

Pär Nuder's speech at the Social Democratic Congress, 31st October 2005

The spoken word will apply.

Friends,

Let me be clear from the start.

I won't be surprised if the Labour Market Board later today will provide figures that confirm that the number of job vacancies is rising steeply. And what is worth noting is that this is happening now, two months ahead of the launching of the government's policy for more jobs.

It is then that the economy will be stimulated by more than one percent of the GNP. It is then that households will have increased purchasing power and the conditions for small businesses will be improved. It is then that universities will be provided with new resources. It is only then that municipalities and county councils will begin to employ the new 2000 "plus workers".

We already know that in the coming year Sweden will have a higher level of growth, lower inflation, stronger public finances, a higher level of employment and lower unemployment than the rest of Europe.

Why? Is it because of the low taxes? Is it because of the small public sector? Is it because it is easy to fire people? Or is it because the levels of compensation in the social insurance systems are low – to mention the latest in a long line of neo-liberal miracle solutions?

No, it has nothing to do with this, because Sweden has of course high taxes. A large public sector, a fair and just labour law. We have generous levels of compensation.

So what does it depend on? It is important to know, not least of all because we must be able to decide what it is we will reinforce in the future.

My answer is this:

First of all: Sweden is open to the world. We have a long tradition of defending free trade, of being active internationally. In a globalised economic environment this is a competitive advantage per se.

But it is not enough. We do not make the most of the globalisation we have in our midst.

If the level of employment among Swedes with an immigrant background were to be as high as it is among those of us born in Sweden, then there would be 115 000 more people in work. Remember now the rule of thumb: 40 000 more employed in the private sector = 1 percent higher GNP = 16 – 17 000 billion crowns more in strengthening public finances. This is where we find the means to finance the huge investments in elderly care that we intend to carry out over the next ten years.

Secondly: Swedes are well educated and highly skilled. From preschool, through primary school secondary – and tertiary education to research on the cutting edge, these are all areas

where we will invest billions of crowns that will make Sweden competitive in the knowledge economy.

But this is not enough: we cannot afford to have young people, especially not young men leaving school before they complete their education or without sufficient knowledge. This is a disaster – for the individuals and for Swedish competitiveness. The increased surplus over the coming years must be used in activities targeted at this vulnerable group – especially targeted to those who do not go directly from secondary to tertiary education.

Thirdly: Sweden has a strong social economy. We can change the system and adjust our taxes a bit here and a bit there. But this can never remove the basic need to create jobs and growth: a surplus instead of a deficit, low inflation and low interest rates.

But this is something we can never take for granted:

We must oppose all those who want to pull down and reshape the tax system and who want quite simply to have their taxes cut. Discussing a tax cut here, at tax cut there – this is precisely the debate those who do not support a generously tax-financed welfare system want. What we need instead is to get an overall grip on things and do as Ingvar Karlsson did 15 years ago; carry out a new comprehensive tax reform during the next period of government. And in that case the policy of redistribution must be up front.

Fourthly: Sweden is best in the world when it comes to equality between men and women and when it comes to family policy. Maternity care, child care, child allowance, preschool a ceiling on charges for child care and parental insurance: we live on another planet compared with other countries! This benefits not only children and parents. It promotes competitiveness. Equality between men and women builds up competitiveness.

But it is not enough to be best when it comes to equality between men and women. We must be better. What in particular must be improved are the working conditions for women.

If people in the future turn their backs on jobs in the public sector because they have no chance of developing as people – even in their places of work, then the quality of welfare services will decline. And then those who can afford to will buy quicker health care and more secure care services. And then we will have the boomerang of a tax revolt. During the next period of government we must climb much higher up the ladder of competence in health care and in social services.

Fifthly: Sweden has come a long way in adjusting to a sustainable society. This is a competitive advantage. New markets are opening up for companies that have understood that the market for green services and green products just grows and grows.

But what is best must never be the enemy of what is good.

Environment policy must in the future and to a greater extent than today, build on incentives and solutions based on cooperation. It must be gainful and attractive to both think and act in a green way. The export of environment technology which has a turnover of 25 billion crowns today must be promoted. The purchase of green cars in the state sector must increase to 35 %.

The sixth point: Sweden has a climate of cooperation – not least in the labour market. We have understood that Sweden is more competitive without major conflicts. There is a clear red line running from the Saltsjöbad agreement of the 1930s to the industry agreement of the 1990s.

But it is not enough to rest on the laurels of yesterday. Think about Vaxholm. And there is moreover the need to avoid future conflicts in those areas where the new jobs will appear.

The plumber, the hairdresser, the shop owner, the lorry driver and the tradesmen – their conditions are much more comparable with those of ordinary wage earners than they are with the directors of public companies. This a starting point for us when we formulate a progressive Social Democratic policy for the small businesses in the country, a policy based on cooperation – instead of conflict.

And the seventh point: Sweden and we Swedes are much more open to change than others are. Why has Sweden managed the process of structural change better than other countries? Why is the understanding of the need for rationalisation as deep as it is in our trade unions – even if it does mean the loss of jobs? The answer is simple: we have built up a system of security that creates bridges from the old world to the new. We call one rescue plank unemployment benefit. We call another active labour market policy. A third we call adult education and investment in raising educational skills.

But this is not enough.

We must increase people's trust and confidence in a system of social insurance. We must have generous levels of compensation. And for this reason we must see to it that unemployment benefit and sickness benefit really are insurances that help in a time of change over and not a permanent means of support. Once more: bridges from the old world to the new – not a life buoy to keep us afloat in the old world. Finding a way back to working life for those who are long time employed, long term sick, disabled and who have retired early because of illness but can still work – this is the main task facing social democrats.

What have we just talked about?

It is a new agenda for the next period of government that is now developing:

Be positive to openness to the world around us and reinforce integration.

Education for all in the different stages of life.

A strong public economy with a robust tax system.

Equality between men and women as a competitive advantage.

A green adjustment as leverage for growth.

Cooperation in the labour market. A strong confidence in welfare.

If we manage this then we will manage the question of jobs. If we manage the job question then we will manage to be both the most child friendly society in the world and in the future the best country in the world to get old in.

Classical social democratic economic policy.

One more thing: before I finish I would like to say something about what should be a distinguishing mark of Social Democracy:

Let me give you two pictures.

I have been at the maternity unit three times. The first time was forty three years ago. The second time was twelve years ago and the third time was nine years ago.

What struck me was this: how alike they are, these small babies. They are small, vulnerable and very alike. Of course the colour of the hair can vary and their weight but all the same: so very alike. So small, vulnerable and very alike.

The other picture is from elderly care. I went to visit my maternal grandmother in Åkersberga.

What struck me was how alike they are, these old people. So small, vulnerable and very alike. So very alike at the start of life and so very alike at the end of life. But so very different in between.

But does reality need to be like that?

We Social Democrats must fight against differences. The biggest difference is between those who have and those who do not have a job. Our most important task is to combat unemployment.

Full employment – precisely what we are into just now and what we are about to discuss – that is the task that overshadows all others.