

Don't try this at home: Exporting Sweden's neoliberal welfare experiment^[1]

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Introduction

Over the past three decades, the Swedish welfare state has been transformed beyond recognition. Outsourcing, privatisation and the introduction of voucher systems have marketised welfare services to a greater extent in Sweden than in any other European country. What was once often portrayed as a Social Democratic ideal, is now more of a neoliberal showcase.

This report describes some of the consequences of this development. More importantly, it maps efforts by Swedish for-profit welfare companies to expand their businesses and business models abroad – particularly to Germany.

Sweden has been forced to learn the hard way that once services have been privatised, it is difficult as well as costly and time-consuming for society to take back control. In some welfare sectors where private for-profit actors have grown particularly strong, Sweden might have reached tipping points beyond which privatisation can no longer be rolled back.

It is high time to caution the German public and in particular German progressives: Don't try this kind of reckless privatisation at home. If you can avoid it.

This report starts by summarising the consequences of Sweden's privatisation of welfare services. It continues by providing some details about Swedish welfare companies already operating in the German market. The report then lists some social, economic and demographic factors that might make Germany particularly vulnerable to the expansion of welfare corporations. After that, it goes through a number of arguments that are used in the discussion on the privatisation of welfare services that might be particularly relevant for the German debate. Attention is then given to some specific sectors: pre-schools and schools, employment services, and digital health care. Another sector that in Sweden has changed fundamentally – and become much larger along with the marketisation of welfare services – is public affairs. The report briefly addresses the issue of lobbying before the report is wrapped up with some conclusions.

Related link: How Sweden's welfare experiment became a warning to Europe^[3]

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