

The Janus face of The Swedish Model

by Tore Fredin

National elections on Sept. 17 installed a new government in Sweden. Called the Alliance, it is a victorious four-party coalition led by the Conservative Party (known as the Moderates). The leader of the new government is a fairly new and young conservative, Fredrik Reinfeldt, who, in the two years leading up to the election, changed the party line, from a policy of tax-cutting and austerity, to a policy of defending the welfare state. In doing that, he used the British Labour leader Tony Blair's method of going to the middle. Reinfeldt marketed it as the "New Moderates," copying Blair's "New Labour," and his success has made the new, slick British Tory party leader, David Cameron, look into the New Moderates.

The four-party coalition also includes the Center Party (the former Farmers Party now turned neo-liberal), the Folk Party (old liberals), and the Christian Democratic Party. Together, this Alliance explicitly defended the Swedish Model of the welfare state. It won the election by consistently taking up the unemployment issue: that about 25% of Sweden's labor force is out of the labor market. In every debate, the Alliance stressed that human dignity is best maintained if a person has a job, and is not an outcast.

The Alliance pointed out the Social Democratic failure in this respect, and its immorality of hiding real unemployment by artificially manipulating the figures. An important factor in the Alliance victory is also that voters were fed up with the arrogance of the Social Democrats, who have ruled for the last 12 years, and for nearly seven decades since 1932.

Social Democrats in Disarray

As for the power-addicted Social Democratic Party (SAP), the loss has already resulted in mental disarray and an announcement of the coming resignation of party chairman Goeran Persson. To its dismay, the party lost power to an opposition which pledged to better defend the Social Democrats' own policy and maintain the Swedish Model.

The fact that the SAP has been cut down to size, may spell the end of Sweden as a one-party state, but the Swedish Model, with its sophisticated social control, will still be around. There is no real change, with one exception: Unemployment benefits will be reduced and the government has

already introduced an austerity policy similar to Germany's Hartz 4 (dollar-a-day mandatory work program) in Germany.

The government economic policy has so far shown no indication of a real industrial program or of badly needed infrastructural investment. There are no signs of a turnaround of the insanity in the current policy that has closed down 2 of Sweden's 12 nuclear reactors. Nuclear power is a prerequisite for bringing down the disastrously high energy prices, and particularly for the reindustrialization Sweden needs, after almost 30 years of the so-called post-industrial society.

Although the Alliance talked about job creation during the election, that was mainly for the service sector. Reinfeldt even pledged to defend Volvo, the major Swedish truck-producing company, from an attack of the "locusts"—the predatory hedge funds. This is a decisive point for the new government. If a leading company like Volvo is allowed to be looted, it will be very difficult to defend any other company from the locusts. But there is no sign of any government resistance to the destruction of industry. Instead, the government's budget has launched a program for selling off state-owned companies. The locusts are hungry to take them over, but the fight is on to use them for a state-directed reindustrialization policy.

Bringing Back 'Baron' Bildt

Prime Minister Reinfeldt's nomination of his rival, the former party leader, Baron Carl Bildt, to be the new Minister of Foreign Affairs, raised some eyebrows. Baron Bildt, who has said he will have a more pro-European outlook, is a geopolitician. He is plugged in to leading international think-tanks and the elite Bilderberg Society. An admirer of the modern Metternich, former U.S. Secretary of State Henry Kissinger, Bildt has been sent around the world on assignments, serving as European Union special representative to the former Yugoslavia in 1995, and co-chairman of the disastrous Dayton Peace Talks; the first High Representative of the international community in Bosnia in 1996-97; and, from 1999 to 2001, in the Balkans as the Special Envoy of the UN Secretary General.

Most telling, since his term as Swedish Prime Minister during 1991-94, Bildt has maintained his connections to the neo-conservative establishment in Washington. He is a close friend of Karl Rove, and enjoys an open door to the present White House. His first overseas assignment as Foreign Affairs Minister was to meet with Vice President Cheney and U.S. Secretary of State Condoleezza Rice.

Bildt's re-entrance into power, therefore, directly challenges Reinfeldt's leadership of the so-called "New" Moderates. It means that the neo-liberals are back on the scene, which will make it difficult for the young and relatively inexperienced Reinfeldt.

As the saying goes in Sweden, "With Reinfeldt in the harness, the nobility is back in the saddle."