



Stockholm  
University

Department of Economics

**Course name: Swedish Model**

**Course code: EC2202**

**Examiner: Lennart Erixon**

**Number of credits: 7,5 credits**

**Date of exam: Saturday 18 April 2015**

**Examination time: 3 hours [09:00-12:00]**

**Write your identification number on each paper and cover sheet (the number stated in the upper right hand corner on your exam cover).**

**Use one cover sheet per question.** Explain notions/concepts and symbols. If you think that a question is vaguely formulated, specify the conditions used for solving it. Only legible exams will be marked. **No aids are allowed.** You can answer either in English or in Swedish.

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The exam consists of 8 questions (7 short questions and 1 essay question), 50 points in total. For the grade E 20 points are required, for D 25 points, C 30 points, B 37 points and A 45 points.

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Your results will be made available on your "My Studies" account ([www.mitt.su.se](http://www.mitt.su.se)) on May 8 at the latest.

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**Good luck!**

## I. Short questions

Answer 7 of 8 questions only. Not more than 1/2 page per answer (max 5 point per question).

1. Describe at least three components of Assar Lindbeck's definition of the Swedish model (the Swedish experiment) in his article *The Swedish Experiment* (1997).
2. Provide a brief description of the fiscal policy by the Social Democrats in the mid-1990s (1995-1998).
3. Describe the content of the *Lex Laval*.
4. What does the economic literature say about the effects of *job security* on employment or unemployment? See Nickell et al. (2005) and Skedinger (2011).
5. There are two public insurance systems at unemployment in the Nordic countries. Which are the two alternatives? What system has traditionally been practiced in Sweden?
6. The high productivity growth in Sweden 1996-2006 is largely explained by a favourable industrial structure. What is the argument?
7. Sweden is no longer *the* country of active labour market policy (ALMP). Provide an argument for this proposition by references to the ALMPs in Sweden compared to the ALMPs in other EU countries.
8. Provide (briefly) two explanations for why net-income gaps (earnings and capital gains *after* taxes and transfers) have increased more than wage differentials in Sweden in the 21 century.

## II. Essay question

Choose one of the questions only. Approximately 2-3 pages (max 15 points)

1. Provide arguments for that the Swedish model is dead and also arguments for that the model is still alive. Use different definitions of the Swedish model, the course literature and the lecture notes as starting points for your answer.
2. Economic policy in Sweden since the early 1990s can be described as a hybrid between a Keynesian (discretionary) model, a Rehn-Meidner model and a neo-monetarist model (see Erixon 2010 and 2011). Provide arguments for this view.