

Your Majesties, Your Royal Highnesses, Mr Speaker,
Honourable Members of the Riksdag,

The story of Sweden varies. It varies from person to person. It varies in the city and the country. It varies depending on where we are in life, what our family situation is and what sort of work we do. The story is different for the man in elderly housing in Jönköping, for the young woman working as a welder in Kiruna, for school pupils in Landskrona or business operators in Skara.

If one part of politics is about seeing and hearing the varying stories of people in our time, the other part is about giving answers. Answers to the question of how our Sweden can be better. Answers to the question of how to solve the problems people experience.

This in turn requires an ability to put politics in a context. A context that is about seeking people's confidence with a vision. A vision about what we want to do, how we want to do it and who we do it with.

The Swedish people has entrusted the Moderate Party, the Centre Party, the Liberal Party and the Swedish Christian Democrats with the responsibility of government. We are trying to discharge this trust well. We are doing so by starting from the individual and basing our efforts on values. Acting in a spirit of humility towards the trust laid upon us.

Our vision for Sweden is for more people in our country to feel that there is a place here for them. That in this country, each person's potential is taken care of and used. That in this country, everyone is given the opportunity to develop on the basis of their own abilities and conditions.

We believe in people's innate power and desire to take responsibility. We want more people to be able to stand on their own two feet and take pleasure in supporting themselves by their own work. To feel that they can do something useful and be paid for their efforts.

We want our children to be enriched with knowledge, to be treated well and to develop into responsible young people in our Swedish schools. We want our elderly people to feel confidence in the care they receive and we want health services to work well. We want to put a justice system in place that is able to stand up to violence, crime and drugs.

In its statement of government policy two years ago, the Government presented the direction of its policies and what it saw as its tasks for the whole of the electoral period. What we said then still applies.

The most important promise that Alliance for Sweden made to the voters in the 2006 election was that we would re-establish the work-first principle and combat exclusion. We won the support of the Swedish people to make it more worthwhile to work, to encourage more employers to take on new employees, and to induce more companies to start up, stay and grow in Sweden. By doing this we wanted to make it possible to give more people a chance to work and earn their own pay, but also to improve the Swedish welfare system.

We will never accept a situation in which people are excluded from the working community, without a chance to participate and take responsibility. Few divisions are as deep as the division between a person with a job and a person left without. Only when people feel that they can do something for themselves and

other people can we achieve an inclusive society – a society characterised by security, community, tolerance and openness.

It is a question of identity and belonging. Of the need for strong communities in the form of families and friends, but also in working life. People's ability to grow is a matter both of increased power over their own life and feeling they have the strength to care about others. A person who feels unnoticed will also feel unable to contribute.

For a long time, exclusion was allowed to grow in Sweden. People were shuffled round between measures and benefit systems without support or incentives to obtain work. This development divided Sweden. It undermined people's self-confidence and their faith in the future.

Step by step we are now restoring the value of work for Sweden's teachers, metalworkers, nurses and everyone else who works. Step by step our reforms are making it possible for more people to move from exclusion to work of their own.

Two years have passed. We can note, with satisfaction, that in several respects the trend has been reversed in the fight against exclusion. The number of people who are unemployed, on sick leave or in labour market measures has fallen substantially. A record number of people have been given the opportunity of a job. In parts of the country that previously mainly saw closures, jobs have returned. To this we can add that in 2007 we saw a break in the prolonged increase in the number of people receiving sickness and activity compensation – for the first time in three decades.

Work makes Sweden stronger. The work each individual contributes enables us to invest in making welfare more secure.

Every hour worked gives each individual pay in return for their efforts, but it also gives resources for learning in school, care in health services and better preschools. Every hour worked means better pensions for Sweden's pensioners.

These things are interconnected. Work and welfare. Work yields tax revenues. Tax revenues are needed to make welfare more secure. We have started the process of re-establishing the work-first principle. Now we will continue to move forward.

Good economic development is the foundation. It creates better opportunities for individuals and families to control their own everyday lives. Good order in the public finances therefore remains a cornerstone of government policy. By pursuing responsible policies we are building a stable foundation for the future.

Sweden is a small, open economy that is highly dependent on trade and therefore quickly feels the impact of developments in the world around us. The present time, when large parts of the world are struggling with growing economic problems, is a case in point.

The dark clouds hanging over the world economy have become more threatening during the summer as a result of increasing unrest in the international financial markets. At the same time inflation has risen, mainly because of sharp rises in global food and energy prices.

In Sweden we have learned the importance of clear targets and rules for financial and budgetary policy. The disciplined budget process, the public finances surplus target, the expenditure

ceiling and the balanced budget requirement for local government generate credibility for Swedish economic policy. This is a framework to which we attach great value.

A responsible economic policy and strong public finances give us strength to meet the global economic unrest. Together with policies to put more people to work and promote increased entrepreneurship, this makes us less vulnerable in the current economic slowdown. When the wind gets up in the world around us, Sweden can withstand the gusts better than in the past.

Sweden has public sector surpluses that match the deficits in countries around us. The target of a one per cent surplus will be surpassed in the coming years. The national debt is being paid off at a rapid pace. We are no longer shifting the Swedish debt burden onto our children and grandchildren; instead, we are making sure that we pay our own way. At the same time we stand well-equipped to strengthen our policies for jobs and growth.

Strong public finances provide the foundation for this. In view also of ambitious targets for jobs and the need to meet the economic slowdown, this autumn the Government is therefore proposing three reform packages:

A reform package for jobs and entrepreneurship.

A reform package to equip Sweden for the future.

A reform package to strengthen welfare.

In the Government's jobs package we are continuing to upgrade the value of work and make it more attractive to run a business.

It must be worthwhile to work. It is important that those who are working feel that the job gives them a tangible return. To strengthen the work-first principle and combat exclusion the Government will propose a third step in the in-work tax credit and a reduced tax take from state income tax.

From 1 January next year there will be further tax cuts for everyone in work. They will be greatest for those who earn least. The total scope of the proposal is SEK 15 billion. This will be yet one more step on the path of improving the value of work. It will mean that everyone who goes to work each day and contributes to the country's prosperity will keep more of their salary, giving them more scope for shaping their own everyday life.

The Government will also reduce employers' social security contributions and corporate tax. In addition the administrative burden on companies will be reduced through a number of important regulatory simplifications. By doing so we are strengthening incentives for investment and new recruitment. More business operators will be able to offer jobs to everyone who wants to be useful.

Increased incentives for work. Better conditions for Swedish business. In addition there will also be other long-term reforms of the Swedish economy and labour market. Consequently, as promised, the Government is strengthening its efforts in the area of competition. We are presenting a strategy for entrepreneurship in schools and implementing a special initiative for higher education in entrepreneurship. Last, but not least, we

are continuing reforms to enable young people and people born outside Sweden to find work more easily.

The Government's package for the future contains important investments in Sweden's future ability to grow.

All children have the right to a safe and stimulating childhood. The Government is accordingly making considerable investments to raise the quality of preschool education. We are extending public preschool to include three-year-olds and introducing a childcare voucher system, an enhanced curriculum and continuing professional education for preschool teachers and child carers.

Together with our family policy reforms, in the form of gender equality bonus and child raising allowance, this means that we are affirming diversity, gender equality and freedom of choice. We affirm that families are different and have different needs.

Few things are as important for the future as schools that allow everyone to develop on the basis of their own abilities. The Government is accordingly continuing to improve the Swedish school system by reforming upper secondary school and presenting a new grading system. Apart from this we are extending apprenticeship programmes, prolonging the Boost for Teachers scheme and strengthening vocational education, both by setting up a vocational higher education institution and promoting vocational education within adult education.

Good conditions for research open the way for innovations, contribute to growth and help deepen our knowledge of our world. This emphasises the importance of initiatives that focus on high-quality, innovative research that is internationally competitive. We want to advance Sweden as a research nation

and are therefore strengthening research and innovation policy. This will be the greatest single investment ever and will focus in particular on the areas of medicine, technology and climate.

Favourable conditions for bringing people and businesses together are an important prerequisite for retaining and strengthening Sweden's competitiveness. We want to enable more people to look forward to getting to work on time or collecting the children on time. To reduce the risk of injuries from accidents on bad roads. We want it to be easier for businesses to transport their goods.

Consequently, the Government will be implementing substantial measures to improve infrastructure, for example through a special short-term package enabling investments in roads and railways throughout the country.

Considerable investments in climate and energy will also be part of the package for the future. We will take our share of responsibility for global climate change and make Sweden successful in a global climate-efficient economy. We will do this at the same time as securing our energy supply and increasing our share of renewable energy. We are meeting the climate threat with a policy in which growth and sustainable development go hand in hand. With a willingness to show leadership, but also realising that national initiatives alone are an insufficient answer to a global problem.

Thanks to the Government's work-first principle we can now also present a welfare package.

Having more people working has given us resources to allow our reforms to benefit more people. Having more people working allows us to renew and improve our welfare services. Having

more people working gives us opportunities to support people who perhaps most need the assistance of the welfare system.

There are pensioners in Sweden who are well off and there are pensioners who are very hard up. In the spring the Government announced special tax relief in support of the elderly who are worst off. Our present proposal is both broader and more substantial than was promised. With the greatest improvements for those in most need, but reduced tax for the majority of Sweden's pensioners.

Measures for people affected by mental illness have been insufficient for many years. Many have not received the psychiatric care and support they were in need of. This is a mark of failure in a modern welfare state.

The Government has taken measures to strengthen psychiatric services. Now we are going further and proposing more measures to improve the situation for people suffering from mental illness.

Our initiative focuses particularly on strengthening psychiatric care and services within a number of areas: child and adolescent psychiatry, meaningful occupations for people with mental functional impairment, training and skills for staff in nursing and support services, and quality enhancement.

Besides this, the Government is continuing its reforms to transfer power to the patient, to raise quality and increase diversity in our jointly financed health care and social services.

Every person in Sweden should have the right to good health care that is given in time and that meets that person's specific needs. To enable medical services to be based more clearly on the

patient, the Government is investing in resources to reduce waiting lists by means of a special 'waiting list billion'. In addition, the 'health care billion' initiative will be extended. In this way, health and medical services will be better equipped to identify the needs of those who live on sick leave and give them support to enable their return to health and work.

More steps are now also being taken in the work of ensuring that all older people in need of care are treated with respect.

All in all, the Government's reforms mean that municipalities and county councils will be provided with a total of SEK 6 billion for welfare improvements next year. This is an investment that will clearly enable reforms for increased social protection in core welfare activities.

The Government is also continuing its work to improve crime fighting. The entire judicial chain will be improved. From police and prosecutor to courts and prisons. We must stand up for the principles of the rule of law. We must never let people get away with intentionally harming other people, but ensure that our society is one in which everyone is equal before the law and Swedish law applies equally to all – everywhere in the country.

Sweden must be an open country where people of different cultures and religions can live side by side. A country where we welcome the positive elements of what we call globalisation, but where we also remain strong in fighting its negative aspects, such as international crime, trafficking in human beings and terrorism. We are building a strong Sweden from the perspective of people's everyday lives, but also with a clear desire and ability to see beyond our own borders.

Russia's attack on Georgia further illustrates the importance of a well-considered foreign, defence and security policy. The developments in the Southern Caucasus illustrate the importance of defending international law and emphasising that its rules apply equally to everyone. The events we have now witnessed are an attack on the international legal order.

Sweden unreservedly backs the European Union's support of Georgia's territorial integrity and the demands that Russia live up to the six-point plan for peace in the region. The Georgia crisis has also increased the need of a strengthened EU policy towards the European Union's eastern neighbours, particularly Ukraine.

The safety and external security of our country is based on community and cooperation with other countries. There is broad consensus in the Swedish Riksdag that our country will not remain passive should another EU Member State or another Nordic country be struck by disaster or attacked. By the same token, we expect these countries to take similar action should Sweden be so affected.

There is broad support for Sweden's international activities for peace. Sweden will continue to enhance its capability to take part in operations promoting peace and stability in different parts of the world. Nordic cooperation regarding stability and security in our region will be strengthened.

Afghanistan deserves particular attention. Developments there give cause for continued concern. Sweden's commitment is broad and long term.

Sweden is a strong advocate of free trade, which means that every initiative for achieving a successful conclusion in the Doha Round can count on our support.

The Government is continuing its work to fight poverty and promote democracy and respect for human rights. We are carrying on with the renewal of development policy. Sweden must be a clear and distinct voice for freedom and democracy. In line with this, the Government will present proposals on increased support to forces around the world that act against oppression and for the spread of democracy.

It is the poor of the world who are hit hardest by climate change. In light of this, the Government is including a special climate initiative in development assistance to effectively contribute to long-term efforts against climate change and its effects in the poor countries of the world.

Firmly based on the recognition that climate change is a crucial challenge facing our planet, it is our responsibility to take steps here at home, and also to show the leadership necessary to achieve broad and long-term international consensus on the climate issue.

One year from now, Sweden will hold the Presidency of the EU. Extensive work is being carried out to prepare for this. As holder of the EU Presidency, Sweden will take special responsibility in efforts to put an international climate agreement in place in Copenhagen in 2009. Other important items ahead of the Swedish Presidency are strengthened Baltic Sea cooperation in the EU and continued enlargement of the Union.

Mr Speaker,

We are taking responsibility for jobs and the Swedish economy. We are taking responsibility for Sweden. This gives us the strength to stand firm when economic unrest begins to emerge in our part of the world. It lays a foundation that allows us to make important investments in Sweden's long-term ability to grow, in education, research and infrastructure, and also to take initiatives for better quality in the welfare system.

The task of politics changes over time. It varies as society develops, and as people's fears and hopes change. Values, principles and ideas always have their own inherent weight, but to make a real impact, they must have reference to the challenges of the day.

Sweden is a country where values such as freedom, responsibility, community, security and justice are firmly rooted. These values originate from our history and are formed by our experiences and human interaction. We see them as important for us to be able to live a good life, but also to feel that we can do right by others.

We want to safeguard our freedom as a nation, our democracy, our right to personal self-determination and our opportunities to develop as human beings.

We want to be able to take responsibility for our lives, our fellow human beings, our environment and the world around us.

We want our sons and daughters to have the same opportunities and the same life chances. The same opportunities to choose jobs, support themselves and feel secure in their daily lives.

We want to feel secure when it comes to life and property, but we also want to see a well-functioning welfare system that provides support when we need it.

Our passion for fairness is manifested in our desire for honesty and work to be worthwhile, but also in our consideration for others and for people in difficulties.

All of this reflects much of what we want to characterise Sweden. Values that have stood the test of time. That enable us to take pride in where we are and what we have accomplished, and feel curiosity about what the future has to offer.

We are making it possible for people to go from exclusion to employment, and for companies to grow. We are tackling the conditions that locked people into poverty traps without the chance to influence their own situation.

With a policy for work and responsibility for the Swedish economy. Firmly based on values that last over time. This is how we have made it possible to invest in jobs, welfare and the future. This is how we will continue our work for a freer, safer and more humane Sweden.