

# Swedish Social Democrats hold on to government

**Steve James****18 September 2002**

The Social Democratic Party (SAP) has won the Swedish general election and will lead a new government, possibly in coalition with the Left Party and Green Party. With all but postal votes counted, the SAP won 40.2 percent of the vote, the Left Party 8.4 percent, and the Greens 4.6 percent, giving a total of 53.8 percent for the governing alliance against 43.5 percent for its conservative Moderate-led opponents. The SAP will either form a government on its own, with Left and Green support in the Riksdag, or it may offer them ministerial positions.

The SAP improved its position from 1998, at the expense of the Left Party, whose vote fell from an historic high point of 12.8 percent in 1998. The Greens maintained their vote. Turn out, however, was under 80 percent, lower than in any election for decades.

Other major victors are the right wing Liberal Party, whose election campaign called for the use of cheap immigrant labour backed up by restrictions on granting immigrants citizenship rights, making citizenship dependent on learning the Swedish language. The Liberals trebled their vote from 4.7 percent to 13.2 percent, principally at the expense of the Moderates. The Liberals were endorsed, to their dismay, by the far-right Sweden Democrats, immediately prior to the vote. The Sweden Democrats themselves fell short of the 4 percent required for Riksdag representation.

The result contrasts with Sweden's last general election in 1998, when the SAP suffered their worst election result since the 1920s. Then it polled 36.4 percent, down from 45.3 percent in 1994, when the SAP had replaced the Moderate government of Carl Bildt.

The temporary boom of the late 1990s gave the SAP and their allies' room to sustain strict budget targets whilst marginally increasing social spending.

Nonetheless, a report by the Welfare Commission entitled *Welfare in Sweden: The Balance Sheet of the 1990s*, is a damning indictment of the SAP's record.

It notes that over the last decade, "The most noticeable change was the increase in the proportion of the population that encountered various kinds of disadvantage and ill-health... Negative psychosocial working conditions and short-term employment became more common. Progressively larger groups suffered financial difficulties and low incomes. In the health field, we find a significant decline in specific areas, especially as regards mental well-being. In the area of chronic disadvantage, the number of long term social assistance recipients increased significantly."

The report points out that after the crisis of the early 90s, when 40 percent of the working population experienced unemployment between 1991 and 1993, real wages improved over the decade as a whole. However, public service workers have seen their wage levels fall continually and some 60,000 public service workers jobs were lost, replaced by private contractors. Overall, the general trend was towards greater poverty amongst the most vulnerable.

The relative position of single parents and immigrants declined, while mental health problems affected increasing numbers of young people. Immigrant areas became more segregated. Higher fees were introduced for child and elderly care, health and dental care. One sixth of elderly people who need home support do not apply for it on grounds of cost. The government spent 12 percent less on teachers, as fewer and less qualified teachers were employed to teach more children. Since 1997, social security has not been linked to inflation, and housing support has been removed from people over 28 years of age without a family to support.

From the early 90s, Sweden was hit by a currency

crisis and simultaneous recession. Under the impact of rocketing unemployment, the state budget surplus of 19 billion Swedish kronor (\$2.02 billion) in 1990 was transformed into a deficit of 210 billion kronor (\$22.3 billion) in 1993.

In 1991, during the currency crisis, the SAP relinquished power, handing government over to the conservative Moderates under Carl Bildt. Bildt launched a privatisation and deregulation programme “A New Start for Sweden”, but rapidly came to rely on the SAP to implement the policy through a series of Crisis Packages. The Moderates and the SAP cut state spending, increased the working year, and cut employer’s contributions to social support. The kronor was eventually floated.

In 1994 the Moderates were thrown out, but the SAP continued Moderate policy with a Consolidation Programme to rebuild state finance by further increasing worker’s contributions, cutting the budget deficit and pushing towards the convergence criteria for joining the European single currency. Sweden joined the European Union in 1995. Between 1994 and 1998, the SAP continued austerity policies that, by 2002, saw Sweden hailed by global investment agencies as having implemented the largest cuts in social spending of any advanced country.

In the 1998 elections, while the SAP lost votes, the principal winners were the Left Party, whose vote increased to 12 percent, giving it 43 seats, up from 22 in 1994.

The Left Party is the former Social Democratic Left Party of Sweden. Formed in 1917, the SDLP joined the Communist International in 1919, changing its name to the Communist Party.

Its perspective became international support for the policies of the Stalinist bureaucracy in the Soviet Union and domestic support for the Social Democrats, whom it sustained in minority governments on several occasions.

In 1990, following the collapse of the Berlin Wall, the party changed its name to the Left Party, promoting a “feminist” image and advocating more social welfare within Sweden. Its leader is a former social worker Gudrun Schyman, who denied ever having been a communist when she took over leadership in 1994.

Immediately after 1998 election, and without a parliamentary majority in the Riksdag, the SAP opened

discussions with the Left Party and the Greens to prop up its new administration. The Lefts had already proclaimed their support for “tough” welfare cuts pushed through by the SAP since 1994, and had implemented their own cuts in their period in office in Stockholm and in other local authorities. Left Party proposals to tax share trading were quickly dropped after protests from the powerful Wallenberg family, who dominate much of Swedish industry. After 15 days, an agreement was reached through which the Lefts and the Greens were excluded from ministerial office, but would keep the government in power. By 1999 the budget deficit had been turned into a 60 billion kronor (\$6.38 billion) surplus.

The clearest distinction between the main parties in the election was over foreign policy. The Left Party and the Greens have offered some resistance to the SAP’s moves towards abandoning Sweden’s historic policy of neutrality, and are for keeping EU member Sweden out of the euro and NATO. The Moderate party, however, has backed the SAP’s policy of seeking out strategic military alliances and has called for a rapid adoption of the euro and for ad hoc alliances to be built within Europe, particularly with Germany.



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