

Key.

SS30-2

18

SOCIALISM: THE SWEDISH FORMULA

Please read the article on The Swedish Formula to help you answer the questions below.

1. Explain each of the three main features of the Swedish system.
 - ownership of industry has remained primarily in private hands
 - extensive cradle to grave system
 - cooperation between govt, business & labour.
2. How does the Canadian mixed economy differ from Sweden's?
not as far left → students will need to answer this based on own experiences.

①

Now read Undoing Utopia

1. What was the nickname of the Swedish safety net? Explain why it is called that. Cradle to grave because people's needs are looked after extensively from birth to death.

②

2. Canadians complain about high taxation. What percent of income tax do the Swedes pay? Why?

100% in order to support extensive welfare system.

②

3. How was the Swedish model developed? What are its strengths and weaknesses?

Swedish model was developed as an agreement between govt, labour & business. Unions they agreed to no strikes in return for high wages & social benefits.

③ - that answer & at least 1 strength & 1 weakness.

(answer over)

4. What are the three main reasons given for the Swedish model starting to fail? Explain each.

- (A) Heavy industry was primary industry in Sweden and it declined in world importance in the 1980's.
- (B) Increase in competition as free trade increased.
- (C) worldwide recession.

5. What change did Bildt introduce to deal with the problem?

- cuts in Sweden's social programs such as dropping 2 vacation days, raising the retirement age from 65 to 66, etc.

6. What problems still exist in Sweden today?

- commercial real estate prices down
- 2 of 5 banks on "gov't life support"
- unemployment up.
- inflation