

Three questions

- Is this the right report to write?
- Does it ask the right questions?
- Does it give the right answers?

General comments on report

- Comparisons with the US or other European countries?
- Retrospective approach
- Exclusive focus on welfare state problems
- Neglect of macroeconomic framework
 - monetary policy
 - fiscal policy

1995-2000

	Sweden	US
GDP growth	3.5	4.2
<i>Contribution from:</i>		
IT capital	0.8	0.9
Non-IT capital	0.4	0.6
Labour	0.7	1.3
TFP	1.7	1.5

2000-2004

	Sweden	US
GDP growth	2.1	2.4
<i>Contribution from:</i>		
IT capital	0.4	0.6
Non-IT capital	0.2	0.4
Labour	-0.4	-0.3
TFP	1.9	1.7

1995-2000

	Sweden	UK	Germany
GDP growth	3.5	3.3	1.7
<i>Contribution from:</i>			
IT capital	0.8	0.8	0.3
Non-IT capital	0.4	0.6	0.3
Labour	0.7	0.7	-0.4
TFP	1.7	1.2	1.5

2000-2004

	Sweden	UK	Germany
GDP growth	2.1	2.3	0.5
<i>Contribution from:</i>			
IT capital	0.4	0.3	0.2
Non-IT capital	0.2	0.5	0.2
Labour	-0.4	0.2	-0.5
TFP	1.9	1.3	0.6

Product market regulation

	1998	2003
UK	1.1	0.9
US	1.3	1.0
Denmark	1.5	1.1
Ireland	1.5	1.1
Sweden	1.8	1.2
Finland	2.1	1.3
Belgium	2.1	1.4
Germany	1.9	1.4
Netherlands	1.8	1.4
Spain	2.3	1.6
France	2.5	1.7
Greece	2.8	1.8
Italy	2.8	1.9

Employment

- Benefit levels
- Wage compression
- Tax wedges
- Small private service sector

Large employment benefits from small increases in income inequality