

From Sweden With Love: Thank You Barbara Lerner

Spectre

The following article provides a very current and revealing snapshot showing the dire conditions that have engulfed Sweden and sweeping it towards its planned destruction. As you read through the article, feel free to substitute the word 'jew' for 'elite', 'government', 'leaders', etc., for a much greater degree of accuracy. And of course, once you have absorbed and digested what is being said here, be sure to refresh your memory of what the jewess Barbara Spectre had to say regarding how the jews are going to save Europe, and all countries that are "too white": https://www.youtube.com/watch?v=MFE0qAiofMQ.



And for those who may prefer a 4minute musical summary of the essence of the article, well, this is just for you: https://www.youtube.com/watch? v=jEM23T_ejjM

Sweden on the Brink? – An Interview with Dr. Tino Sanandaji Feb 21, 2016

Dr. Tino Sanandaji is an economics researcher at the Stockholm School of Economics, Sweden. He holds a PhD from the University of Chicago. A Kurd from Iran who moved to Sweden at the age of 9, he has written extensively about immigration policy as a researcher and contributor to prominent Swedish journals such as the National Review and Real tid.

E. Tavares: Thanks for being with us today. We would like to talk about a very sensitive topic at the moment – mass immigration in Sweden, something that you have researched extensively. You have publicly expressed some pretty serious concerns about current trends and what might unfold as a result.

We studied in your country back in the mid-1990s and it was a great experience. There was already a sizeable immigrant population but for the most part everyone seemed to get along fine. Middle Eastern girls dressed like any native origin Swedish girl and were very open and friendly. The only place where we ever witnessed any major tension between communities was in a nightclub. What has changed since then?

T. Sanandaji: I don' think that anything has happened in the relationship between migrants and native Swedes. On the contrary, there has been even a slight improvement.

However, in 1990 non-European immigrants accounted for only 3% of the population and any problems could be isolated and managed within the bigger framework of society. That figure has increased to some 13-14% now, and is growing at perhaps 1-2 percentage points from last year, with persistent gaps in income, unemployment and education. It's really a question of scale rather than degree of divisions.

You still have a sizeable number of Iranians, Iraqis, Bosnians and the like who are well integrated, dress like any westerner, speak fluent Swedish and openly talk to anyone. That group is even bigger than in 1990. But there is another group which is living in a ghetto and who does not speak Swedish all that well, does not feel a part of society, is unemployed and so on. And that group has increased rapidly. When it reaches a certain size it starts to influence everything around it – like schools, social spaces and so forth.



At a theoretical level there is an idea proposed by Professor Edward Lazear from the Stanford Business School where integration is a function of group size. If you have small immigration most people around the new arrivals are going to be natives, and so finding your place in society is

just a gradual social process: interacting with your neighbors, working with other people, absorbing their values and learning the language. Once that group becomes very large then you have an issue of critical mass where if you don't want to integrate you can just live in the immigrant community, working and interacting mostly with other immigrants, not having to learn the language and so on. And you don't integrate as easily. ET: What you are saying is that any integration issues are not so much due to a lack of effort by the Swedish authorities, but rather driven by the sheer scale and size increase of the immigration population in recent decades.

TS: That's exactly right. Any society is going to have an absorption capacity given the size of the labor market, schools, economic prospects, housing and so on. With a smaller number this is quite doable, but with many more immigrants it becomes much more difficult. And this is a cumulative process. It has been going on for three decades now.

I like to look at things like gaps in employment, income and school results. If we start with the first one, in the age group 20-64 82% of native born Swedes are employed compared to only 58% of immigrants. That is a huge gap right there. It has remained constant going back to 2000, and even slightly increased compared to 1990.

We see the same thing happening with income, in that immigrants on average earn 40% less than the natives, which is also worse than in 1990. And if you look at school results, you find a massive gap yet again: 9% of the natives don't qualify to go to high-school after 9th grade, compared to around 30% for those of immigrant origin.

So you have these major gaps that have been very persistent over time and rank among the highest in the developed world. If you look at the employment gap, it is the highest in the OECD, and because the group keeps growing as a percentage of total the problem for society becomes bigger and bigger.

ET: Do you have a projection for the immigrant population as a percentage of total in a generation, say by 2050?

TS: That's a very good question. It strongly depends on immigration policy. Even if the rate of immigration has accelerated, as everyone knows, basically to levels never experienced by any modern welfare state – ever – the government has recently done a huge U-turn and all but closed the borders. So that makes it very difficult to forecast what will happen going forward.

Let me make an attempt nevertheless. I think we will go back to medium rates of immigration that we used to have 10 years ago. They were high but nowhere near as high as right now. The non-ethnic Swedish group is about 22% of the population right now, including second generation, and it might perhaps reach 35-40% within 30 years.

ET: But in major cities they will become the majority right?

TS: In Malmo, Sweden's third largest city, it's already almost 50% of the total. So that's where Sweden could be going to be in a generation because Malmo started to take immigrants earlier.

Stockholm, the capital, is a bit of a segregated city as it's difficult for



immigrants to move there given the higher cost of living. The ones who do tend to be the well integrated immigrants.

Actually it could even go the other way because you could see a very strong "white flight" from towns that are becoming dominated by immigrants.

Research shows that the tipping point for that flight to occur is very low: after 4% of non-European immigrants the native Swedes start to move out. This is arguably an even worse segregation problem than in the US. At the same time, there is a fascinating study that shows that if you ask the average Swede if it is important to live in a multicultural neighborhood most of them say yes. Actually, the ones who moved away from those neighborhoods are even more likely to respond positively. **ET: It seems that there is some type of cognitive dissonance going on there.** Now, any good Keynesian economist will tell you that because the native population is declining, bringing in migrants is a great idea because it boosts aggregate demand, so the economy should benefit as a result. In fact the Swedish economy has been doing rather well on a GDP growth basis in recent years. Doesn't that counter the shortcomings you outlined? TS: If what you described was true that would counter my argument but let me give

you the actual numbers. These are the perceptions that most people have but they are not accurate.

First, Sweden does not have a shrinking population even excluding the immigrants. Sweden is not Italy, it has much higher birth rates. Over the last 200 years we had a birth surplus in all but four years even excluding immigration. The number of native origin Swedes has never been higher than now. Of course a lot of the population growth is immigrants but Sweden would still be ok without it. Second, as you know you have to measure GDP on a per capita basis to get a real sense of prosperity, not overall GDP growth. We have a very high rate of GDP growth that is almost entirely driven by population growth.

Actually, Sweden has bizarre population growth figures, more than twice in percentage terms of Bangladesh for instance. In recent years the total size of the Bangladeshi economy has grown faster than Switzerland, creating 30 million jobs versus 1 million in the latter. But that does not mean that Bangladesh has become a more prosperous society because its GDP per capita remained far lower. The

size of the pie grew due to population growth but so did the number of people sharing it.

Last quarter we had 3.9% GDP growth on an annualized basis. That's not particularly impressive when you consider that we had 1.4% official population growth and we probably had another 1.4% from refugees that have not been accounted for yet. If you look at these numbers since 2006, Sweden has had close to zero GDP growth in per capita terms, maybe 0.6% per year on average. That's not at all impressive when compared to the historical average.

At the same time we have seen a massive increase in household debt which has to be paid back at some point. To give you a sense people say that we have the second most indebted households in the OECD. That's a big number.

Sweden used to have very strong state finances. In fact we had the opposite of Keynesianism after the huge economic crisis in the early 1990s, as you may recall. The Swedes have this puritan Lutheran tradition and both political sides agreed to cut spending and implemented an impressive budget reform – which is quite unique as I often talk about, capping total spending and letting all the ministers decide how it would be allocated amongst them – which really reduced the size of government. As a result we created a very strong fiscal surplus and paid back a huge portion of the public debt. This is why Sweden was so admired abroad, not because of our GDP per capita growth which was actually not all that impressive during that period. It's in the recovery of the public and banking sector finances where we excelled, while most developed countries were going the other way. With that in mind, let me give you another statistic that is actually fascinating: we went from having fiscal surpluses during recessions to a deficit now during a robust business cycle recovery.

If you look at GDP and population growth figures projected by the government, we are seeing something that I had never seen before: projected negative GDP per capita growth rates in a period of economic cycle recovery. The only reason for that is immigration; Sweden is bringing in a lot of people who consume but do not produce much.

Lastly, even a sophisticated Keynesian would admit that the question really is demand per capita, not just absolute demand. The good economists adjust for the population size. It's only the political hacks who don't have a good argument to defend immigration who look at the absolute figures.

Before historically when we had low 0.5% population growth GDP per capita and total GDP growth were similar numbers. Now with the high population growth we have of more than 2% per year, we need more than 4% GDP growth in total to achieve that historical per capita growth of around 2% per capita.

ET: The situation is similar in the US. We believe that US GDP per capita crawled back to pre-2008 crisis levels only in 2014, as immigration remained quite robust under the Obama administration. This is a very interesting point that is seldom discussed.

On government spending, Jan Tullberg, a university colleague of yours, just did a calculation where he showed that the 2015 migrant crisis <u>will cost the</u> <u>equivalent of 14x the Swedish defense budget</u> (even assuming that a third of the migrants would be deported). What are your comments on that? TS: I looked at this calculation and it is a bit speculative. First it is important to understand that Tullberg is talking about lifetime costs of the people we are taking in now, not the annual costs. Let's say we took 100,000 people this year and they will live in Sweden for another 30-50 years. What is that going to cost? I don't think you should compare that to the defense budget because it's a bit apples to oranges. Tullberg's estimates are not outside the realm of possibility but I would say that they are too high. If I had to guess I would say that half of that figure is the right answer.

There have been studies done for Denmark and Norway and if you for the sake of the argument take the average of these two countries as the right number for Sweden: US\$300,000 discounted net lifetime cost per migrant (although this is an inexact guess since we lack Swedish estimates). That comes out at US\$30 billion, which is not an insignificant number for a country with 10 million people.

Let me give you a different number which is easier to compare. Just the initial cost for those asylum seekers is 1.5% of our GDP, significantly higher than our defense budget at around 1%. And that does not count the net costs associated with housing, health, welfare spending and so forth that arise later.

But much more meaningful than the defense budget is the UNHCR budget for the 60 million refugees displaced around the world. And just those initial costs that Sweden spent in 2015 were twice the UN's funding! The left likes to talk about the privileged 1%, but the 0.3% of refugees that made it to Sweden got twice as much resources as the 99.7% displaced around the world.

ET: Uau! We believe that because of the housing shortage in Sweden those migrants are placed in tents that cost 20x more than tents in the refugee camps in the Middle East, because it is much colder there.

TS: There are different estimates on this. I would say that 20x is optimistic; it's probably 50 or 100 times more expensive in Sweden. You should see a picture of these weatherized tents, although in fairness there aren't that many. Eventually the government had to close the borders because they ran out of space.

I wrote about this recently, and the 3,000 people housed in these tents are going to cost more than the biggest refugee camp they built in Jordan, for perhaps 100,000 Syrian refugees. It's a surreal figure!

ET: Apparently the latest strategy is to house thousands of migrants in a docked luxury cruise ships.

TS: They are doing that, and you couldn't make this stuff up. The waste of resources compared to dealing with the problem at the source is staggering. Another mind blowing number – and you might think it is impossible but I have all the official figures to back this up – is the cost to house all these unaccompanied minors we have coming in, mostly from Afghanistan. By any indication most are not even minors, but in Sweden you get special treatment if you qualify as such. And their age claim is seldom challenged by the authorities so they usually get asylum even if they are much older than a minor.

Now, this is very expensive because they are treated like children and get a lot of resources. We are approaching the point where the 20-30,000 or so minors under this category are going to get more money than the entire budget of Afghanistan including foreign aid – a country with 30 million people! It's almost impossible to deny this because it's simple budget calculations.

At the same time, we are cutting our foreign aid budget to meet all these expenses,

by something like 30%. I personally think that catastrophe aid, refugee aid, food aid works...

ET: ... And it helps to prevent this huge migratory influx.

TS: This is a point worth emphasizing. Development aid to help countries build factories does not work. What works is food programs, medical aid to refugees, water, things like that. We had a massive reduction in deaths from starvation in the post war era because of these programs. Same for the prevention of AIDS in Africa, which saved countless lives. Now some of these programs are being cut back to take in refugees.

Of course the Swedish AID-workers are protesting this. There was a recent calculation by an AID-organization that argued that we are cutting programs to children in third world countries, and an estimated 20,000 people might die just from cutting the Swedish foreign aid, if the estimate is accurate.

In return, we are probably not saving a single life because none of those migrants are coming directly from war zones; almost all that come to Sweden were already in safe countries like Turkey, Iran or Germany.

ET: There is a huge number of male migrants that went to Sweden last year, vastly more than women. We read that the demographic imbalance in Sweden is now even worse than China. Is this correct?

TS: Maybe in some age group, but not in overall terms of course. Some 92% of those unaccompanied migrants were male last year...

ET: ... Wait a minute, 92% of them are male?



TS: Yes, there is definitely something strange going on. More than half of the world's refugees are women. In World War II, when Sweden took refugees from Finland, they were children and 90% were below the age of 10. But now almost all of them are late teenagers –

supposedly; we know many are older for a fact. When other countries age test it turns out that the majority are not children. And when there are crimes committed and the age is investigated, often we get these absurd reports where some of these guys are older than 30 and yet the government puts them with other real minors in schools or housing, and this is creating a lot of anger now. The media created this taboo where because they are officially supposed to be children we can't question it, and you are fascist if you do. Yet most people can see that many are adults.

Now I'm not moralizing this. If you have an open door policy and you are incentivizing Afghans to take advantage of the system, can you really blame them? But it is an idiocy to equate anyone who questions the claim of being a minor with being a fascist.

You know, it's really funny that the tale about the emperor having no clothes is a Scandinavian tale. Everybody can see many are not children, but then the political and media consensus will fire or at the very least censor the people who point out this plainly obvious fact. Because how can you question children running from war, using circular reasoning that anyone who claims to be a child escaping war is one and cannot be questioned. You know, a self-reported 70% are not even coming from Afghanistan but safer countries like Iran, seeking a better life.

ET: On a related point to children, Sweden has always been recognized as a country with very high education standards. It was always at the top of the rankings across many fields. What has been the impact of immigration on this? This is obviously a critical issue for Swedish multinationals right? TS: When you lived in Sweden in the mid-1990s we had one of the highest performances in international test scores. I've been keeping up with the latest developments because things are moving very fast. Since the OECD started with Pisa tests no other country has crashed in the scores as much as Sweden. In Western Europe we are already second last after Greece. Swedish policies played the major role here, but immigration may explain about 30% of that decline. The oldest generation is still one of the strongest skill levels in the world. But again the gap in adult skills is one of the highest in the OECD and the increase in that gap is the highest (out of only 14-15 countries where there is data over time it should be noted).

So we had a crash in Swedish education standards. One reason it hasn't crashed even more is because immigrants are still a minority of the population. You need a sense of proportion here, and the older Swedes are still very skilled. This is a gradual process, but the trend is worrying.

The top technical universities in Sweden, like Chalmers and KTH, have done an interesting test. They have looked at the diagnostic results in math for new engineering students over the last twenty years and these have plunged by more than half! Professors who are aware of this are alarmed. The government and the population in general really don't know how to deal with it.

The biggest concern we have is skills. That is the main source of competitiveness for Swedish multinationals. You can't have low skill levels and compete against Chinese workers, or for that matter Americans.

ET: This is critical for a small country like Sweden, which relies so much on technology and innovation...

TS: We can afford really high taxes and so on because Sweden is a very productive and technologically advanced society that can compensate for it. It's not the best business environment but we have a highly educated workforce that can make up for the difference. Companies come here anyway because of our productivity, despite the higher costs.

It's devastating if we lose this advantage. For countries like Denmark and Germany this is equally dangerous.

ET: So why is all this happening? We have seen this dire situation unfold over many years, and yet the government seems intent in doubling down, bringing in even more immigration in recent years. The majority of the Swedish population even seems to be supportive of this policy.

TS: That's actually not true. We have a biased media here that likes to portray the

situation as you described, but we have serious scientific polls that clearly state that the majority or plurality of Swedes support reducing refugee immigration, even going back as far as the 1980s. There has always been more saying that Sweden should take in less refugees and this number has probably skyrocketed in recent months.

One recent poll I have seen, and it excludes the past months, shows very high opposition: only 8% said we are not taking enough immigrants, where 58% said we are taking too many. It's the elite opinion that forms the consensus that Sweden should take many more immigrants – it's almost like a religion, but it is not the popular view.

ET: But that consensus correlates with election voting right? There is only one party that is openly against immigration and they scored very low in the last election.

TS: Yes, it's because that party has its roots in racism and it was taboo to vote for them. Despite that they went from 3% around ten years ago to perhaps 20% now. What's also happening in the last few months is that the right wing moderate party, the Swedish "Tories" if you like, has shifted to the right on immigration very rapidly. You know in Sweden things shift very rapidly, it's a consensus society. Now they are saying close the borders, deport a large number of migrants, very vociferously. The Liberals and the Christian Democrats are following suit. And even the Social Democrats, the ruling party, closed the borders in the end.

In a very short period we went from one extreme to the other. The number of asylum seekers per week has come down by over 90% because they introduced border controls and ID requirements.

So the elite consensus was in favor of migration to the point of the media severely censoring critics, which created a lot of tension. However, people could see what was going on and the elite just couldn't lie about it anymore. And now the mood has changed completely.

This is because this issue is tearing the country apart. And it's just not me saying it, international newspapers are reporting on this as well.

ET: There's a sense of a paradise lost.

TS: Yes. The control of the elite over this issue broke down last winter. They dug in their heels and the Prime Minister even said that there was no upper limit to the number of people we would take in. At the same time popular opinion turned against them and parts of the system simply stopped functioning – housing for refugees, runaway deficits and so forth.

And then they backtracked. Sweden has abandoned its open door policy – officially and unofficially. What we have now is a state of shock and chaos and we don't know what to do. I actually think that the big inflow is over. Even the social democratic government is now saying that if immigration goes up again they will tighten the borders even more.

ET: But this is going in the opposite direction of what's happening in the rest of Europe. We know that there are millions of people on the march, perhaps double or even quadruple the number of migrants last year. If the Swedes are pushing back, this will put even more pressure on Germany.

TS: What you are saying is correct. This will be an interesting summer. It is very hard to predict what is going to happen, but if you ask me there was never an

externally driven migration crisis here in Sweden. All of it comes down to border controls and the political will to re-impose them. Once that political will is there it is very easy to regulate immigration, at least in a very isolated country like Sweden. So I think we are going to have another huge ideological battle in Europe. As you say we are going to have a huge influx this summer. We don't know if Greece and Turkey will close those borders. But if they don't and this happens again here it's an open question if the elite will win again or if the public and parts of the elite that have defected – in particular the Swedish traditional right – will prevail. You know the Social Democrats are now polling at the lowest level ever, going back to the start of polling in the 1960s, as a result of these policies. They are just bleeding public opinion support and the right is leading in the polls again. So the government might fall if they go back to last year's immigration policy because people are fed up with the situation. The sheer pressure of reality may break it.



ET: All that being said, even if they are able to control the borders you already have a large immigration population which is projected to steadily grow as a percentage of total, with all the gaps and demographic imbalances we talked about. So is Sweden close to the brink? TS: No, I don't think we

are close to the brink yet. Adam Smith, the famous economist, replied to a concerned British friend after the breakaway of the American colonies that there's a great deal of ruin in a nation. This means that well organized nations can quickly recover. You can do a lot of damage but you can recuperate.

Sweden's future is in the hands of the Swedes. Yes, there has been a huge mismanagement and we are going to have an ethnic class society to some extent. That's inevitable. I hope somebody solves it but it's extremely unlikely and to my knowledge when this poverty problem established itself no country has been able to eradicate it.

The question though is about degree. We're economists, we like to measure things. You know, we had 160,000 refugees, some will be sent back but on the other hand some will bring their families so net based on historical experience you are talking about maybe 160-170,000 in total once the dust settles. So that 160,000 is a big problem but it will not break the back of the country. But if you have this number each year then we will be in trouble. And in that sense it's the Swedes who will decide on this.

Given all the immigration we have taken in recent years there's a strong argument to have somewhat of a pause to absorb all the problems that have been created. In the long run if Sweden regulates immigration and returns to reality and sanity, then it will not become a failed state.

Anyhow, in the short run you will continue to see shocking headlines from Sweden. The recent inflow has overloaded the system to a point where we are experiencing a crime wave. And absurd things are happening, things nobody has almost seen before: mass assaults on women by large gangs of men, lots of fighting with knifes or scolding water, murders, acid thrown in faces of women, rapes, abuse of minors, rapes of young boys... Headline after headline of horrific stuff.

Swedes always like to say that "we don't want it like the United States"; I joked it's almost becoming too late for that, now the best Sweden can hope for is "we don't want it like the Game of Thrones". The inability of the European leadership to deal with the crisis is at once surreal and fascinating, almost like witnessing a Donald Duck version of the fall of the Roman Empire in real time.

ET: That's an insightful remark to end our conversation. Thank you so much for sharing your thoughts on such a sensitive yet critically important subject. Keep up the great work, all the best to you.

TS: Thank you.