



NAZIOARTEKO KONGRESUA
MERKATARITZA ETA ENPLEGUA, ETORKIZUNEN ERONKA

CONGRESO INTERNACIONAL
COMERCIO Y EMPLEO, UNA APUESTA DE FUTURO

Urriak 27 eta 28 ● 27 y 28 de Octubre

**The Swedish Model -
Reconciling welfare with
competitiveness?**



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Charlotte Nyberg

GDP per capita in OECD

1970	1980	2002
1 Switzerland	1 US	1 Luxembourg
2 US	2 Switzerland	2 US
3 Luxembourg	3 Canada	3 Norway
4 Sweden	4 Luxembourg	4 Ireland
5 Canada	5 Iceland	5 Canada
6 Denmark	6 France	6 Switzerland
7 France	7 Norway	7 Denmark
8 Australia	8 Sweden	8 Netherlands
9 Netherlands	9 Denmark	9 Austria
10 New Zealand	10 Belgium	10 Iceland
11 United Kingdom	11 Australia	11 Australia
12 Belgium	12 Netherlands	12 United Kingdom
13 Germany*	13 Austria	13 Belgium
14 Italy	14 Italy	14 France
15 Austria	15 Germany*	14 Sweden
16 Norway	16 Japan	16 Japan
17 Japan	17 United Kingdom	17 Finland
18 Finland	18 Finland	18 Germany*
19 Iceland	19 New Zealand	19 Italy
20 Spain	20 Spain	20 Spain

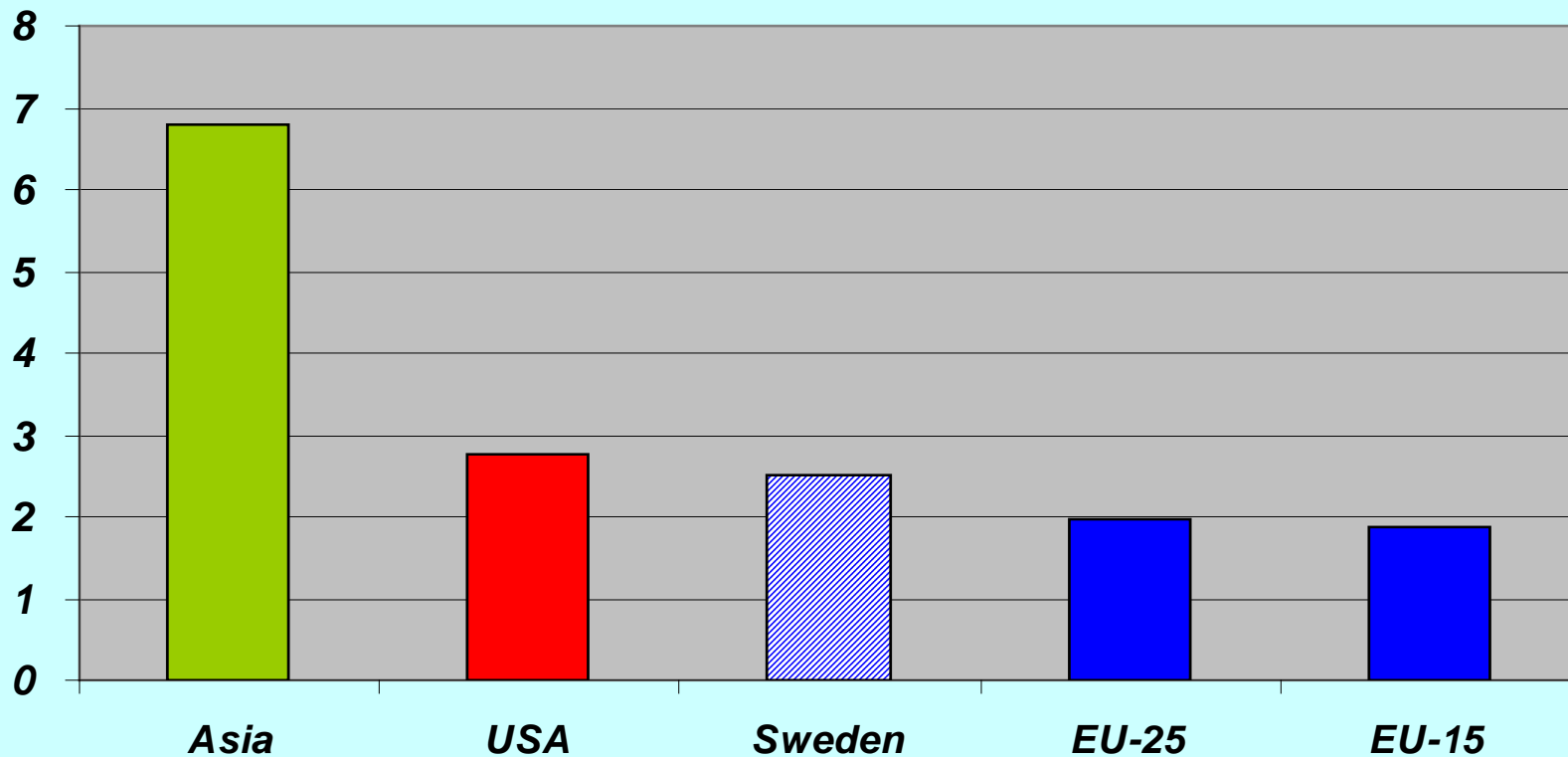


SWEDEN - strengths and weaknesses compared with other EU countries

- + *Strong R&D, technological renewal*
- + *High employment rate*
- + *High rate of women employed (70,5%)*
- + *Relatively high GDP*
- ? *High social protection expenditure (33,5%)*
- *Highest tax burden*
- *Low score entrepreneurial climate*
- *Low business investment level*
- *Rigid labour market rules*

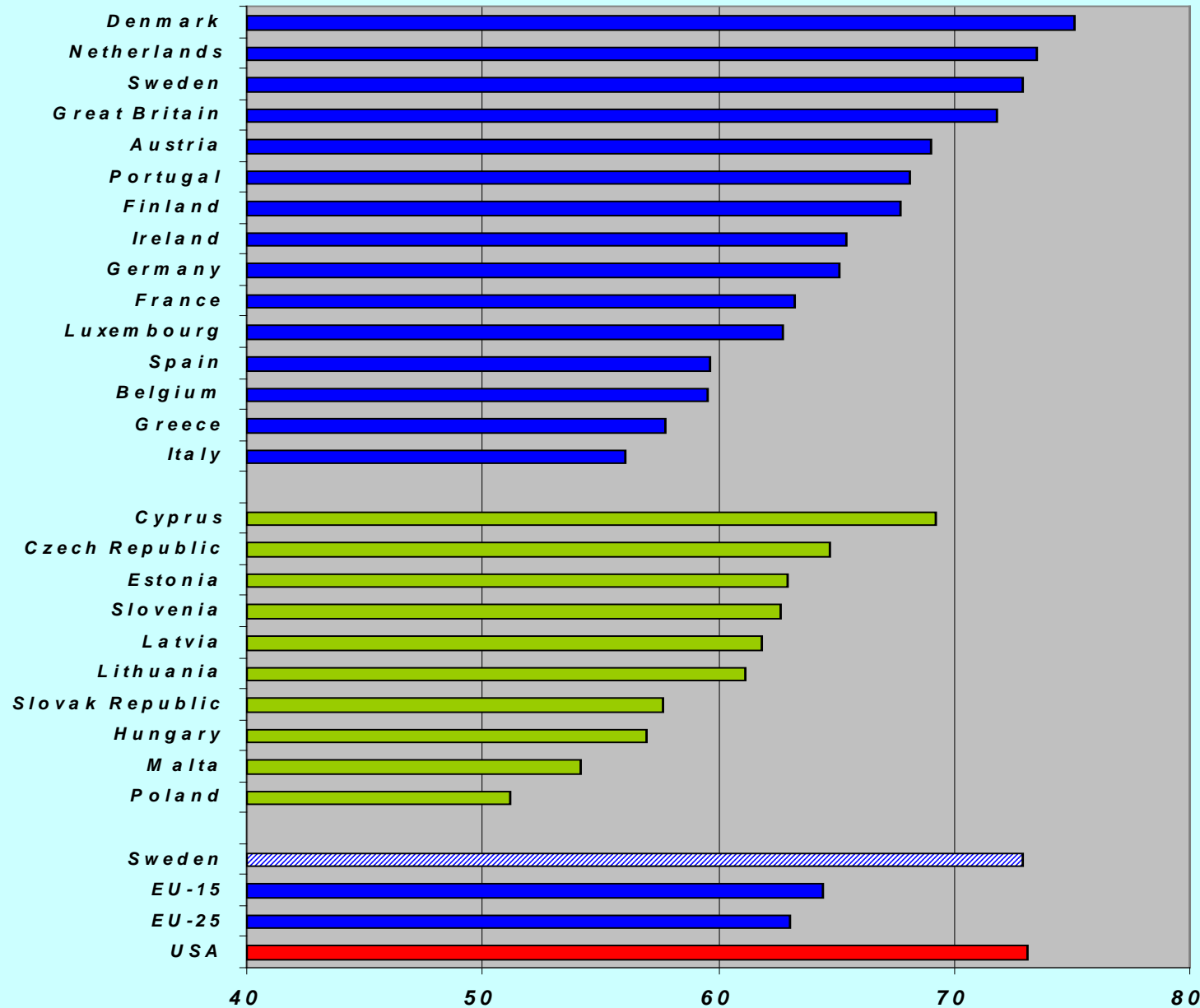


Average annual GDP-growth 2000-2004

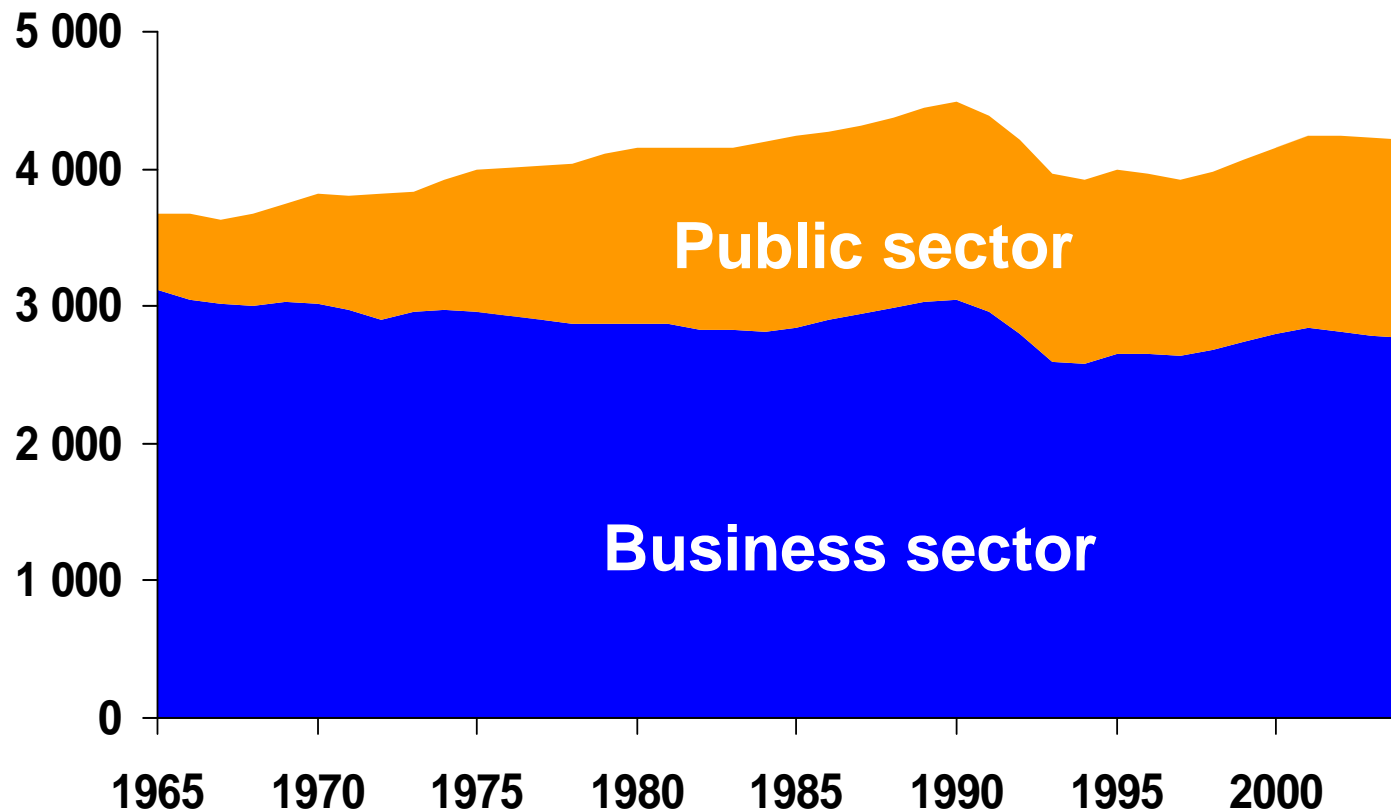


Employment rate, 2003

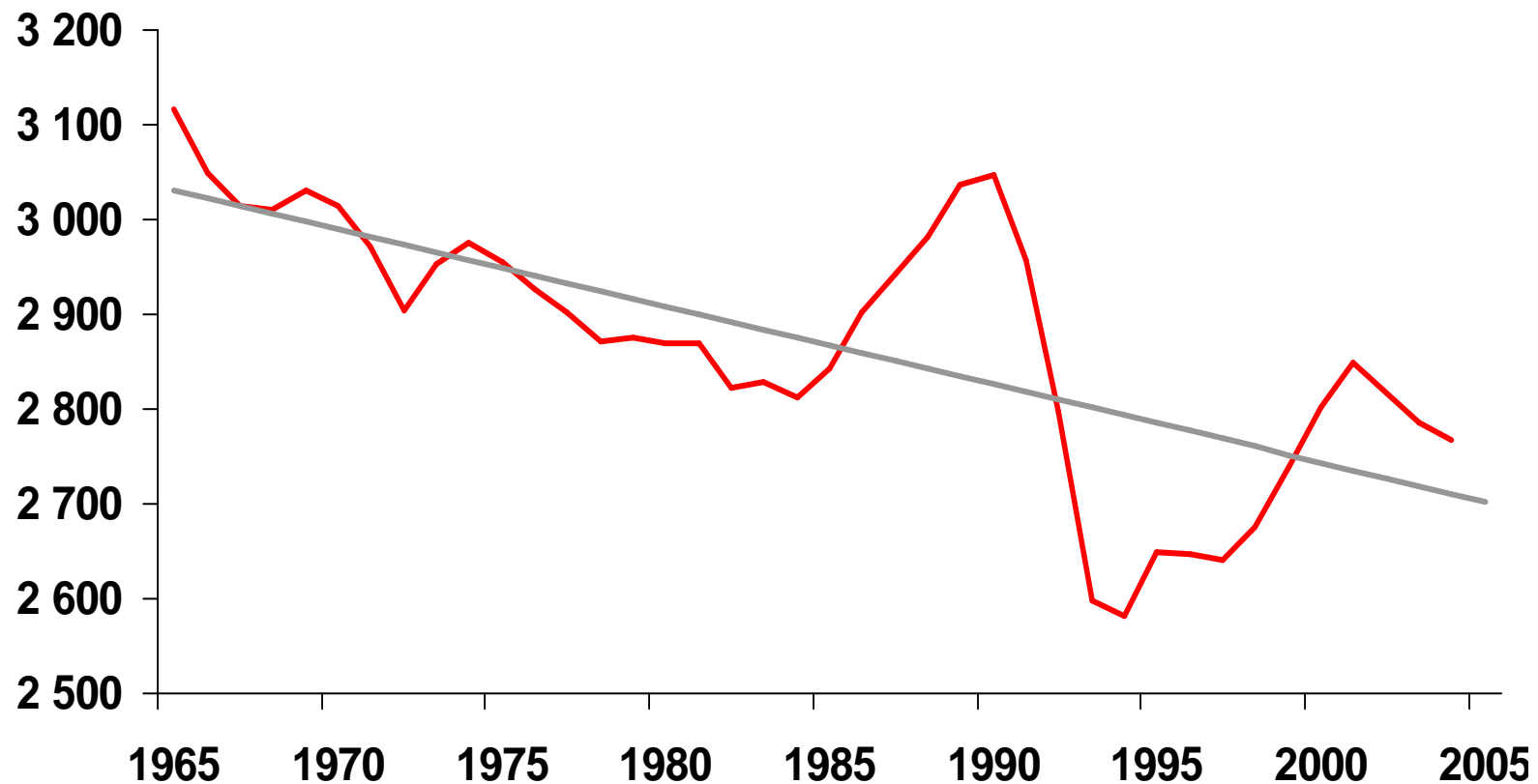
total population 15-64 years



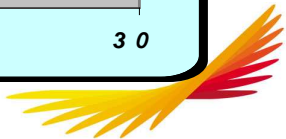
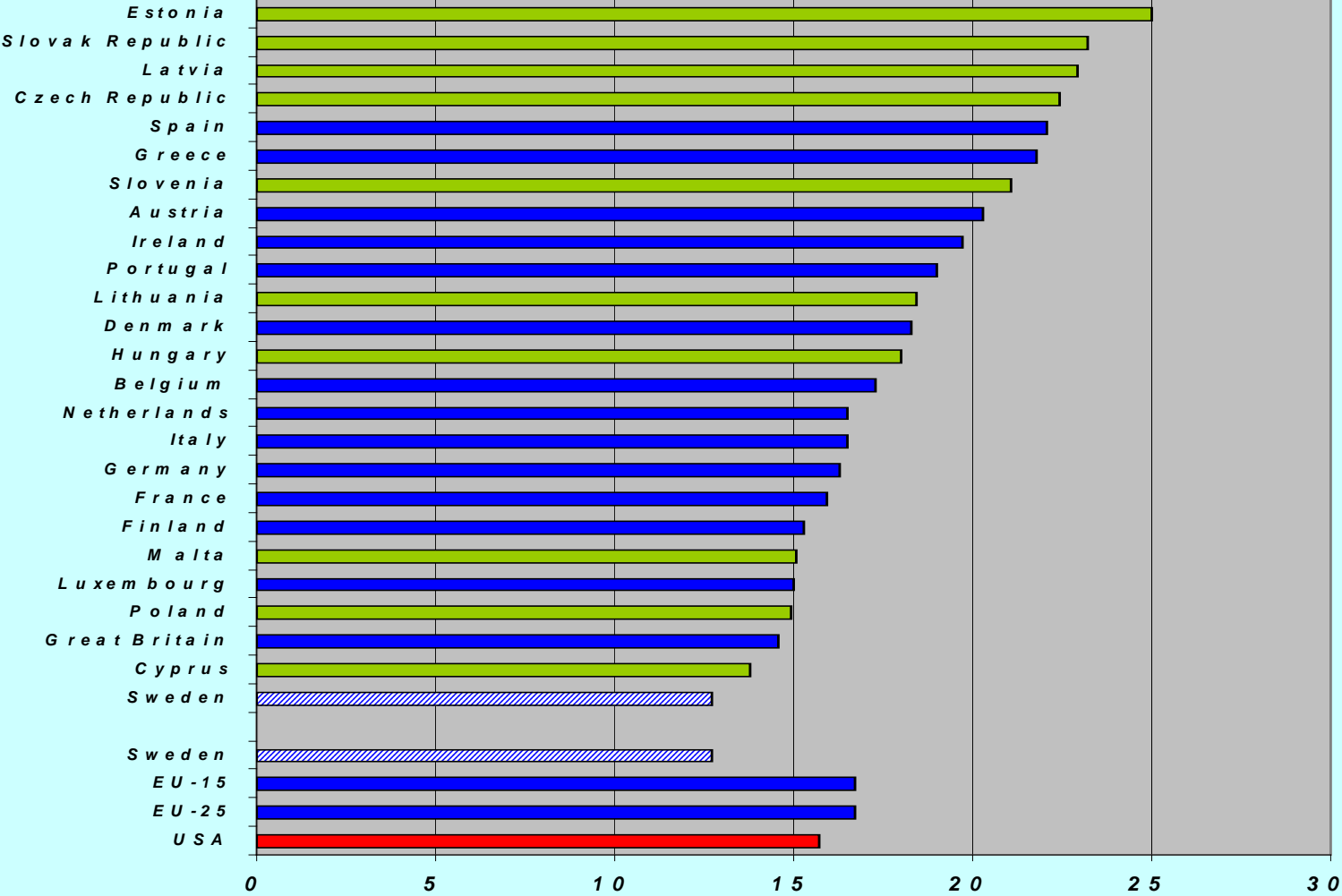
The public sector has been the engine behind employment



100.000 jobs disappear each decade in the business sector

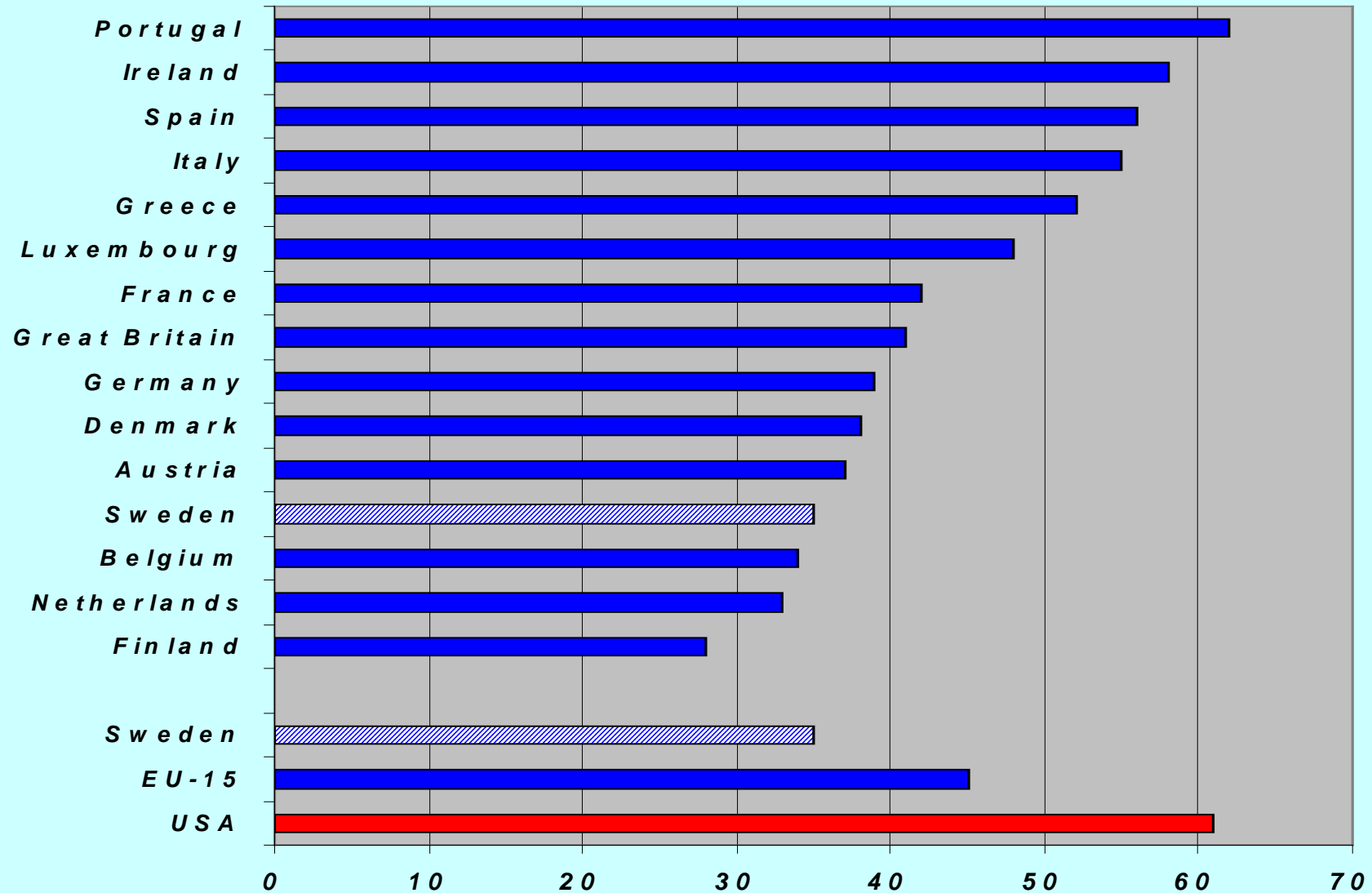


Business Investments as a percentage of GDP



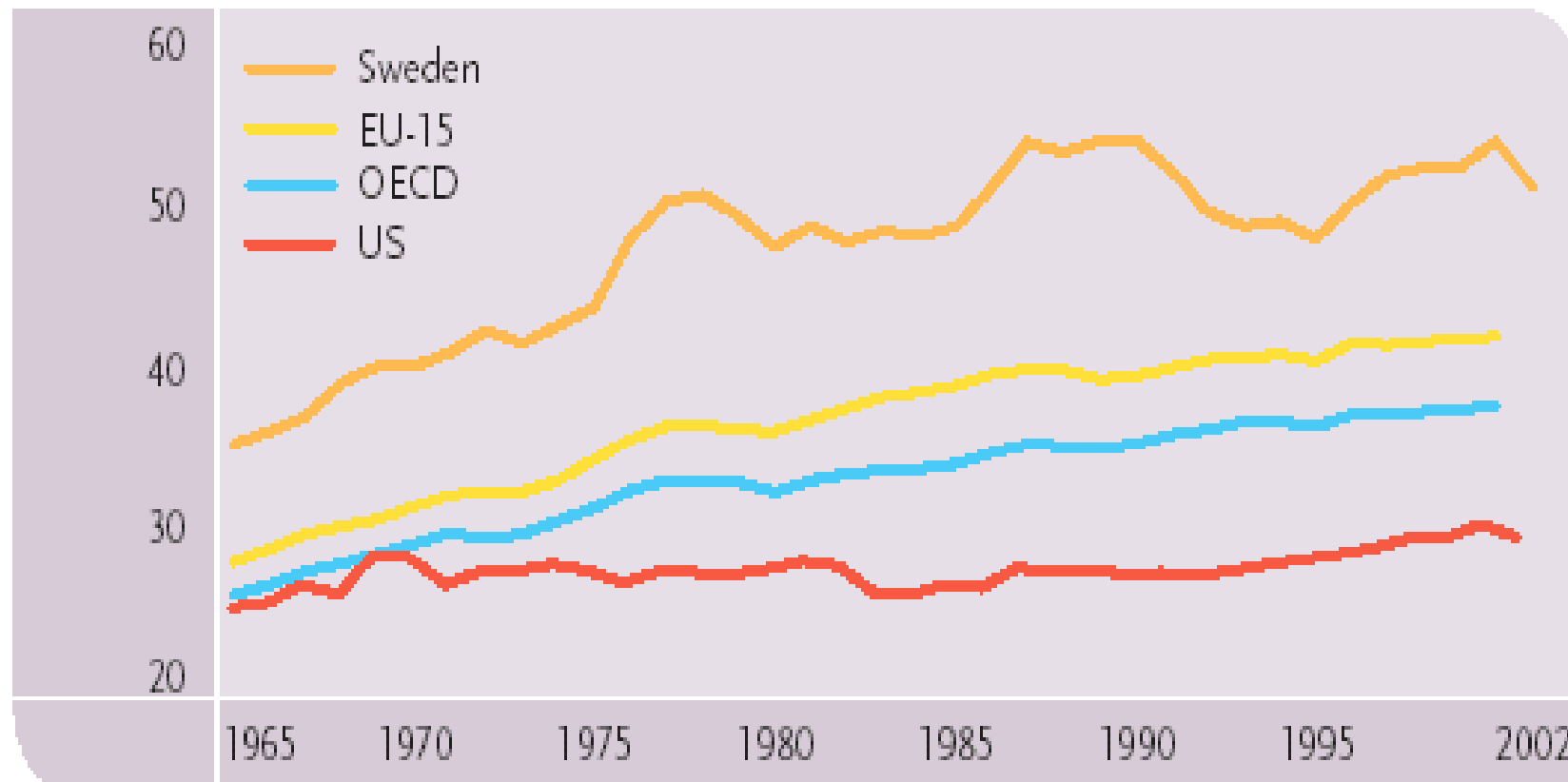
Attitude towards entrepreneurship

proportion of economically active age groups who prefer to be self-employed, 2004



The tax burden in Sweden, the EU-15, OECD and the US

Percentage of GDP



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Swedish welfare model

- 4 pillars

1. Active Labor market policy increasing employability

- Matchmaking unemployed with employees
- Improving unemployed labor skills
- Special support – handicapped, sick, long term unemployed



Swedish welfare model

- The 4 pillars

2. Unemployment insurance

- 80% of salary, 300 days

3. Sick-leave insurance

- 77,6% of salary

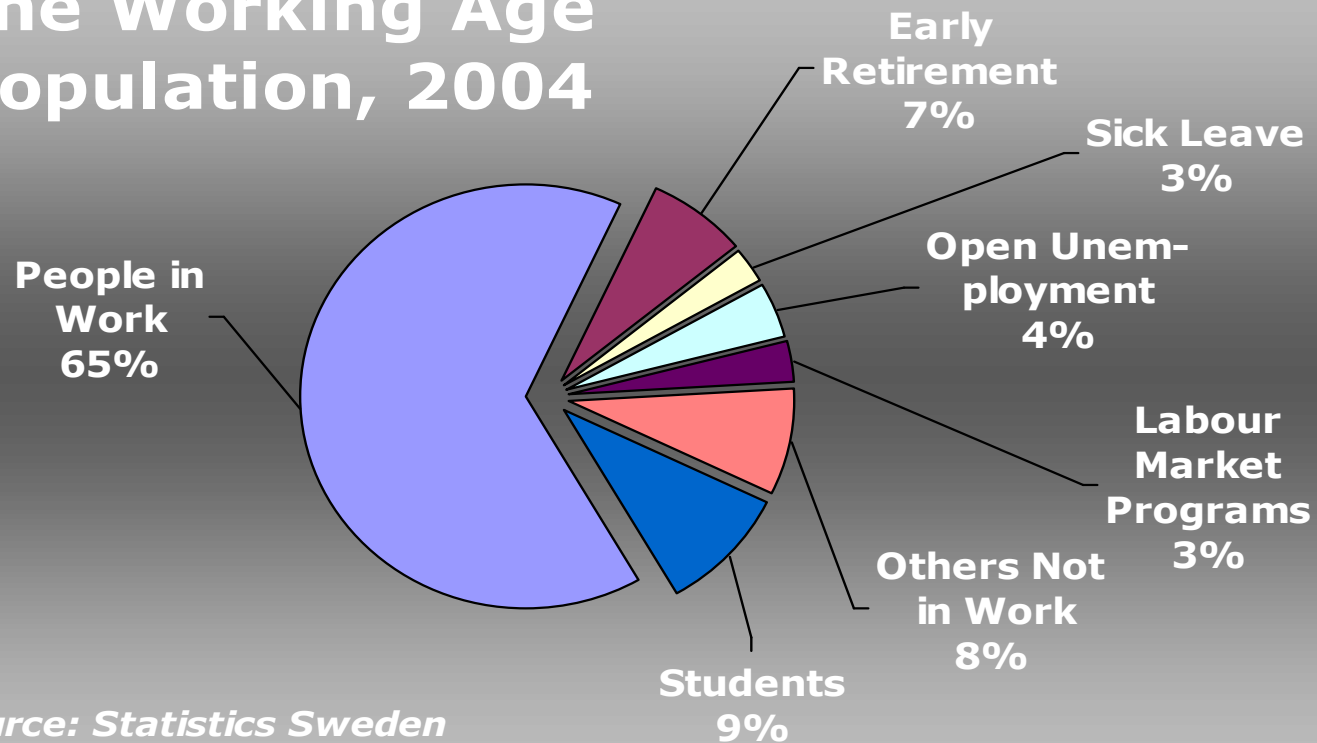
4. Active family policy – parental leave

- 80% of salary; 1 yr - new proposal 15 months, 1/3 each parent.
- Should/can one force fathers to take parental leave?
- Affordable and fulltime day care and school system



The working age population

The Working Age Population, 2004

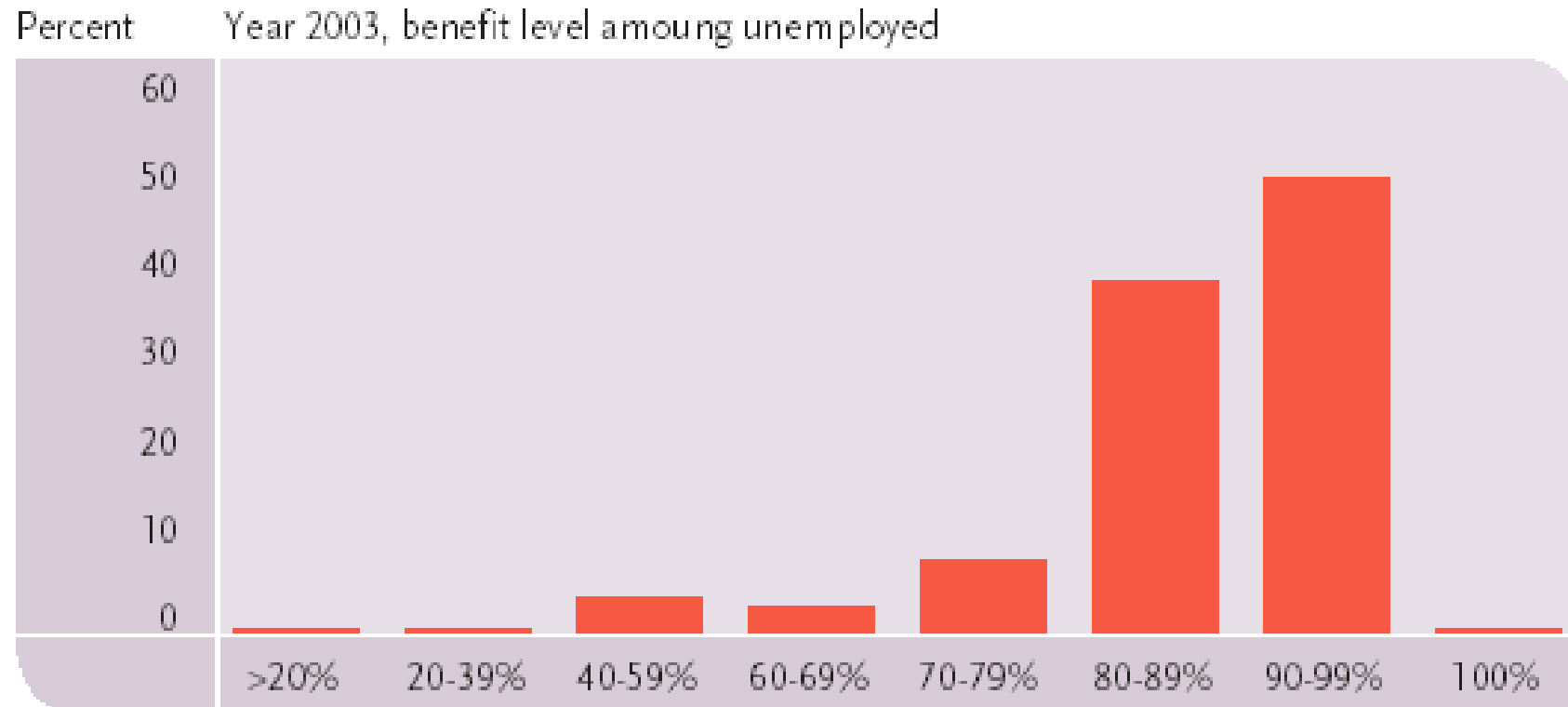


Source: Statistics Sweden



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Does work pay?



More than 70 percent of all people absent due to illness have a benefit level in excess of 90 percent.

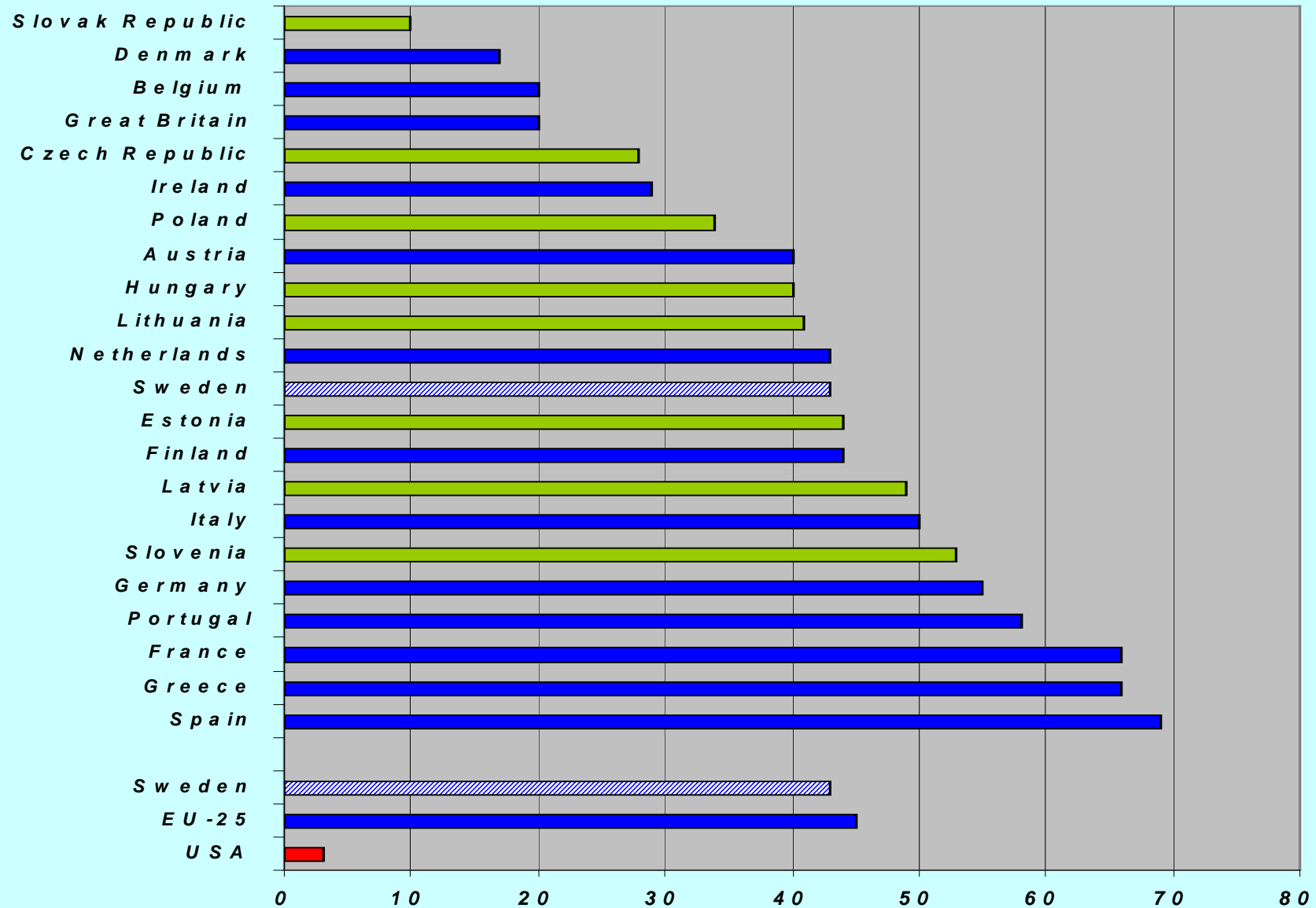
SOURCE: THE FINANCE DEPARTMENT




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Labour market regulation 2004

index 0 (totally deregulated) - 100 (extremely regulated)



Reconciling welfare with competitiveness - key areas to focus on

- **Create a more flexible and efficient labour market:** 
- **Increase job turnover and opportunity to find job; make employers more willing to employ; Improve efficiency & private subcontractors**
- **Good example: Danish Flexicurity model - flexible labour regulations (hire and fire) balanced with welfare support**



Reconciling welfare with competitiveness - key areas to focus on

Create a more efficient welfare support: 

Increasing employability through better balance between income from social benefits and work – need efficient incitements and lower benefits!

Reduce tax burden on labour (especially low wage), enterprise and wealth: 

Increasing investment, employers and new jobs!



RECONCILING WELFARE WITH COMPETITIVENESS

- Balance between welfare/
security, flexibility & efficiency
- Balance between financing the
welfare state & encouraging risk
taking & investment,





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