

Inequality in Sweden reaches highest level in decades

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New data from the Swedish government's statistics agency—Statistics Sweden—shows that income inequality in the country is now higher than at any other point in time since the agency began collecting this information in 1975.

Sweden's Gini-coefficient in 2020 was 0.31. Then in 2021—the most recent year the agency has released data for—it rose to 0.34. The Gini-coefficient is a measure used to calculate inequality. Its scale ranges from 0, complete equality, to 1, complete inequality. For comparison, Sweden's Gini-coefficient was just 0.2 in the late 1970s.

The significant year-on-year increase in 2021 was the result of a surge of profits for the Swedish ruling class and upper-middle class, which was directly tied to the Swedish ruling elite's spearheading of the criminal “herd immunity” response to the COVID-19 pandemic.

In 2021, as the pandemic raged around Europe and the United States, major central banks pursued a combination of ultra-low interest rates and cash injections into financial markets. This policy of easy money inflated stock portfolios, greatly benefiting the wealthy and super-rich.

While this was a global trend, in Sweden it was particularly pronounced. The top ten percent of Swedish society increased their income by more than 16 percent in 2021, largely due to selling stock market shares and other equity.

While the Swedish Social Democratic government promoted the uncontrolled spread of COVID-19, the Swedish central bank—the Riksbank—funneled 700 billion kronor (about €63 billion) into the financial markets by means of asset purchases. The Social Democratic government, ruling with the support of the Greens and Left Party, defended both measures—the cash injections and the policy of “herd immunity”—as

necessary to protect the economy.

The gains of those at the top of Swedish society during the pandemic stand in stark contrast to the devastating impact of COVID on poorer sections of the population.

Sweden had—relative to its Nordic neighbors—one of the highest death rates due to COVID-19. The government has effectively stopped tracking the pandemic in any meaningful way, as part of global efforts to pretend it is over.

Meanwhile, the increasing cost of living weighs heavily on the population. In December of last year, the inflation rate in Sweden stood at 12.3 percent, year on year. Food and energy price increases have hit workers particularly hard. For example, in 2022, the cost of butter increased by about 25 percent, and that of meat by 24 percent.

The pandemic accelerated a steady growth in social inequality that has been under way in Sweden over the past four decades. As early as 2011, the Organisation for Economic Cooperation and Development noted that Sweden had experienced the fastest growth in income inequality in the OECD since the mid 1980s.

The working class in Sweden, as in many other relatively wealthy, small northern European countries, achieved significant concessions from the ruling class in the post-war period. Sweden's comprehensive social welfare programmes, referred to as the “folkhemet” or “people's home,” were bound up with the restabilisation of capitalism under the auspices of US imperialism, which created temporary conditions for the implementation of reforms within the framework of the nation state.

However, for decades Sweden's public services and social programmes have been under relentless attack by successive social democratic and conservative

governments. Following the Nordic banking crisis of the early 1990s, a right-wing Moderate Party-led coalition under Karl Bildt and a Social Democrat-Green coalition between 1994 and 2006 enforced major attacks on pension rights and the privatisation of public services.

The right-wing parties returned to power in 2006, unleashing the largest wave of privatisations in the country's history and undermining unemployment insurance. When the Social Democrats returned to power in 2014, they entered an agreement with the right-wing parties to implement their budgetary framework for public spending austerity in exchange for a commitment from the right not to bring down the Social Democrat-Green minority coalition government.

In 2022, *the Guardian* estimated that about 14 percent of the country's 10.5 million inhabitants live below the official poverty line—measured as 40 percent of the median income. A 2018 estimate from the European Anti-Poverty Network placed the real poverty rate, what they call the “social exclusion” level, at 18.3 percent. However, when looking just at those who live in Sweden but were born in another country, this rose to nearly 40 percent—reflecting the large number of immigrants and refugees who live in poverty, especially in Sweden's large cities.

Last year, the head of Oxfam in Sweden, Suzanne Standfast, said, “Sweden is one of the OECD countries whose economic inequalities have increased the most in recent decades.”

She explained that while Sweden had a high tax burden, “assets are taxed considerably lower in Sweden than in most other countries. This means that people with a low income sometimes pay a higher percentage of tax than people with greater assets.”

Standfast also noted that in 2019, the Social Democratic government, under the so-called January Agreement, abolished the *värns katt*—a tax on high income earners.

The growth of income inequality in Sweden, and the declining conditions of its working class, will only be exacerbated as the Swedish government, with the full support of the Social Democratic opposition, takes measures to dramatically increase military spending. Sweden plans to increase its military budget by 64 percent between 2022 and 2028 as part of plans to join NATO and support the US-NATO war on Russia in

Ukraine.

The country's new right-wing government, which relies on the far-right Sweden Democrats for a parliamentary majority, has significantly increased military aid to Ukraine. In January, Sweden announced it would send its high-tech Archer artillery system to Ukraine—one of the most advanced mobile artillery weapon systems. This was part of a larger package, valued in the hundreds of millions of dollars, of anti-tank missiles and armored vehicles.

The Swedish government has so far passed 10 military support packages for Ukraine. On the first anniversary of Russia's invasion of Ukraine, which was provoked by the Western powers, Swedish Defence Minister Pål Jonson announced that Stockholm will send up to 10 Leopard II tanks as part of its 11th military aid package. Sweden is also cooperating closely with Germany to supply components for the IRIS-T anti-aircraft system.



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