

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

A wave of terrorist acts has shaken the world in the last few years.

A global insight has emerged with increasing strength: All democratic states must work together to preserve a democratic, secure and open society.

The horrifying attack on children and adults at School Number 1 in Beslan, North Ossetia, could not have brought this home to us more clearly. Sweden will take initiatives for international cooperation to increase awareness of the vulnerability of children and their need for protection in conflict situations.

The international fight against terrorism must be conducted with respect for international law and human rights. The rule of law must be upheld. A strong United Nations is needed to meet the global challenges of our time. The Secretary-General's reform efforts have our full support.

Sweden's capacity to help bring about peaceful solutions of regional conflicts will be strengthened. Our long-term work for peace in the Middle East will intensify. The objective is an Israel within safe and recognised borders and a Palestine built up in democracy and freedom. The UN must be given a central role in the reconstruction of an Iraq free from war and despotism.

Sweden does not participate in military alliances. The adjustment of the Armed Forces will continue, on the basis of the proposals put forward by the Defence Commission and compulsory military service.

In spring 2005, Sweden will host a meeting between NATO and its partners on international crisis management. In the years ahead, Sweden will take its share of the responsibility for establishing a multinational rapid reaction force under EU control, whose task will be to avert humanitarian disasters. Sweden maintains an active involvement in UN and EU conflict prevention and peace-keeping missions in the Balkans, Afghanistan and West Africa.

Sweden will be at the forefront of efforts to combat genocide, mass murder and ethnic cleansing. The Government will work closely with the UN Secretary-General and the Special Adviser on the Prevention of Genocide appointed as a specific result of the Stockholm International Forum. The abuses in Darfur must stop and the long, painful journey towards peace, security and reconciliation must begin.

Political and economic developments in Asia, particularly China, will receive increased attention. The dialogue with Brazil, India and South Africa will be deepened.

Working with the social partners, the Government will increase its efforts to induce more countries to ratify the ILO conventions.

Opportunities for young Swedes to take part in international development assistance will be improved. A project to this end will be initiated in cooperation with the EU and the UN.

Sweden is one of the world's largest donors of development assistance. The one per cent target will be met during this term of office. Growing development assistance opens up new opportunities.

Despite tremendous developments in the medical sphere, lack of access to medication and treatment leads to the loss of millions of human lives in the poor countries of the world.

A forceful new Swedish development assistance commitment will be launched, focusing on research, treatment and prevention of diseases such as HIV/AIDS, measles, TB and malaria. A broader partnership will begin between Sweden and countries that are hard hit by these diseases, as well as other actors. Universities and the pharmaceuticals industry will be invited to participate.

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Mr Speaker,

“The Government taking office today faces more difficult problems and greater challenges than any previous Swedish Government in modern times.”

These were the words of Prime Minister Ingvar Carlsson when he mounted this rostrum ten years ago to present his Statement of Government Policy.

He was referring to the economic crisis and mass unemployment that were paralysing Sweden.

A decade later I am in a position to say that we have to go back to the 1960s to find a situation where Sweden has entered an incipient economic boom from such a position of strength.

After a prolonged international recession the growth rate is now increasing sharply. The labour market is working far better than ten years ago. Exports are increasing strongly. Investment and private consumption are on the rise. Our current account balance is strong. Inflation and interest rates are low and stable. Public finances are strong. The balance target remains firm. The expenditure ceilings will be met.

The immediate challenge now facing the Government is to ensure that the labour market moves with the upswing, so that unemployment can be driven down. At the same time we must avoid labour shortages. The balance is delicate.

It is against this backdrop that a forceful commitment is now being made, targeting the local government sector. The number of people employed in schools and pre-schools will increase. Even municipalities and county councils in a tough economic situation will be able to keep on staff in health care and social services. This will reduce the risk of a shortage of labour in the public sector when the economic upturn comes. Welfare will be strengthened. At the same time, household purchasing power will be improved.

If nothing dramatic occurs in the world around us that causes the upturn to falter, the scope for reforms to promote security and fairness will be good in the next few years.

A few days from now, a strong reforming budget, drawn up together with the Left Party and the Green Party, will be presented. This budget will bring the 121-point programme on which our cooperation is based closer to fulfilment.

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Mr Speaker,

I want Sweden to be a country of security and welfare for all, not just for some.

But in our country there are still differences in health and access to education that cannot be explained by anything other than social background.

Differences in working conditions and participation that cannot be explained by anything other than ethnic background.

Differences in pay and power that cannot be explained by anything other than gender.

A hundred years of fighting the class society have not eradicated the differences.

New injustices arise when old ones have been corrected.

The struggle for solidarity and justice must never cease.

Without this analysis, no programme for a better Sweden can be effective.

With this analysis, the tasks of the Riksdag in the year ahead can be clearly seen.

The Government is now concentrating its efforts in three areas.

First, health care, schools and social services – the heart of welfare.

The international recession has led to severe strains on local government finances. The Government will therefore implement a forceful commitment to local government. Even this year, municipalities and county councils will receive SEK 1.5 billion in addition to previously decided support. Next year they will receive over SEK 10 billion more than this year. In 2006 the level will increase again.

Few instruments distribute the resources of society as effectively as universal welfare – equal for everyone, allocated according to need, paid for according to ability. This is why hospitals must be run without private profit-making interests. No publicly financed health care should give precedence to patients with private insurance. A decision will be made on a new system of local government equalisation. The Public Procurement Act will be reviewed.

A national health care guarantee will be introduced next year for all types of treatment. A strong reinforcement of psychiatric care will begin at the same time. A reorganisation of agencies will be proposed to strengthen disability policy. The retailing monopolies for medicines and alcohol will be defended.

Together with the Swedish Association of Local Authorities, the Swedish Federation of County Councils and relevant trade unions, the Government will act to make health and caring professions more attractive. The security of our elderly citizens is determined largely by the reception and care they are given. It is vital for welfare that the expertise of the staff is used well and that staff members have good opportunities for development. A multi-year national initiative will therefore begin for staff in elderly care services.

The housing supplement for the least well-off pensioners will be raised.

The social insurance system faces new challenges. We must have social insurance that is financed collectively and compensates for loss of income. It must encourage work and adapt flexibly to changes in labour market structures. It must be coordinated with other benefits and types of support. It must have broad popular support. A thorough review will be made of the social insurance system.

Second, children, families with children and young people – our future.

Sweden will live up to the UN Convention on the Rights of the Child. In 2006 a billion kronor will be devoted to reforms directly targeting financially vulnerable families with children. Maintenance support will be improved. The part of the housing allowance that is intended for families with children will be raised. A supplementary child allowance for students will be introduced. The reception of asylum-seeking children will be improved.

The election promises made to families with children in our country will be honoured. The child allowance and supplementary allowance for additional children will go up in 2006. The supplementary allowance for additional children will be paid beginning with the family's second child. The ceiling in the parental insurance system will be raised on 1 July 2006.

Next year efforts will begin to employ 6 000 more staff in pre-schools. This will allow smaller groups and higher standards. The initiative to put 15 000 new teachers and other adults in schools will be carried through. Clear improvements will be made for pupils taking individual programmes in upper secondary school. A new apprenticeship programme will be introduced. In association with industry and public sector employers, the Government wants to create attractive, modern upper secondary programmes in every region.

The Government will soon present a concerted action programme to strengthen the position of young people in society. New measures are being prepared to help young people establish themselves in the labour market more quickly, with the support of the social partners. The Government will consider whether forms of state support can be introduced to make it easier for young people to buy or rent a home of their own.

Differences in childhood circumstances must not lead to an unequal distribution of access to culture and forms of cultural expression. The range of cultural activities available to children in our country will be examined and developed. The museum education initiative for the regional museums will be made permanent. Free entry will be introduced at 16 more state museums.

Third, the fight against unemployment.

Open unemployment must be driven back to below 4 per cent. The objective is full employment.

The Government's programmes must be seen as a package. Measures to increase employment and reduce unemployment will be implemented simultaneously.

For unemployment to be driven back, stable central government finances, low inflation and a strong business climate are needed. Financially hard-pressed municipalities and county councils must be able to retain their existing personnel and start to employ more people. A range of initiatives will also be required to enable the many people who are currently unemployed or on sick leave to return to work. A number of tax reforms will be implemented. A combination of these measures will lead to stronger domestic demand and better incentives to work.

Labour market policy will be substantially strengthened next year. Twenty thousand new jobs will be created in these programmes. Youth unemployment has been halved. Initiatives for young people will be further extended. A reform of the introduction for newly arrived immigrants is in the process of being prepared. More trainee posts will be created. Better workplace-based assessment of professional qualifications will start this autumn.

A further step will be taken next year when wage earners will receive reimbursement as compensation for the statutory contributions levied in connection with the budget restructuring. The basic income tax deduction will be raised, as will the threshold. These tax changes will primarily benefit people on low incomes.

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Mr Speaker,

In the last parliamentary year, growth issues have dominated public debate and the political agenda.

Experience from these discussions on growth has been positive. They have been a means of bringing people together and achieving mutual understanding on issues of vital importance to this nation – a model that will also be needed in future efforts.

Our insight was strengthened: growth and social justice are interdependent. It is no accident that Sweden and the other Nordic welfare states top international comparisons of living standards and growth prospects.

Responsible policies in past years have given us a good starting point. The positive trend must be turned to account. Sweden must be in an even stronger position when the next economic downturn comes.

Our discussions on growth will now give way to action.

Conditions for enterprises and the business sector will be improved. The reform of the 3:12 rules will be completed. Wealth tax will be changed and tax on inheritance and gifts phased out. The majority of these capital tax changes will be financed by other tax changes in the business sector.

Extensive investments will be made in entrepreneurship, innovation and research. An Innovation Policy Council, led by the Minister for Industry and Trade, is being established.

Within the framework of infrastructure investments, a number of major road and railway projects are being initiated. Projects being awarded priority in the coming year include the E6 motorway in northern Bohuslän, the Mälar tunnel, the Botniabanan railway, Route 73 to Nynäshamn and the E18 motorway from Adolfsberg to Lekhyttan. As soon as the planning process is completed, work on Route 45 in western Götaland can also begin.

The expansion of roads, railways, 3G and broadband and of higher education and distance learning will provide a firm foundation for regional development. The Mid Sweden University will achieve official university status on 1 January 2005. Special research resources will be made available to the new university.

Housing construction has gained new momentum. The Government's target of 30 000 new units per year is within reach. A construction coordinator will be appointed together with the construction and property sector to promote environmental thinking, strengthen competition and raise standards in this industry.

Shareholders' insight into and influence over top management salaries and other benefits in listed companies and insurance companies will increase. The fight against illegal cartels will continue. A broad programme of measures to fight tax evasion and black employment will be implemented.

Everyone's will and ability to work must be made use of. Working life must be made more humane. The fight against ill health will continue. The partial financing by employers of the costs of sickness benefit will be changed. Broad initiatives will be taken to improve immigrant integration on the labour market and to expand opportunities for disabled people to find work.

Almost one in five of the people living in Sweden has at least one parent who was not born here. In a global world this is a great asset. Discrimination must cease – irrespective of whether it is based on gender, ethnic background, sexual orientation or disability. An education campaign will be carried out to increase awareness of the new discrimination legislation.

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Mr Speaker,

Sweden must build on the leading positions it holds in many areas.

This applies to education and research, IT and biotechnology, the vehicle manufacturing industry, design, gender equality, environmental consideration and the value-added products from our traditional basic industries.

Sweden must be a leading research nation. Basic research will be strengthened and postgraduate education expanded. The skewed pattern of recruitment to universities and colleges will be combated. Opportunities for commercialisation of research results will be expanded and universities and higher education institutions should be able to share in the returns. A research policy bill will be presented. The state will continue to take major responsibility for a modern adult education system.

Export promotion is being strengthened. Particular focus is being placed on economic links with the USA. Swedish form and design are being marketed abroad. The Swedish Design Year 2005 will be implemented.

Some of Sweden's largest companies are active in industries where R&D investments are absolutely crucial for international success. The Government intends to invite the business sector and trade union organisations to discuss conditions for the IT/telecom and biotechnology/pharmaceutical industries.

Against the background of the many Swedish-Finnish company mergers, industrial policy cooperation between Sweden and Finland will be intensified. A Finnish-Swedish summit will be held early next year.

Basic traditional industries are the backbone of Swedish industry. Representatives of basic industry and the engineering industry will be invited to draw up a joint programme to develop Sweden's leading positions in the wood/forestry, metallurgy and vehicle manufacturing industries.

Further efforts will be initiated to put Saab in a stronger position to expand in Trollhättan. A state secretary group, in close cooperation with the company, trade unions and the municipality will press forward work to enable Trollhättan to continue to be a competitive centre for car production and development.

Investments will be made in value-added production based on Swedish forestry resources. Measures to combat exploitative forestry acquisition will be presented. To make better use of publicly owned land and to create jobs in rural areas, Sveaskog's remit will be expanded to include nature tourism.

Swedish agriculture and the food industry create employment opportunities and give consumers high quality food. Priority is given to safe food, good animal welfare and environmental considerations. The tax on diesel for agricultural and forestry machinery will be lowered. Profitability will be improved.

For ten years Sweden has had a gender-balanced government. Many of us are eagerly awaiting corresponding developments in Swedish business.

Special action will be proposed for a gender-equal pre-school. Parental leave must not be open to use as a period of notice. Strong commercial interests spread sexualised images of women and display both sexes in a prejudiced way. This stands in the way of gender equality efforts and must be combated. Further action will be taken against honour-related violence. A national action plan is being prepared against prostitution and trafficking in women and children.

Sweden is playing an active part in international gender equality work in the EU and the UN.

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Mr Speaker,

Threats that were previously targeted at us were often external threats, aimed at Sweden by other countries. This type of threat has practically disappeared.

At the same time, other, internal threats have crept on to the scene. These threats are to be found in our own country, in our everyday lives. Crime in Sweden is changing, becoming more serious and more international.

Because the external threat scenario has changed, reforms of military defence are continuing. We are all responsible for lessening the effects on the places involved.

As resources become available from the cuts in defence, resources will be redeployed to meet internal threats. A three-year programme will be presented.

Action will be taken to combat crime. Four thousand new police officers will be trained and employed during this term of office. The community police system will be strengthened and more emphasis given to preventive work. The fight against serious economic crime and trafficking in human beings, weapons and drugs will be intensified. The Swedish Security Service will be allocated funds for strengthening personal protection. Prosecutors and courts will receive additional resources to speed up their work. The time aspect is particularly important when young people commit or become victims of crime.

The prison and probation service will be strengthened. Sweden must have a humane and effective prison and probation service that matches up to security requirements. The shortage of places will be eliminated by building new accommodation and individualisation will increase. Good treatments that combat a return to misuse and crime will be developed. Security will be strengthened. Preparations will be made for a new high-security institution.

Action will be taken to combat the misuse of alcohol and drugs. Preventive action targeted on young people, parents and other adults will continue within the framework of the national action plans to tackle alcohol and drugs. The care of misusers will be given additional resources. Action for the rehabilitation of misusers will be reinforced. The initiative for drug-free prisons will continue. The rapidly growing cross-border trade with links to crime must be stopped.

Preventive action will be supported. Crime will be combated, as will the causes of crime. Support will be given to successful preventive activities for young people who risk being drawn into crime, misuse or social exclusion. Schools in segregated and socially deprived areas will be given more resources to develop their activities.

An open, democratic society is vulnerable.

More attention needs to be given to security in many services of benefit to society, from information to nuclear safety. Disasters and other extreme situations can constitute dramatic threats to fundamental values in society and have far-reaching consequences for the lives and health of the population and for the environment and the economy.

During the year new proposals will be prepared to strengthen civil resilience to crises and terrorism. An inquiry will be given the task of drafting proposals on how military resources can be used to support the police in the event of major attacks on our democracy. The orientation of the intelligence services will be reviewed.

Democracy can never be taken for granted.

The social involvement of a new era, not least the young generation's interest in global issues needs to be recognised by the popular movements, popular education and the political parties. The compact with the sports movement is successful and will continue.

Swedes, both new and old, must be able to celebrate Sweden's national day with pride and joy. June 6 will be a public holiday from 2005 onwards.

Sweden must have a modern constitution. In the autumn a new Commission on the Constitution will start working on a review of the rules of our democracy.

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Mr Speaker,

The green welfare state will be built up.

This is a vision of an ecologically sustainable Sweden, which safeguards health, environment and welfare while enabling us better to contribute to increased solidarity and a fairer distribution of resources in the world.

The desire to realign and modernise society in a resource-efficient direction is going to release a wave of technical innovations and investments that will generate growth.

The Government's policy for sustainable development will be reinforced and broadened.

A cohesive climate and energy policy will be developed. Vattenfall will take a leading role in the change-over to renewable energy. Tax rebates will be available for energy-intensive

industries that participate in programmes for energy efficiency. State financial support for municipal climate investments will be reinforced. Land and sea areas for the expansion of wind power will be designated no later than 2006. The public sector must set an example. Investments to make schools, hospitals, libraries and other public premises more energy-efficient will be stimulated. The system of electricity certificates will be developed further in order to increase the volume of renewable electricity production. Trading in emission rights will be a powerful means of reducing carbon dioxide emissions in Sweden and the EU. The position of customers in the markets for electricity, natural gas and district heating will be strengthened.

The transport system will be renewed. Sweden must achieve its climate objective. Petrol and diesel tax will be increased, as will the vehicle excise tax for cars and light lorries. Infrastructure for the sale of alternative fuels will be improved. The tax exemption for biofuels and other renewable fuels will continue. In 2005 at least 25 per cent of all new cars purchased by the state must be environmental cars. Sweden is working actively in the EU for a differentiation of the tax per kilometre on heavy lorry traffic by fuel and environmental impact.

Environmental protection will be reinforced. Persistent substances that are harmful to health and the environment will be phased out. The rate of remediation of contaminated land will increase. Sweden will press for a strong chemicals policy in the EU. In 2005 SEK 1.7 billion will be invested in safeguarding biodiversity. Special action will be taken to safeguard biological values in lakes and watercourses. Initiatives will also be taken for natural environments close to urban areas. A strategy for the long-term protection of the marine environment will be presented. Measures to protect the Baltic will be drawn up together with the other Baltic Sea countries. Additional protected marine areas will be established. Compensation for oil damage caused by oil discharges from tankers will be improved. Proposals for better fishery control will be presented.

An additional one billion kronor of the increasing development assistance budget will be dedicated to action in the environmental field. Initiatives will be taken in areas where Sweden has a strong position and can make valuable contributions. By doing so we will be interweaving solidarity, ecological considerations and economic growth both in Sweden and in the countries with which we cooperate.

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Mr Speaker,

The greatest challenges for the future are global.
Economies and markets are closely intertwined.
Increasingly social problems are transboundary problems.

Companies recruit labour across borders. Crime is becoming internationalised. Toxic substances are spread by winds and currents, but also by goods in a global market.

At a time when the nation state has become too small to solve contemporary problems and people's everyday problems, democracy must also cross national borders.

The EU is an expression of the political will to create a democratic counterweight to market forces. An expression of the will of countries to cooperate to deal with problems they share.

The new EU treaty confirms the current system mainly consisting of cooperation between member states. A broad round of consultations will be held before the Riksdag decides on the proposed treaty.

In a few months Sweden will celebrate ten years as an EU member state.

We can be proud of the contribution we have made to the EU.

Full employment, increased gender equality and environmentally sustainable development are goals that Sweden has pressed for.

One of our foremost representatives in that work was Anna Lindh. Three days ago we honoured her memory. Anna Lindh was also strongly involved in work to bring to an end the division of Europe into East and West.

EU enlargement is continuing. Bulgaria and Romania will be given support to enable them to become members in 2007. A programme for increasing contacts with Turkish society will start

up. By opening for negotiations we help Turkey to strengthen human rights at home, not least for the Kurdish minority. The Balkan countries are being given support on their path to membership.

Cooperation between the Nordic and Baltic countries on EU issues is developing. The dialogue with Russia is being deepened and contacts with EU neighbours like Ukraine and the countries in the Caucasus are being intensified.

The common agricultural policy must be reformed and regional policy must concentrate on the new member states. This is why the Government is working, along with other net contributors, to prevent EU expenditure from increasing.

Sweden is working for the EU to take greater responsibility in crucial global issues, and for a European trade policy that promotes growth and helps to break the marginalisation of the poorest counties in the global economy.

Responsibility for coordination of EU issues will be moved from the Ministry for Foreign Affairs to the Prime Minister's Office.

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Mr Speaker,

We have reason to be proud of Sweden, but we are not satisfied.

It is time to take new steps to increase justice and security, to make Sweden a better country to live in.

As long as security does not extend to everyone, as long as the least injustice still exists, a Social Democratic government will still have a self-evident task.

The goal, the vision, can be expressed in many ways.

Let me illustrate it, and also conclude, by quoting the words of Olof Palme in the Riksdag party leader debate in February 1986:

“When material insecurity is not continually casting its shadow over people’s lives there is room for other values. Universal welfare gives people independence and freedom of movement. It takes away the worry about many of the unforeseen things that can happen and can wreck our lives and our dreams.

We can breathe more easily. We can look around. The desire is awakened to conquer the world, to muster our strength to exert an influence and bring about change. We feel the urge for discovery and renewal. We are capable of doing things even when the odds of us succeeding are small. We are drawn to the bright and the good.

Time and energy are released for discovering other people, for building up a positive dependence on one another in the form of friendship, consideration and cooperation. Secure and freed from the crippling effects of fear and worry, we can let our zest for life grow and spread inside us and from person to person.”