

## COUNTRY PROFILE



### Sweden

GLOBAL RANK: 12th of 104



Similarly to its Scandinavian neighbours, Sweden ranks significantly higher on Comparative Liveability (3rd) than Economic Competitiveness (21st). Its low business ownership rate reflects a weakness in entrepreneurship, which has a substantial detrimental impact in competitiveness. Although Sweden has many high-scoring indicators, it is particularly outstanding in terms of the control of corruption, gender equality and social trust.

### BACKGROUND

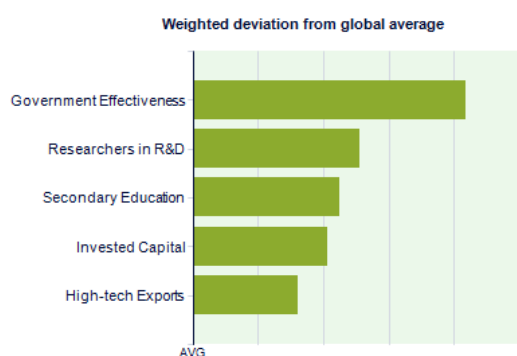
Sweden remained peaceful and politically neutral for the whole of the twentieth century, and has developed into a prosperous modern economy with an enviable standard of living. The economy is a major exporter of paper products, machinery, and chemicals, and has recovered robustly from an economic downturn between 2000 and 2002. The Swedish government largely follows the 'Scandinavian model' of high spending, high personal taxation, and generous welfare provision, although efforts have been made in recent years to lower welfare dependency. Swedish society is also noted for its aggressive attempts to ensure equality between the sexes, although pay gaps remain at EU levels.

### FAST FACTS

<b>Population:</b>	9 million (2008 est.)	<b>FDI (net inflow):</b>	4.81% (2005 est.)
<b>Life Today</b>	7.4 (2005 est.)	<b>Exports</b>	38.30% (2006 est.)
<b>GDP (PPP)</b>	\$334.6 billion (2007 est.)	<b>Imports</b>	32.94% (2006 est.)
<b>GDP (Growth)</b>	2.6% (2007 est.)	<b>Unemployment:</b>	6.1% (2007 est.)
<b>GDP (per Capita)</b>	\$36,500 (2007 est.)	<b>Life Expectancy</b>	80.74 years (2008 est.)
<b>Political System:</b>	Constitutional Monarchy		
<b>Foreign Aid:</b>	No data		

### KEY SCORE DRIVERS

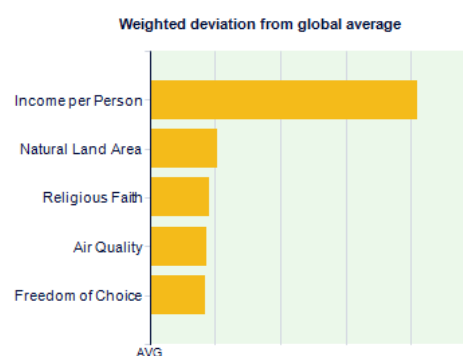
#### ECONOMIC COMPETITIVENESS



Sweden is enjoying a period of sustained economic prosperity, beating the eurozone average growth rate for the last eight years consecutively. Key to this success is the high level of capital investment the country has attracted. World-class infrastructure, robust public finances and a highly skilled workforce make Sweden one of Europe's most stable economies, achievements that reflect an effective government. Swedish timber, hydropower and iron ore continue to occupy a prominent place in world markets, although global credit conditions and capacity limits could see export-led growth begin to diminish.

Despite the large welfare state, the Swedish economy is highly

#### COMPARATIVE LIVEABILITY



Sweden boasts one of the best qualities of life in the world. Surpassed only by neighbours Norway and Denmark, Sweden provides a model of an efficient, liberal democracy, and the effectiveness of its governance is extremely high. Its political institutions score well in respect to transparency, with control over corruption among the world's best. Life satisfaction further benefits from high average incomes, and Sweden also leads the global rankings in terms of female representation in parliament.

From a lifestyle point of view, Swedes are likely to live longer than almost any other nationality, having an average health-adjusted life expectancy of 73.3 years. Well-balanced working hours, clean air

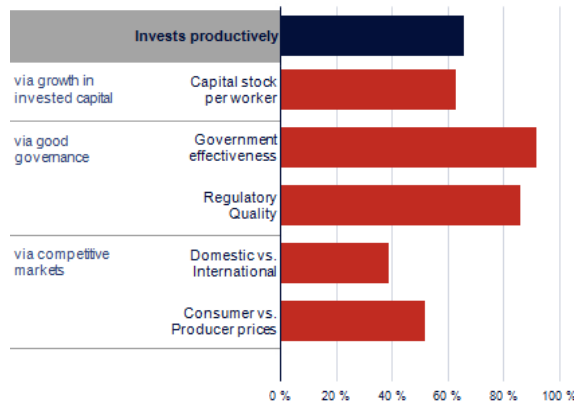
privatised, with only 10% of industrial output in public hands, a point reflected in the high regulatory quality rating. Strong investment in research and development also will continue to give Swedish companies an edge in the world marketplace, underpinned by good levels of mass education.

On the negative side, wage inflation hovers worryingly on the horizon. High salary demands are dampening domestic competitiveness, and movements in relative price levels represent one of the few negative scores on Sweden's Economic Competitiveness ranking, although this is in line with the other countries at the very top of the table.

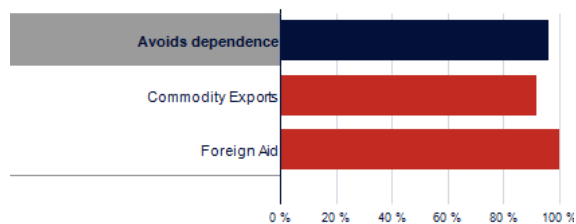
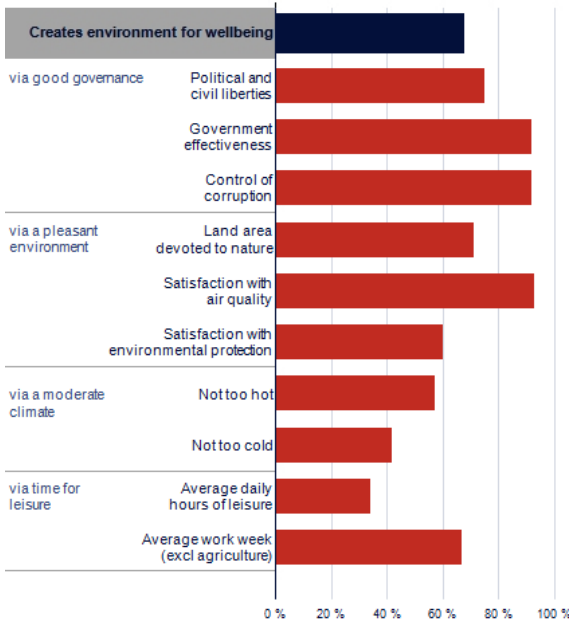
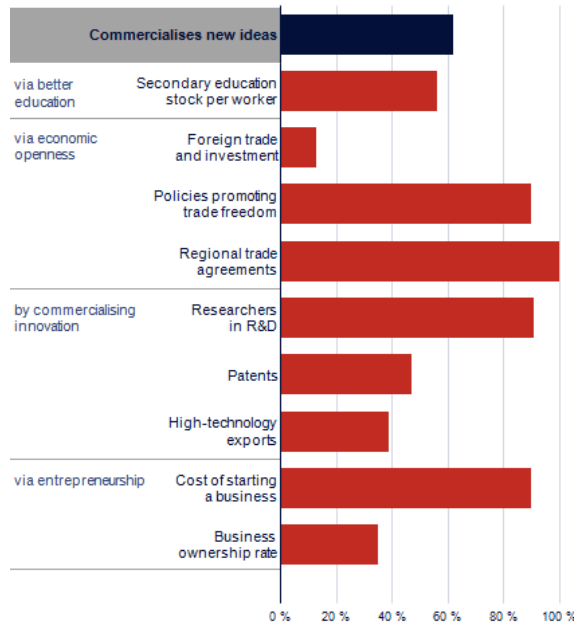
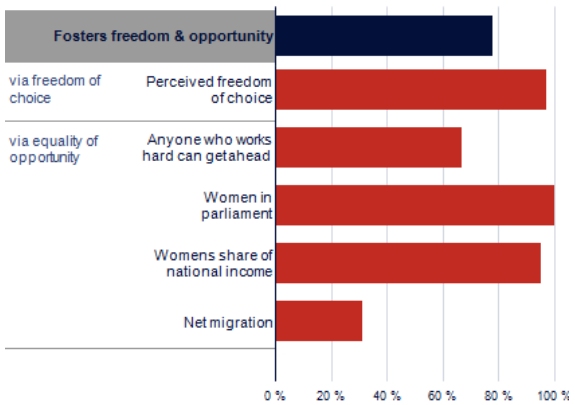
and an abundance of nature enable Swedish citizens to enjoy their leisure time fully.

Culturally, Sweden is one of Europe's most open societies. Swedes report high levels of satisfaction with their freedom of choice to determine the course of their lives. Sweden's reputation as a liberal, highly secularised society may explain why, despite strong social networks and record levels of social trust, divorce rates are comparatively high even by Western European standards.

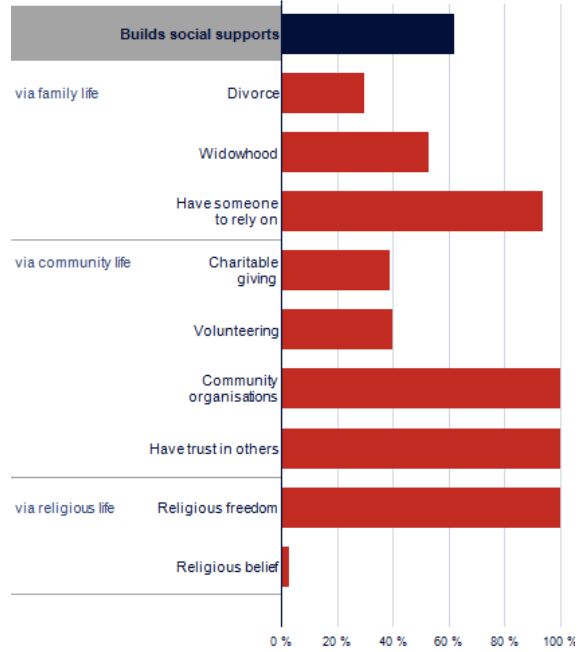
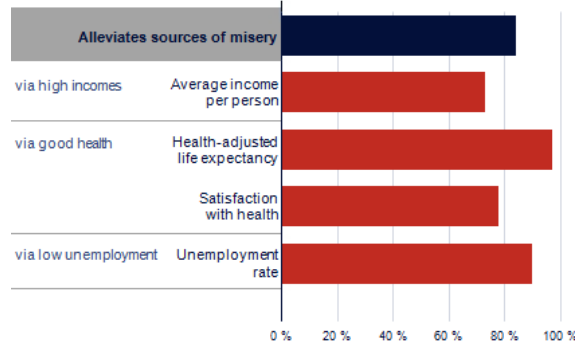
## ECONOMIC COMPETITIVENESS: SCORECARD



## COMPARATIVE LIVEABILITY: SCORECARD



All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



**References:**

<sup>9, w</sup> See [www.prosperity.com/references.aspx](http://www.prosperity.com/references.aspx) for further details including date of survey, sample size, and margin of error.