

# How Sweden's welfare experiment became a warning to Europe

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Sweden pioneered welfare privatisation, and its controversial model is now being exported across the continent.

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## Excerpts

The Swedish Economic Crime Authority recently reported that a number of healthcare centres, vaccination services, schools, pre-schools and pharmacies have been taken over by organised crime. It was a disturbing reminder that outsourcing and privatisation have transformed the Swedish welfare state beyond recognition – a fate that other welfare states in Europe could now be facing.

Outsourcing, privatisation and the introduction of voucher systems since the 1990s have marketised welfare services to a greater extent in Sweden than in any other European country. This has transformed the nation: what was once often portrayed as a social democratic ideal is now seen more as a neoliberal showcase. It has also created a number of very wealthy welfare corporations, which are now accelerating their expansion into other European countries.

In “Don't Try This at Home”, a report recently published by the Friedrich-Ebert-Stiftung, Mia Laurén and I examine the consequences of this development and how Swedish for-profit welfare companies are now seeking to expand their businesses and business models abroad.

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Education was the first subject of the Swedish privatisation of fully tax-funded welfare services. Voucher-based funding of Swedish public schools was introduced in 1991. The idea was that pupils and their families should be able to choose how to spend resources allocated for schooling, meaning whether to attend a publicly run school or take the voucher to a private school. Inevitably, though, it is mostly privileged families who are able to exercise their “freedom of choice”. While profitable pupils are picked by private schools, socially disadvantaged pupils are often left in the public schools. In addition to increasing socio-economic and ethnic segregation, the reform of the Swedish schooling system has been detrimental to the quality of education. No other country has experienced such a rapid fall in performance in the OECD's Programme for International Student Assessment (PISA) rankings as Sweden.

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