

Statement of Government Policy presented by the Prime Minister, Mr Fredrik Reinfeldt, to the Swedish Riksdag on Friday, 6 October 2006

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Madam/Mr Speaker,

The parties that make up Alliance for Sweden – the Moderate Party, the Centre Party, the Liberal Party and the Christian Democrats – have agreed to form a government to renew Sweden.

Alliance for Sweden has won the confidence of the voters to carry out the policies set forth in the Bankeryd agreement, the joint economic policy presented in the Riksdag in the spring and the political programme we agreed on in the Alliance's election manifesto.

For the first time in 25 years, the election result has laid the foundation for a stable majority government. The people of Sweden have given the Government a clear mandate. Alliance for Sweden is an alliance for all of Sweden. We intend to pursue policies for our entire country and in the interests of all its people. When possible, we will seek the broadest possible support in the Riksdag and we look for good cooperation with all who want to contribute to a better Sweden. We will be an open government that listens to all citizens.

The Government sees a number of major tasks ahead.

More people who are able to work and want to work must also have opportunities to support themselves by their own work, to experience the satisfaction and feeling of belonging that work confers, and to do so in secure circumstances. The Government's overall objective is to create conditions for more jobs in more and growing businesses and by this means to break the pattern of social exclusion.

More Swedes must be given opportunities to realise their dreams and ambitions by starting and running businesses. Entrepreneurship and enterprise are vital to increase employment, to lay the

foundation for vigorous development throughout Sweden and to strengthen Sweden's position in the world.

More Swedes must be able to take part and contribute. Sweden must be a country that sticks together, with diminishing social and regional gaps. There must be greater equality between women and men. The diversity of our society must be turned to advantage. Cohesion between different groups must increase and civil communities be strengthened. The Government's ambition is an inclusive society where the inviolable dignity of each individual person is respected. Young and old alike. People born and bred in this country and new arrivals. Women and men.

More students must leave school with knowledge and qualifications to be able to function securely as members of society and in working life. The results achieved in Swedish schools must be improved by means of a focus on knowledge and a commitment to quality. Sweden must hold a strong position as a research nation.

Individual people and families must feel that they have increased opportunities to influence their own everyday lives. The Government intends to increase accessibility, quality and freedom of choice in health care, elderly care and other areas of welfare. We want to safeguard collectively financed welfare for all.

Important steps must be taken to meet the environmental problems of the future. The climate issue is crucial for Sweden and the world. The Government will put great emphasis on securing the future of the Baltic Sea and the Skagerrak and Kattegat as living seas. Environmental issues are decisive for vigorous development in Sweden.

Sweden must conduct a more active foreign policy and take greater responsibility for human rights, freedom, security, democracy, prosperity and sustainable development in the world.

Sweden must be an involved and proactive force in the European Union.

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A free economy derives its strength from people's free choices and voluntary cooperation. The development of society depends on people's willingness to work, their ability to take responsibility, their inventiveness, enterprise and courage to invest in the future.

More than a million people are outside the labour market. In spite of strong growth there is mass unemployment. The situation is particularly problematic for young people. The challenge posed by social exclusion is magnified by the demographic trend.

Sweden needs a forceful programme for more jobs everywhere in Sweden, making it more worthwhile to work and simpler to take on new employees. The thresholds for entering the labour market need to be lower and putting more work in or taking on more responsibility needs to pay off. Matching between jobseekers and vacancies must improve. It must also become easier to take on new employees. High taxes, red tape and far-reaching commitments deter employers from recruiting.

Sweden faces enormous future challenges. The tougher competition associated with globalisation poses an increased risk of job flight. The demographic trend will bring increasing numbers of people needing health care and social services and a dwindling share of the population of working age. A globalisation council will be appointed to make a comprehensive examination of the changes Sweden is facing and to promote debate in society. Part of the council's task will be to illustrate the need to shape a modern and flexible labour market that makes for secure jobs and creates an environment for new jobs and augmented welfare in Sweden.

The potential for growth across the country can be boosted by strengthening local and regional competitiveness and creating a better climate for investment and innovation. It is important that the entire country has access to social services and efficient communications. The Government will draw up a national strategy to strengthen the power of rural areas to grow.

The Government will work for new financing solutions for infrastructure. A special negotiator will be appointed for the Stockholm region.

It is of vital importance to maintain sustainable public finances. The objective of finance policy should be to reduce the indebtedness of the government sector. This objective will be reached by maintaining a surplus in general government finances equivalent to 2 per cent of GDP on average over the business cycle.

The main features of the Alliance Government programme were presented in the Bankeryd agreement and the election manifesto. The ambition now is to implement this programme. If the strong economic trend is broken, jobs will come under threat. Surplus targets and expenditure ceilings must therefore be defended. In the coming electoral period, every reform will be examined in light of what the economy can bear and the target of full employment. The scope for economic reforms in the coming electoral period will partly depend on how many people return to working life. It may prove necessary to postpone reforms or obtain additional financing.

The Alliance has presented a broad programme for creating more jobs and more companies. This is the way to safeguard welfare.

*First*, we propose reforms that make it more worthwhile to work. A major income tax reform will be implemented, with an emphasis on reducing threshold and marginal effects for low and medium earners. A special job deduction will be introduced, lowering taxes by at least SEK 45 billion. As a first step, income tax reductions in the order of SEK 37 billion will be made in 2007. The remainder, amounting to some SEK 8 billion, will be implemented in a second step when there is scope in the economy.

The growth and employment effects that the Government's policy produces will be used in the first instance to lower income taxes for low and medium earners. The primary effect of the job deduction will be to lower thresholds for entering the labour market. In the longer term further tax changes will be implemented for low and medium earners, making it more worthwhile to move from part-time to full-time work or to take on more responsible working tasks.

The work-first principle will be made clearer in unemployment insurance. The availability of compensation in the event of temporary periods of unemployment helps make people feel more secure and dare to try out new jobs. The Government intends to highlight the work-first principle

in the unemployment insurance system by changing the compensation and terms that it offers. Unemployment insurance will be made mandatory and will cover everyone engaged in gainful employment. Measures should be taken to ensure that people who are looking for work are at the disposal of the labour market. We will present proposals on increasing the self-funding component of unemployment insurance.

The aim of sickness insurance must be to maintain the security of those who suffer illness or an accident. At the same time, it must provide an incentive and opportunity to return to work. This is a matter, on the one hand, of improving opportunities for care and rehabilitation and, on the other hand, of preventing overexploitation of the insurance system. A new objective concerning helping people on sick leave get back to work will be introduced in sickness insurance.

Our assessment is that compensation in the sickness insurance system can be kept at the present level in the future as well. We intend to restore the ceiling in the sickness insurance system to 7.5 base amounts and to change the way of calculating the income on which sick pay and sickness benefit are based. The same basis for calculating payments will also apply in the parental insurance and temporary parental insurance systems.

The pension reform agreed between the Alliance parties and the Social Democratic Party is important for Sweden and will remain in place. There is a need for corresponding reform in other parts of the social insurance system to encourage work and increase the stability of the public finances. The Government will appoint an inquiry to prepare such a reform commanding the broadest possible support.

We consider that the costs for sickness benefits and sickness compensation paid to people injured in traffic accidents should be transferred to traffic insurance providers. The purpose of this reform is to increase road safety, improve rehabilitation and reduce the costs of injuries.

*Secondly*, we propose a range of reforms to make it easier and less costly to take on new employees. Fixed-term contracts will be allowed more widely so as to open up broader paths into the labour market. New start jobs will be introduced to give people who have long been outside the labour market a new chance. The Government's intention is that employers' contributions should be

discontinued for parts of the service sector. The tax on domestic services will be reduced. Swedish small business operators are the key to managing welfare in the years ahead.

A special initiative will be taken to overcome youth unemployment. The Government wants to lower the costs of employing young people by halving the employers' contributions for young people. This tax rebate can be used together with our other reductions of employers' contributions in the service sector and the new start jobs.

The Swedish Labour Market Administration will be radically reformed. Its activities must be governed by clear and unambiguous objectives and designed independently of short-term political considerations. The work of the public employment offices must focus on making it easier for unemployed people to seek work. The employment offices must mobilise increased resources for matching. In the longer term, every jobseeker should have a personal coach and individual action plans should be tailored to their particular situation. Broader opportunities should be allowed for more actors to provide education and training or employment services within the framework of labour market policy.

Labour market policy must be reduced in scope. The number of people in measures will be reduced, the sabbatical year system will be wound down and bonus jobs phased out. The Alliance's proposals for new start jobs and reduced employers' contributions for jobs in the service sector are more effective and accurate measures.

*Thirdly*, we propose a range of measures to improve the climate for business in Sweden and make it more worthwhile to run a business. The taxation of close companies (the "3:12 rules") will undergo further reform. Wealth tax will first be halved and later abolished. The responsibility of employers for sick pay after the second week of sickness will be abolished and a state credit guarantee system will be introduced for small and medium-sized enterprises. At a later point we will present proposals for tax relief in the form of deferred capital gains and deductions for venture capital. Proposals will also be made to restore preferential rights and amend bankruptcy legislation. There will be improved social security for entrepreneurs, tax surcharge rules will be endowed with greater legal security and multiple clients will no longer be required in order to qualify for an F-tax card. The regulatory burden will be eased.

The measures we propose will improve the climate for business and promote higher employment. This will also lead to stronger public finances. Further measures must be implemented to improve the conditions for employment and growth. Consequently, it will be important both to make additional income tax reductions, such as abolishing the temporary austerity tax, and undertake improvements in corporate taxation and other measures to strengthen the climate for business.

National real estate tax will be abolished. It is designed in a way that makes for increases that are impossible to foresee and are felt to be deeply unjust. The first step will be to freeze taxable values and introduce a ceiling for taxation. For multi-dwelling buildings the taxable values will be frozen and the tax rate reduced. Later, the national real estate tax will be replaced by a low local government charge. A small increase in capital gains tax may also pay for part of this measure. The elimination of the national real estate tax will be financed in a responsible way.

We will safeguard the Swedish model. Conditions in the labour market must preferably be regulated in agreements between the social partners. The system of collective agreements will be preserved. It is important that business can be conducted under stable conditions and that employees have secure terms of employment.

The social partners have taken broad responsibility for wage formation over the past decade. The stability of the labour market has made businesses more competitive and shows that the Swedish labour market model is in a strong position to face the future.

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Never before have so many people been lifted out of poverty. Freedom and democracy are winning new ground. The global economy and trade are growing more strongly than for many decades. Sweden has everything to gain from this globalisation.

Sweden's foreign policy must combine a commitment to international cooperation with a clear advocacy of democracy and human rights. The ambition must be unambiguous: Sweden must make

a better contribution to freedom, security, democracy, prosperity and sustainable development in the world.

The Nordic and Baltic Sea region must be Europe's strongest growth region. Every opportunity to strengthen our cooperation should be harnessed. The Barents cooperation will be further developed.

The EU needs a long-term strategy for cooperation and relations with Russia. The strategic importance of Ukraine for our part of Europe must not be underestimated.

Sweden must have a clear and unquestioned place at the heart of European cooperation. The Government wants to work for a European Union that is transparent, effective and dynamic. Enlargement is one of the greatest successes of EU cooperation. The Government will push for continued enlargement. The Government intends to make an immediate start on discussions and preparations ahead of Sweden's presidency of the European Union in 2009.

The threats from international terrorism, growing organised crime, the proliferation of weapons of mass destruction, disintegrating states and national conflicts can only be met by stronger international cooperation.

Europe has a decisive role to play in managing international challenges. We want to see a stronger Europe step forth as a voice for peace, freedom and reconciliation even in the parts of the world that are dominated by war and conflicts. Helping to bridge the conflicts in the Middle East must be one of the European Union's most important tasks in the years ahead. A future solution to the conflict between Israelis and Palestinians must build on a two-state solution under which both parties can live within secure and recognised borders.

Sweden should work for a strengthening of the transatlantic link.

Sweden should strengthen its relations with Asia, not least with Asia's large growing economies.

The crisis in Darfur is one of the greatest humanitarian catastrophes of our time. The international community must make additional efforts to stop the attacks on the civilian population and bring the conflict to an end.

Sweden will continue to be a staunch supporter of the United Nations. International law and respect for human rights must be cornerstones of Swedish foreign policy.

In large parts of the world, HBT people are subjected to brutal repression. It is important to strengthen UN work against this. Respect for human rights must be universal.

A broad national consensus must continue to provide the framework for the development and design of our security policy. Sweden does not participate in military alliances. The future security of our country is based on community and cooperation with other countries. The Government attaches importance to the EU's common security strategy.

The demand from the UN, the EU and NATO for Swedish participation in international operations has never been greater. Sweden should have an increased potential to take part in different international peace missions.

Poverty can be eradicated and epidemics driven back, but this requires a far broader approach to poverty alleviation, a rise in the level of total international aid, more effective and efficient use of aid, a better developed market economy and the elimination of harmful protectionism.

Sweden should take international initiatives to raise the level of ambition in the fight against poverty, not least in Africa. Swedish aid will remain at a high level and will be combined with a comprehensive policy for global development that takes in all policy areas. Environmental and energy issues must have a larger place in development cooperation.

Action to strengthen democracy will be given higher priority. Special measures will be taken to promote democracy in dictatorships such as Cuba and Belarus.

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Gender equality in Sweden has been enhanced but women and men still do not enjoy equal opportunities. The Government's work will be informed by active gender equality efforts.

Women and men must have the same opportunities to develop. The Government will combat and transform systems that preserve the distribution of power and resources on the basis of gender. When men and women share power and influence in all aspects of community life we will have a better society.

Both women and men must be able to combine work and family and achieve a balance in their daily lives. The Government will present proposals to increase child care options and allow greater scope for buying services that will make daily life easier.

More than one in two women work in the public sector. Tax cuts on low and normal incomes will give many low-paid women in the public sector more money to live on. Public sector employers are responsible for guaranteeing women good working conditions and combating unjustified wage differentials. Efforts to prevent and reduce ill health in the public sector must be intensified.

The Government will provide more scope for individual initiatives and enterprise in the welfare area. A greater choice of employers will lay the foundation for better working conditions and wage growth in the public sector as well. More and better career paths need to be created in the public sector.

Opportunities for women to start and run their own businesses will be improved and obstacles to women's entrepreneurship will be eliminated. Clear conditions that lead to more women being able and daring to start their own businesses will be created. The Government will draw up and implement a programme to increase women's entrepreneurship. Research in this area will continue.

Women must be able to live their lives free from the fear of being exposed to violence and crime. Combating violence in the name of honour and providing support to victims will be a high priority. The skills and expertise of the police and other authorities must be enhanced so that the right measures can be taken in time. Women under threat must be protected and the financial security of

vulnerable women must be guaranteed. An action plan to reduce violence against women will be drafted.

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Sweden must have a humane refugee policy and provide refuge for people fleeing from persecution and oppression. The right to asylum must be safeguarded and the development we are witnessing in Europe, with more closed borders, must be countered.

One in five people living in Sweden has a non-Swedish background. We want to live in an open society characterised by a sense of community and diversity, where everyone has the same opportunities.

Sweden's integration policy has failed. Far too many people are excluded from society and the labour market. Swedish language teaching for newly arrived immigrants has shown poor results and many people do not attend the courses. The gaps are widening, both socially and economically.

A common theme in the Government's integration policy will be the elimination of obstacles and the creation of new opportunities. People who have migrated to Sweden must be respected as individuals and not regarded as a homogeneous group. After the initial phase in Sweden, no special policy for immigrants is needed; what is needed is a policy that liberates people's inner strength and breaks down the social exclusion that has gained a foothold in Sweden.

The best road to integration is work and language skills. This is why integration in the labour market and language teaching must be improved. Discrimination will be combated and procedures for assessing qualifications will be simplified.

A crucial factor in managing the challenges that lie ahead, such as demographic trends, is to improve integration in Swedish society and enable greater cross-border mobility. To facilitate effective integration in Sweden, we must learn from other countries' integration efforts, including the importance of language skills for citizenship and the benefits of mixed labour and refugee migration.

To end housing segregation, it should be easier to form housing associations in metropolitan suburbs and develop rental housing.

Vigorous measures must be taken in the fight against ethnic screening in the Swedish labour market. Clear, effective and cohesive anti-discrimination legislation is required. A joint ombudsman organisation will be introduced.

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The family is the basis of community life. It is a small group of people, where family members can find love, care and understanding, but also face demands and take responsibilities.

A modern family policy recognises that families are different, have varying needs and wishes, and are of equal worth. Parents – who are those who know their children best – must be given greater opportunities to choose the type of pre-school and child care that suits precisely their children and their situation.

A new family policy will be implemented to promote freedom of choice, greater gender equality, more diversity in the pre-school and child care system and more time with children.

A new child care payment will be introduced giving parents more freedom to make their own child care choices. Municipalities will still be responsible for offering child care and additional resources will be allocated to strengthen their ability to deliver the child care guarantee. The current maximum child care charge will be retained. The maximum charge for out-of-school care will be reduced.

A gender-equality bonus will be incorporated into the parental insurance scheme to improve conditions for gender equality with regard to responsibility for the home and children, when claiming parental insurance and participating in working life. Parental insurance in its present form – in terms of duration, number of months reserved for fathers, and the ceiling – will remain unchanged.

The pre-school system will be expanded to include three-year-olds. The educational role of pre-school will be strengthened to keep pace with the child's development.

Municipalities wishing to introduce a child raising allowance will be able to do so. This allowance will provide a real opportunity for parents wishing to stay at home longer than their parental insurance permits, or to reduce their working hours while their children are small.

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More knowledge leads to growth – both for individuals and society. An investment in knowledge is an investment in Sweden's future, in a world where competition between countries and regions is ever increasing. The education system plays a crucial role for every child's chances in life. Every child has the right to acquire the tools and values necessary to explore the world around them and to meet the demands of society. A new education policy will respect students' differences and cater to their individual needs.

The primary task of the education system is to convey knowledge. Every child must be given opportunities to achieve the basic goals in all subjects.

Independent schools are a natural component of the Swedish education system. The same conditions must apply to municipal and independent schools and all children and parents must be able to choose between different types of schools. Central government must conduct better and more frequent evaluations of standards at every school.

It should not be possible for any student to fall behind without the school noticing at an early stage. Information given to parents and students about students' results must therefore be clearer. Grades will be more differentiated than is the case today, and will be given from sixth grade. Municipalities and individual schools will be given greater freedom to produce written information of various kinds on students' results and conduct at school.

Support to students with learning difficulties will be given earlier than at present and a new programme for special needs teachers will be designed to further support these students.

Mathematics and natural science will be given special focus at compulsory and upper secondary school levels. A targeted initiative will guarantee that all students receive the support they need in learning to read, write and do arithmetic in their first years at school.

Upper secondary school is in need of major reform. It is in the interest of both young people and society that educational programmes that have a clear academic orientation and others that have a clear vocational orientation are available. Students on vocational and apprentice programmes at upper secondary school level must be able to choose whether or not they want to supplement their studies with the theoretical subjects required for higher education.

Everyone has the right to a secure school environment. Violations must never be tolerated. Work on the basic values of schools must be further developed, intensified and evaluated. Collaboration between the home and the school will be expanded.

The Riksdag will be presented with proposals for a new education act. Teacher qualification regulations will be more clearly defined. Some form of teaching authorisation will be introduced. The disciplinary powers of schools will be defined and extended.

The teaching profession is one of the most important professions in this country. Teacher education will be reviewed with the aim of raising standards. Advanced professional development for teachers will be strengthened.

For many years, the focus of higher education policy has been quantitative expansion. The focus of the new Government will now switch to qualitative development. The boards of higher education institutions will be depoliticised.

World-class research is vital for the competitive advantage of Sweden and Europe. The economic framework for research will be extended beyond previous Riksdag decisions during this electoral period. A larger share of research resources will be allocated via faculty grants to prominent research environments.

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Those in need of medical care and social services must be able to rely on their availability when needed. Welfare must be jointly financed and distributed according to need. Patients must be given more freedom of choice and the commitment of staff must be made full use of. Those who are not able to speak for themselves must be specially supported.

Security, accessibility and a holistic approach to patient needs must be given priority in the entire care chain. A patient must have the right to choose the medical practitioner, the care centre and when to receive treatment. The care provider will be obliged to inform the patient of where in the country waiting times are shortest and to offer the patient care there.

Health and medical care will be given resources to ensure that waiting times for treatment are reduced and that the health care guarantee becomes effective. Patients are to be given the legal right to turn to other care providers if the guarantee period cannot be honoured, as long as the treatment is part of the public health care offering. Open quality comparisons with obligatory reporting will be introduced for health care centres and homes for the elderly. An independent inspection authority will be established.

Differences in the treatments given to men and women and the way in which they are received in health care must be eliminated. Treatment methods, pharmaceuticals, diagnostics and research must take into account the different circumstances of women and men.

For older people and patients with multiple illnesses requiring considerable and coordinated health and medical care a holistic approach is needed. Patients will be given the option of a permanent health care contact person who is responsible for care and when necessary can guide the patient through the care chain. The remuneration system must reward care staff who take overall responsibility.

More actors must be encouraged to help develop health and medical care and social services. The same terms must apply to private, non-profit, cooperative and public actors. Support must be available to employees in the health sector wishing to take over a service.

Active and rapid rehabilitation will make it easier to return to working life. Every individual who is on sick leave will be given a personal coordinator and a rehabilitation examination will be conducted within four weeks. The right to rehabilitation will be embodied in statute law and the obligation to participate will be specified. Financial coordination must be made flexible and be adaptable to local conditions.

Current trends reveal, happily, that we are living longer and healthier lives. Everyone has the right to a secure and meaningful old age. But also to make their own choices. Everyone who wants to keep working must be encouraged to do so. The knowledge and experience of our senior citizens are a resource in working life and for society as a whole. The Government intends to improve the financial conditions of pensioners with the lowest incomes.

Everyone must be guaranteed elderly care that is provided with security and dignity. Resources will be allocated to improve the medical treatment and social content of elderly care. A Free Choice will be introduced for special service homes and home-help services. Close relatives – who today are taking more and more responsibility for the care and treatment of their elderly – will be given better support, to be defined in legislation.

Elderly care must be given with respect for human dignity. No one should need to die alone. A dignity guarantee will be introduced stipulating minimum levels of elderly care that must always be met.

The enormous shortage of places in homes for the elderly, which has led to many people not receiving satisfactory medical treatment, or their feeling alone and isolated, must be remedied. An investment support scheme will be introduced to increase the number of places in special service homes for the elderly. Our ambition is to introduce a housing guarantee so that individuals over a certain age will themselves be able to determine when it is time to move to a home for the elderly.

The organisation of psychiatric care services will be reviewed and new resources allocated. Priority will be given to psychiatric services for children and young people, and a care guarantee introduced to ensure an examination within one month. Substance abuse units and psychiatric emergency

centres will not be permitted to deny care to patients with double diagnosis. Patients who constitute a danger – to themselves or to others – must be able to be rapidly moved to compulsory psychiatric care if they do not follow the treatment prescribed.

A dental reform including a high cost protection scheme and a dental care voucher will be implemented. A further initiative will be taken aimed at people who, due to a long-term illness or disability, are not able to take responsibility for their dental health.

People with disabilities will be given greater possibilities to choose their housing and assistive devices. Obstacles to participation in working life will be removed. A possible wage subsidy will also be introduced for self-employed people with disabilities. Those unable to take part in the regular labour market must be offered meaningful employment and significant freedom of choice.

Health policy must create the conditions for good public health in general but also provide the individual with an opportunity to take responsibility for his or her own health. Providing the conditions for good physical and mental health is particularly important for children and young people. Support to parents must be offered on a continuous basis throughout their children's formative years. Student health must be strengthened with clear demands in the education act for promoting physical and mental health.

Reducing alcohol consumption is essential, not least because it is often a contributing factor in violent crimes and abuse. Reduced alcohol consumption improves public health and reduces many social problems. Sweden must also work actively towards a more restrictive approach to alcohol in the EU.

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The legal system must be brought closer to the people. A police service that is visible and close at hand throughout the country is important for increasing security. Our ambition is to increase the number of police officers to 20 000.

More crimes must be solved. The police must be better at preventing, investigating and solving crimes, and must be at the service of citizens. The general rule must be that all crimes are to be investigated regardless of the offender's age. Victims of crime are to be met with compassion and professionalism by all public authorities.

Early and clear measures that target youth crime today will help prevent serious crime tomorrow.

Parents have a responsibility to convey standards and values to their children. A secure childhood is the most effective crime prevention measure. Parents are, and must be, liable for damages if they intentionally or negligently fail in their supervision of their child.

The Swedish Prison and Probation Service faces enormous challenges. Enforcement of penalties in non-institutional treatment agencies and prisons must maintain high quality and be used to provide inmates with the opportunity to break away from a criminal lifestyle and drug abuse.

Men who abuse women must receive help to stop their destructive behaviour through adequate care and treatment. Inmates who are mentally ill, guilty of sexual offences or drug and alcohol abusers must receive better treatment and rehabilitation.

The system of penalties must be reformed with the aim of increasing legal security and strengthening legal certainty for the general public. For serious crimes and repeat offenders, the penalty must generally lie in the higher region of the range of penalties, while in the event of mitigating circumstances it seems natural for the penalty to be towards the lower end. The Government wants to increase the penalty for assault and aggravated assault, rape and aggravated rape, robbery and aggravated robbery and also gross violation of a woman's integrity.

The possibility will be examined of introducing a legal obligation for every individual, according to their ability, to intervene when someone is in distress, sometimes called a civil courage law.

Sweden will forcefully fight serious, cross-border crime such as trafficking in human beings, weapons and drugs, as well as terrorism. Crime that targets vital public services must be fought.

Personal integrity will be protected, and the rights of the innocent will be safeguarded in all legislation.

In order to deal with advanced criminality, the police should be allowed to use bugging devices. A decision on bugging must be preceded by careful deliberation, with great consideration given to personal integrity.

Preventive measures must be taken against terrorism, and we must do our utmost to prevent attacks being carried out in our country. Sweden will increase cooperation within the EU and cooperate globally to fight terrorism. The work of law enforcement agencies must be strengthened through increased coordination, both with regard to operational activities and intelligence. Sweden must have an effective crisis management organisation to deal with serious national crises.

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Global environmental challenges and climate change affect the conditions for life all over the world and must be given greater attention.

Environmental challenges are to be used as an economic lever. Demand will be great for green technology when energy and transport systems are converted. There will be a great need for technology with minimal environmental impact, which will provide growing opportunities for increased Swedish exports of environmental technology.

Sweden's environmental work is to be guided by ambitious environmental and climate goals, and be followed by clear action plans. Forceful measures for meeting climate change are to be implemented in the transport, housing and industrial sectors. The Government's goal is to make it possible to break the link between economic growth and increased use of energy and raw materials, for example through energy efficiency initiatives.

Energy issues in combination with climate change are crucial challenges. All sectors of society are affected by rapidly rising prices, increased insecurity in the energy supply and the consequences of a

less stable climate. Improved energy security is an increasingly important issue for Europe, which is the world's biggest importer of oil and gas.

Energy policy must provide long-term rules for energy market actors. Environment and energy taxes must be designed so that it pays to take responsibility for the environment. Companies and consumers must be able to rely on the availability of energy at internationally competitive prices in the future. Ensuring good competitive conditions in energy markets is an important political task. The Government will invite the parties represented in the Riksdag to a broad and long-term energy agreement based on the Alliance for Sweden's energy agreement.

It will be possible to add renewable energy production to the Swedish system in coming years, but development has just begun. The Government expects that the combined energy and capacity supply will not be sufficient for the foreseeable future. During the electoral period 2006–2010, no political decisions on phasing out nuclear reactors will be taken. Nor will any renewed operating licences be issued to the two reactors that have already been closed. The prohibition against building new reactors will remain in place. The Government will consider requests to increase capacity under the current legislation.

The transport sector must be more environmentally friendly. A premium to encourage private individuals to switch to green cars will be introduced. A review of environmental classification of vehicles and fuel will be carried out and environmental requirements in public transport procurement will be made more stringent. A special initiative for climate-related research and development and for investment grants will be implemented. Energy-saving measures will be promoted in the industrial sector, and an energy efficiency programme will be implemented in the housing stock. The expansion of cogeneration will be stimulated.

The EU has an important task in bringing about an energy system that reduces carbon dioxide emissions and stops the greenhouse effect. The European emissions trading scheme should be expanded with regard to scope and substances, and efforts should be made to get more countries to join the scheme. Sweden must push for the establishment of clear goals for reducing the use of fossil fuels in the EU, and actively contribute to the realisation of the common goals set up by the EU. A sequel to the Kyoto Agreement should be reached as soon as possible.

Sweden must be proactive in bringing about strategic energy cooperation among the EU, China and India with the aim of supporting their efforts to limit their emissions of greenhouse gases.

In order to safeguard modern rural areas, healthy and safe food, renewable energy and open landscapes, green sectors must have equivalent competitive conditions to the rest of the EU. Sweden must make use of the opportunities provided by the EU rural development programme.

The condition of the Baltic Sea and the Skagerrak and Kattegat is troubling. Eutrophication, heavy fishing pressure and the emission of pollutants have had a heavy impact. A national marine environment strategy for the Baltic Sea and the Skagerrak and Kattegat must be developed.

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Madam/Mr Speaker,

The Government's most important task is to bridge the gaps caused by the considerable, deep-seated feeling of social exclusion experienced by many Swedes. More people must be given the chance to help build Sweden. More people must be given the chance to develop and grow and live up to their potential.

Faith in the future and in Sweden as a successful country must be re-established. Sweden must be open to change, but characterised by cohesion and security in the midst of change.

The Government's work will concentrate on implementing the policies we presented to the voters before the election, and which the Swedish people gave the Government a mandate to implement. A number of political reforms will naturally be presented and implemented during an electoral period. Let me therefore make clear that everything this Government implements will be characterised by a few core basic values. This set of values will form a stable foundation for the Government's work during the electoral period.

The policies will lay the foundation for long-term, sound economic development, create scope for increased welfare and increase power for individuals and families in their own daily lives, not least through greater opportunities for people with low or normal incomes to influence their situations through their own work.

Individuals and families must have more input and must be expected to take responsibility for themselves and for others. Parents must have the final say in matters that concern their children, and those who wish must be able to spend more time with their children. Use must be made of both younger and older people in the labour market. Everyone who can and wants to contribute must be welcome to contribute.

The basis for security and a sense of community lies in a strong civil society that comprises voluntary organisations, sports movements, churches, religious communities and non-profit organisations. Solidarity in the public welfare system is a complement to a society that to a great degree is characterised by compassion, responsibility and idealism.

A strong civil society is also the basis for a strong democracy. Increased cooperation among public, private and the non-profit sectors is necessary to develop our society.

Sports play an important part in many people's lives, whether one is an active practitioner or an interested spectator. The Government is aiming for a stable financing system and has confidence that the sports movement to a greater degree can determine how funds are to be used. Extra resources corresponding to the "Handshake for sports" initiative will continue to be placed at the disposal of the sports movement. Sweden will actively seek to have more major international sports events held in our country.

Sweden's development is based on people's entrepreneurship and the ability to create must be used. This applies to the economy and enterprise, to health and medical care, to schools and social services. The underlying connection – that companies provide jobs and that jobs provide welfare – must be made clear.

The work-first principle and the value of work must be restored. Having a meaningful job is important to an individual's self determination, quality of life and sense of participation. The feeling of being needed weaves bonds of security between people and leads to people daring to take individual responsibility and grow with their tasks. The single most important task during this electoral period is to create the conditions for more jobs in more and growing companies.

Training and education are tools to give each person the chance to realise his or her dreams. Each person must be given the knowledge necessary to be able to function as a citizen.

Free and independent research, free media and a living cultural life are the foundations of an open society. Culture develops civil society and keeps the democratic discussion alive. Culture is an indispensable part of a good society and helps people and society to develop. Freedom, diversity, quality and breadth are guiding principles of the Government's cultural policy. Defending the freedom of thought and expression and offering advantageous economic conditions for cultural creators, adult education and cultural institutions are the basis for the cultural policy we will pursue. The Government will safeguard our common cultural heritage and create opportunities for everyone to benefit from it regardless of where in the country they live.

People must feel secure in their everyday lives. The rule of law must be restored so that the feeling of security can grow. Clear and early measures must characterise the work of a society based on the rule of law with young people who risk turning to crime.

Security and accessibility must be prioritised in welfare and the individual's right to make free choices must be strengthened. The diversity of welfare provision should increase.

Gender equality and equal opportunities are important to both women and men. The goal is equal opportunities to make free life choices, and shared responsibility for ensuring that a family can work out the challenges of everyday life. Ultimately, the starting point must be the fundamental principle of the equal rights and dignity of all people.

Sustainable development must be guaranteed. The riches of nature must be used in such a way that we can hand over a world in balance to our children and grandchildren. Institutions of the market

economy, economic instruments, research and new technology are important tools in aiming towards sustainable development.

The open society must be safeguarded. Differences and diversity must be welcomed. Ethnic and cultural diversity enriches our society. A free and open exchange of ideas and respect for an individual's integrity are fundamental values of our democracy.

The Government takes a serious view of increasing xenophobic tendencies and extremism. The principle of the inviolable dignity of every individual must be vigorously defended. Negative tendencies can be combated through a policy that tackles the social problems that make it easier for extremism and xenophobia to take root. This requires measures to break social exclusion. In schools, education about crimes inspired by totalitarian ideologies should be developed. In addition, attention should be called to communism's crimes against humanity.

Democracy and democratic institutions must be revitalised. Power must come from the people and each citizen must have a decisive influence over decisions that concern their lives. Decisions that are taken jointly must respect the rights and freedoms of the individual. Increased confidence in democratic institutions requires that power is used in an impartial manner. The policy for political appointments must be reformed based on the provision of the Constitution that government appointments must only give consideration to objective factors such as merit and competence.

The whole of Sweden's power must be used. The Government will pursue an active policy of renewal that gives all areas of the country opportunities to develop on their own impetus and contribute to the common good.

Sweden must take its global responsibility. The Government will pursue an active foreign policy that takes on the global challenges and gains respect around the world. Sweden will work for an EU that continues enlargement, an EU that is leaner yet sharper and concentrates on fewer and genuinely cross-border issues.

The Government intends to renew politics. It is the Government's ambition to create the conditions for more people to find work and for more people to be able to grow. More people will

gain control over their own lives and more people will grow in knowledge. More people will feel a sense of community with others and more people will be able to experience security, good health, prosperity and a good environment. This Government puts its faith in our combined strengths. The work to achieve our goals is something we all do together.