

The Golden Age of the Swedish Model. The Coherence Between Capital Accumulation and Economic Policy in Sweden in the Early Postwar Period.
Institute for Social Research, Report 97:9, Oslo 1997.

Summary

This essay illuminates the development and performance of the Swedish growth engine, i.e. the large transnational companies in engineering and the raw materials industries, in the early postwar period. The impact of Social Democratic economic policies to the development of this growth engine is emphasised, but these policies also contributed to the locking-in of resources in established companies and sectors.

The macroeconomic success of “the Swedish Model” from the end of World War II to the first oil price shock in 1973 concealed a long-run economic problem. The growth potential of the leading Swedish companies and industries was limited, at least in Sweden. Their strategic choices and dominant positions, which were strengthened by tax, stabilisation and trade policies, prevented the development of new firms and new product lines.

“The Swedish Model” is analysed here as a postwar accumulation model based on the common interests of capital and labour. The analysis integrates macroeconomics, industrial economics, economic history, organizational theories of the firm, and also relies on a country-comparative approach. The study helps us to understand the failures of the Swedish model in the recent decades.

Index terms

Multinational firms, The Swedish Model. Economic Growth. Social Democratic Policy. Tax policy. Stabilization Policy. Small and Medium-Sized Firms.

The report can be ordered from The Institute for Social Research (Instituttet for Samfunnsforskning), Munthes gate 31, N-0260 Oslo.