the top spots on the United Nations' World Happiness Report, whereas the United States typically ranks lower (often hovering around the 15th to 20th spot in recent years).
- The Nordic economies (GDP) are roughly equal to the U.S.
- Life expectancy, infant mortality, and preventable death are vastly better in Nordic countries than the U.S., despite our spending vastly more per capita on healthcare.
- The Nordic countries have the lowest income inequality in the developed world while U.S. has one of the highest levels of income inequality among developed nations. We have a massive wealth gap between the top 1% and the rest of the population. The top 1% own 32% of wealth and the bottom 50% own about 3% of our nation's wealth.
- Nordic countries have lower crime rates than the U.S. The US homicide rate fluctuates between 4 to 6 times higher than the Nordic region. Violent crimes such as armed robbery, carjackings, and aggravated assaults occur at much higher frequencies in the U.S. as compared with Nordic Countries. Lower poverty rates directly correlate with lower violent crime rates, less need for massive incarceration systems, and safer urban environments.
- Nordic young adults start successful careers having no debt because of free public education. Many of our students are saddled with significant student loans.
- Medical bankruptcy, common in the U.S., is virtually nonexistent in Nordic countries because of universal health care.

Why the Nordic Model Succeeds:

- *Institutional Trust*: Nordic societies enjoy extraordinarily high levels of trust in public institutions, the police, the government, and—crucially—in each other.
- *Less Risk*: Happiness is deeply tied to security. In the Nordic model, the state cushions citizens against major life shocks—such as losing a job, falling ill, or

having a child—which dramatically reduces baseline anxiety. Because healthcare, childcare, and higher education are heavily subsidized or free, low- and middle-income families do not fall into inescapable cycles of debt for basic survival needs.

- *Work-Life Balance*: Generous mandated paid vacation (often 4 to 6 weeks), paid parental leave, and strict limits on excessive overtime allow citizens to prioritize family, hobbies, and rest. Rather than relying solely on government-mandated minimum wages, Nordic labor markets feature centralized collective bargaining between employers and strong unions. This ensures even low-skilled or service-sector workers earn a living wage with guaranteed benefits.
- *Progressive Taxation*: Nordic tax rates are high, but they are viewed by citizens as "subscription fees" for a high-quality societal infrastructure. Taxes heavily compress income disparity after transfers.
- Nordic countries have much smaller national debt. Debt-to-GDP ratio
 - U.S. 120% to 123% (rising rapidly)
 - Sweden 30%-33%; Denmark 30%-32%;
 - Norway 0%
 - Broad-Based taxes, economies collect more during growth and disburse during downturns, less spending on military.

Barriers to such a system in the U.S.:

- Socialist movements have happened in the U.S., such as after the Great Depression, but were marginalized during the Cold War and anti-communist hysteria of McCarthyism.
- The Nordic tax systems rely on broad-based taxes. Middle-income earners, as well as higher income earners, pay significantly higher income and consumption taxes (like VAT) than Americans in the same tax bracket.
- Innovation-driven, ultra-high-risk entrepreneurship and executive compensation can be more heavily penalized by high progressive taxes and wage compression, which critics argue can suppress certain types of high-growth venture capital compared to Silicon Valley.
- Critics note that Nordic social democracy historically thrived in small, culturally homogenous populations with high levels of social trust. The collective spirit and high pride in fairness is currently lacking in the U.S. Scaling such a system to a massive, highly diverse superpower like the United States presents unique political and logistical challenges.

- Collective identity, pride in providing universally in Nordic countries versus rugged individualism and negativity towards any government benefits.

Socialist Movement in the U.S. Today:

- Roughly one-third to 40% of Americans express a positive view of "socialism" when asked broadly.
- Many Americans view socialist concepts favorably : Universal early childcare and pre-K: 75% to 85% of voters support, universal healthcare: 62%-66% (but Medicare for all 35%-50%), and tuition free public college (50%-61%). a smaller percentage—typically between 10% and 18% of the overall U.S. population—explicitly self-identifies as socialist or says they would vote for a socialist candidate
- Who is most likely to identify as socialist or hold favorable views of socialism in the U.S.:
 - Age is the single biggest divider. Americans under the age of 30 are far more likely to identify as socialist or democratic socialist than any other age group.
 - Support for socialist ideas is disproportionately high among college-educated young adults, particularly those with degrees in the humanities and social sciences, as well as young professionals working in high-cost-of-living urban areas.
 - Young Americans with college debt or facing underemployment despite holding degrees are among the most vocal advocates for democratic socialist policies (such as canceling student debt and universal public services).
 - Modern American socialism is racially and ethnically diverse, closely mirroring the broader Democratic Party coalition.
 - Very few registered Republicans identify as socialist.
 - Among those who identify as socialist: A significant portion are registered Democrats who support the progressive wing of the party (modeled after figures like Senator Bernie Sanders or Representative Alexandria Ocasio-Cortez). This is new; formerly were starting a separate party.
 - Another large segment consists of political independents or members of third parties (such as the Democratic Socialists of America - DSA) who feel alienated by both the Republican and mainstream Democratic establishments

What is driving this movement:

- While overall national productivity and corporate profits have grown immensely over the last several decades, the economic gains have concentrated overwhelmingly at the top. The staggering concentration of wealth in the hands of the top 1% makes capitalism appear rigged to a growing segment of the population.
- Workers have experienced decades of stagnant real wages while the costs of essential needs—such as housing, higher education, and childcare—have skyrocketed.
- Young people today are navigating the "gig economy," massive student debt loads, soaring housing costs, and stagnant entry-level wages despite high productivity.
- Many view unfettered capitalism as structurally incapable of addressing climate change quickly enough, arguing for public planning and green industrial policy.
- Growing skepticism toward the current political-economic system, and corporate lobbying, and our current openly corrupt government makes alternative systems sound appealing.

For Democrats engaging with modern voters, addressing legitimate economic grievances and working towards building a coalition for a fairer future is very promising.