Analysis of Swedish Socio-Economic Model in the Context of International Development

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Abstract: Decision making and buying behavior of consumers are affected by perception as well as socio-economic, cultural, geopolitical aspects. Consumer behavior is often seen as dynamic interaction of humans in a specific environment. It contains emotions, knowledge and actions through which people carry out the exchange in order to meet their needs. Moreover, it involves thinking, feeling and actions of people that execute in the context of the consumption process. The aim of the article is to establish a complex ground of knowledge based on the analysis of the socioeconomic development of Sweden. Part of the aim of the article is to asses certain risks of the current development of the swedish socioeconomic model in the context of international development and to propose precautionary actions in order to decrease them.

Keywords: consumer behavior, consumption, debt, savings, Swedish social-economic model, economic and social stability

JEL Classification codes: D11, E21, P46

INTRODUCTION

Each consumer has their own distinct and specific features which are transformed into behavior and decision-making, thus directly linked to the consumption of tangible and intangible goods, that is to say, useful objects of the outside world, based on resource constraints. Consumer buying behavior is a sum of conscious, unconscious and emotional factors determined by consumer decision-making (Schiffman, 2014). This complex course consists of a pre-purchasing, purchasing and sub-purchasing level. Consumer behavior itself involves human activities linked to the search, comparison, acquisition, use and storage of consumer products (Kotler, 2017). It is a number of processes that involve not only the individual consumption of products and services, the actual purchasing process and the use, but from a contextual point of view, they also include the end of product use and storage for future use (Koudelka, 2010). Consumer behavior reflects customer preferences, impacts and decisions, partially conditioned by genetics, environment, and social interactions throughout life. Understanding the decision-making of consumers is of the utmost importance in the context of a proper understanding of customer needs on a long-term base.

1 LITERATURE REVIEW

In practice, there are several models or approaches to understanding the essence of consumer behavior, which have become widespread in the sixties of the twentieth century in the form of new concepts drawn mainly from the social sciences. The first group consists of rational models that approach consumers as rational operators, making their decisions as a result of calculating direct economic benefits of their potential decisions. In a rational way, consumers have all the necessary information necessary for their decisions with the ultimate solution
being the choice of the best possible alternative. It is based on the assumption of non-concern with psychological and other negative sociological influences, where the choice is based on a perfect understanding of choice, borderline benefits, and income and budget constraints (individuals, households). Logically, however, it is necessary to oppose and note the fact of reality associated with homo economicus, because perfect information does not exist. From the perspective of economics, it is necessary to look for a meaningful boundary between the terms optimality and rationality, while homo economicus represents a rationality not influenced by external influences. Maximization of satisfaction as an impulse contrast seems more realistic (Riegel, 2003).

The second approach is psychological (behavioral and psychoanalytic) models that approach consumer behavior as a series of conditional processes, in the form of internal and often unconscious motives of decision making. Behavioral models rely on continuous learning, different attitudes and types of consumers, analyzing consumer behavior and responses to impulses associated with internal conviction and responsiveness, including marketing and advertising. The psychoanalytic approach focuses on interpreting the depth of internal motivation and consumer behavior patterns in the form of internal stimuli that lead to a particular behavior. The third group consists of sociological models that focus on the belonging of consumers based on social groups, their status and perception by other members of the group. On the basis of these aspects, they are then trying to explain their behavior, as it is assumed that the social environment and its unwritten rules affects consumers. The primary group is the family and the environment in which the individuals are brought up, as the basic habits and integrity are transferred from the perspective of behavioral patterns.

Behavioral patterns are one of the most important factors that affect individuals and transfer them to their surroundings. Similarly, we can also speak in the context of reference groups whose members an individual may not be, but they are identified on the positive basis and would like to become a member. Aspiration therefore means adapting and transforming current behavior based on a reference group. From the point of view of the social class to which the individual belongs, the issue of the tangible and intangible means manipulated by the individual comes to the fore.

The last approach is a two-factor model of a stimulus-response that differs from the above-mentioned models in terms of consumer behavior, as it does not look exclusively from one point of view - but it represents a complex connection of the response scale in a framework form. In its essence, the reactions to the external stimuli of the environment as well as the marketing are examined. The second step is the analysis of internal reactions in the context of the consumer black box. The combination of these steps is the model of market behavior of consumers, taking into account the interconnection of predispositions that tend to influence to a large extent behavioral and purchasing decisions, in combination with the situational impacts. In this case, the environment is represented primarily by the social and cultural aspects and by the inner individuality of the consumer (Koudelka, 2010).

**Analysis of the current state of research on key aspects of the welfare state issue**

Socio-economic models can be defined as original systems of institutions and regulations that display a long lasting efficiency and support in regard of the objective (and the means) that are valued by the majority of the population.

To explore the Swedish socio-economic model, often referred to as the "Swedish social experiment" or "the Swedish social state", we need to draw attention to and characterize the historical development of the social state phenomenon. To begin with, it is necessary to define the concept of welfare state, developmental tendencies and the content of this term. Subsequently, it is necessary to analyze the current position of the concept of welfare state in the reality of today's turbulent global economy. Last but not least, it is important to define and
characterize the specifics of the Swedish concept and to apply the principles of the functioning of the welfare state within the Swedish socio-economic model of functioning and development of the state. In addition to the theoretical classification of social state models, we focus our attention on the content and scope of the welfare state, its sustainability or unsustainability in the current conditions of the globalizing world economy.

In defining the concept of welfare state, it is important to take into account the developmental dynamics of the views, content and function of the welfare state not only as a theoretical concept of governance and management of a particular territorial or national or civic society. It is also important to take into account the real content of this term which reflects the basic social functions and goals of the state's existence in everyday reality. In the literature, we can encounter several forms and labels of the phenomenon of the welfare state. The most common form indicating this phenomenon in Anglo-American tradition is the so-called "Welfare state". Despite some differences in content definition of these two concepts, which can be found in various professional sources, the majority of the authors recognize these terms as same.

Initial application of the partial features of the "welfare state" in the framework of state administration, according to some sources, can already be linked to the 11th century since: "The first roots of what is now called the social state began to appear in the 11th century in China during the Song Dynasty. At that time, Prime Minister Wang Anshi was convinced that the state was responsible for providing decent living conditions for its citizens. His reforms were named xin fa meaning "new laws" (Bláha, 2008).

"The European roots of the welfare state can be traced back to a Christian charity whose function has been gradually taken over by the state and the state has subsequently created a comprehensive and universal instrument of social assistance from the original random and local assistance of the poor." This process has been going on for hundreds of years and its modern form began to emerge in the 19th century (Bláha, 2008).

In general, Germany is considered to be the first welfare state in the reign of Chancellor Otto von Bismarck, who began his social reforms in 1871. Later in 1889, in response to the increasing pressure from the socialist movement, the German government introduced a wide-ranging social insurance system (sickness, accident, health and pension insurance) (Bláha, 2008).

Another important moment and at the same time the most extensive stage in the implementation and development of the welfare state was the so-called F. D. Roosevelt's New Deal since "The New Deal as a National Economic Recovery Plan was a summary of the US government's legislative and institutional measures in response to the financial and economic crisis of the 1930s. It was supposed to prevent the poverty of the population, heal the economy, the financial market and, in particular, give young people hope for the future (Heywood, 1994).

H. L. Wilensky characterizes the essence of the welfare state as a government-protected minimum level of income, nutrition, health, housing and education for every citizen. This level is achieved by the redistribution of social income. Other authors add that this is done in order to gain political support and maintain social peace in the country. Unlike Hobbes' initial vision of Leviathan as a state - a guardian who already had an obligation to look after those who "become unwillingly unable to work and feed themselves" (Hobes, 1988), today's welfare state is bound to the conditions of a liberal economy, pluralist democracy and decentralization of state power (Krajčiová, 2007).

According to Briggs, the welfare state is a state in which power is purposely used to change or influence the outcome of market forces at least in three ways: by guaranteeing minimum income, reducing uncertainty and offering social services to citizens (International Labour Conference, 1951).
Potůček (2005) claims: "Social state is a state in which in the laws, leadership and attitudes of people, in the activities of institutions and in practical policy, the idea is enforced that the social conditions in which people live are not things of individuals or families, but also public."

Liberal definition: "The welfare state softens the risks of modern life, implements measures to ensure the security of all citizens, increases equal opportunities, thereby damping class conflict and promoting social justice" (Potůček, 2005).

It is clear from the outlined definitions that the content of the state issue is linked to the problem of defining the underlying objectives and functions of the existence of a particular state. It is, therefore, a state that promotes and ensures an adequate extent of fulfilling its socio-economic function in relation to the needs of its citizens. It achieves these goals in a way that can provide and guarantee citizens the minimum social and economic standards. It also uses support mechanisms to achieve its goals which can effectively act in terms of preventing the emergence and resolution of social crises and their implications, whether at the level of individuals, social groups, or the entire society within the country.

Thus, the content and scope of the welfare state are now problematic. The content of the welfare state could be the content of the state's economic policy, namely its social part i.e. social policy.

The extent of the welfare state is the degree of guaranteed minimum socio-economic standards and preventive-reactive socio-economic measures aimed at bringing about socio-economic stability and development as an individual, social group and society as a whole.

2 METHODOLOGY

Measuring and assessing consumer behavior means an effort to gain knowledge and partial understanding of the reasons for implementing decision-making and behavioral processes as they are under the influence of external and internal factors which affect particular buying situations. The power of these stimuli and influences is indisputable, reflecting on the issue of the current and future consumption of savings and indebtedness. The aim of the article is to establish a complex ground of knowledge based on the analysis of the socioeconomic development of Sweden. Part of the aim of the article is also to assess certain risks of the current development of the Swedish socioeconomic model in the context of international development and to propose precautionary actions in order to decrease them. Methods of analysis, comparison and synthesis were used to solve the problem.

3 RESULTS AND DISCUSSION

3.1 Analysis of the swedish economy

In order to assess the risks of current and future developments in the Swedish economy, it is necessary to examine all significant periods, especially in the current development of the Swedish economy. An analysis of the current socio-economic development of Sweden is needed to successfully assess the risks of the current functioning and prospects for the future development of the Swedish socio-economic model. This will help us to identify the key success factors and future development of the Swedish socio-economic model, but will in particular serve to identify the risks to the functioning and development of the current socio-economic model of the Kingdom of Sweden. As a starting point for comparative analysis, the characteristics of Sweden in the European Union, where Sweden is characterized as the third largest country in the European Union in terms of area, can serve as a starting point. The most
important sectors of Sweden's economy are public administration, defense, education, health and social work (which accounted for 23.9% of GDP in 2012), wholesale and retail trade (19.9% of GDP in 2012), transport, accommodation and catering services (17.6% of GDP, 2012). Sweden's main export partners are Norway, Germany and the United Kingdom, while its main import partners are Germany, Norway and Denmark. Sweden can be characterized as an export-oriented economy, with a high degree of innovation and a high level of taxation as well as tax discipline (www.europa.eu).

Development of GDP growth in selected economies

As already mentioned, the key indicator for assessing the economic development of any country is the growth rate of nominal domestic product. To illustrate the context of the functioning and development of the Swedish economy, we decided to show the development of the indicators in the other selected countries of the Nordic region and namely Denmark, Finland and Norway, which as the only one of these states is not a member of the European Union. In addition to the above mentioned, we consider it useful to show a comparison of selected indicators also within the development of the German economy as a representative of the key economic power within the European Union. The analysis in question could also be enriched by an analysis of selected indicators of socio-economic development of the United Kingdom or the United States, which Sweden has significant links with, according to the IMF report from 2013 (Kolodziejski, 2013).

In the context of this, the development of the Swedish economy and other economies of the Nordic region can also be perceived. The GDP indicator in question in the reference period under review shows trend instability, mainly due to the aforementioned enlargement of the European Union in 2004 and 2007 as well as the outbreak and impact of the global financial and economic crisis in 2007-2010 (despite the officially labeled start of the global financial crisis, i.e. in 2008, the negative effects of economic problems in the global economy started to materialize already in 2007) and the EU debt crisis since 2011. It can therefore be stated that the growth rate of Sweden's gross domestic product decreased from 4.3% in 2004 to 1.3% in 2013 (www.europa.eu).

Development of inflation rate in selected economies

Another important indicator that substantially complements the economic characteristics is the rate of inflation. For our analysis, we chose the inflation rate measured by the consumer price index, which reflects, but also characterizes the selected economic policy of the state in a particular period, but especially significantly affects the performance of the economy and the degree of real welfare of the population of the particular economy.

Considering the importance of inflation in relation to its economic slowdown potential as well as the fact that the stabilization of the price level is one of the basic political-economic goals and the inflation rate is one of the key indicators used for the evaluation of economic development, we decided to analyze this indicator in the next analysis. As with the previous analysis of the evolution of gross domestic product growth in the economies under review as well as in inflation, we maintained the same reference period and territorial focus of our analysis based on the presented significance of international and economic relations among the economies under review.

In examining the evolution of the inflation rate, it is necessary to take into account all significant facts that have influenced also the development of the growth rate of gross domestic product. In relation to the assessment of the causes and effects of the specific development of inflation rates, other important factors need to be taken into account, e.g. price of labor, price of energy and other raw materials, development of interest rate, rate of unemployment and other.
At the European Union level, the monitored inflation rate indicator changed overall from 2.3% in 2004 to 0.6% in 2014. In the period under review, several points of the change in the trend of development can be identified reflecting fluctuations in the Union's economic growth (www.europa.eu).

**Development of unemployment rate growth in selected economies**

Another important indicator, which fundamentally characterizes the economic development of the state and its economic policy and has a direct and key impact on the fulfillment of basic functions of the welfare state, is the indicator of unemployment rate.

This indicator represents part of the unused human resources in the economy. It can also be seen as a direct reason for the reduced level of the real product of the economy compared to its potential. In addition, the individual and societal costs of unemployment, as well as the costs of preventing and addressing the negative, socio-pathogenic phenomena arising from unemployment, must also be taken into account. The level of unemployment has a direct impact on the individual and societal level of well-being as a key factor that is at the heart of social welfare theory. It is precisely the increase of the welfare of citizens of the state in a democratic and socially economically and ecologically sustainable way that can be seen as the main objective of the existence, functioning and development of the welfare state in the practice of everyday socio-economic and political reality.

When analyzing unemployment, it is necessary to take into account not only its aggregate characteristics. It is also important to take into account the correlations of the development of unemployment with the development of other macroeconomic indicators, which is important for drawing the socio-economic situation and development in a particular economy. Indeed, several indicators of socio-economic development in a country can directly influence growth or decline in unemployment. It can be, in particular, links between the unemployment rate and the development of gross domestic product, inflation or, where appropriate, the level of public revenue and expenditure. To illustrate the socio-economic development in the economies under review, we decided to analyze the evolution of the unemployment rate in selected economies.

Despite the outbreak and impact of the global financial and economic crisis between 2007 and 2010, the effect of the debt crisis is a much more serious factor directly affecting the level of unemployment in the European Union. The largest increase in unemployment can be observed in the period from 2013 to 2014, when the monitored indicator increased year-on-year by 5.1% from 5.1% in 2013 to 10.2% in 2014 (www.europa.eu).

Given the potential negative impact and fundamental importance of unemployment it is important to proactively act in the sense of socio-economic reduction risks stemming from this phenomenon. Direct and targeted solutions to the problem of unemployment and youth unemployment in particular needs to be applied.

**Development of the balance of payments of standard account in selected economies**

Another indicator that significantly characterizes the country's economic development is the state's balance of payments. This is an assessment of foreign trade activity, specifically its result.

The countries of the Nordic region have export-oriented economies, as they have an active balance of payments in the long term. An exception is Finland's economy, which experienced a sharp deterioration in the balance of payments in the period under review, with the trend of this indicator having a long-term downward trend in the Finnish economy. Out of 6.2% in 2004, it dropped to -1.6% in 2013, which, together with more than 8% unemployment, puts
pressure on the growth of government debt and narrows the scope for growth-enhancing use of government spending (www.europa.eu).

Development of the Gini coefficient in selected EU countries

In order to identify and document the effectiveness of the socio-economic model in relation to meeting the key challenges and objectives of the welfare state, we must also take into account the social factors of the functioning of the economy in our analyses. The indicator that allows us to do so in some extent is so-called Gini coefficient which is used to document the redistribution of generated values or wealth. It is a so-called balanced income. The higher the value of the index, the less egalitarian the redistribution of wealth in a given economy, and vice versa, if the index reaches 0, it means that all members of society have access to the same wealth. Mostly, it ranges from 0 to 1 and 0 to 100, respectively, in terms of the percentage of social inequality.

In view of the evolution of the Gini coefficient in the period under review, we cannot draw any major conclusions for a small number of data at European Union level, perhaps only that the degree of income inequality is higher in the European Union than in all the countries surveyed, and the Swedish economy can now be included in this aspect for the economy of Norway, as the economy with the second highest income equality among all the economies studied. As we have already mentioned, the economy with the highest level of income equality within the region is Norway's economy. As part of the development of the indicator we can conclude that there is a generally decreasing trend in the value of the given coefficient, where the value of the indicator decreased from 25.2% in 2004 to 22.7% in the whole period under review. This represents an overall decrease of 2.5% in the monitored indicator. Despite the overall decrease in the coefficient, the development of this indicator also showed periods of strong growth and subsequent changes in the trend. Between 2004 and 2006, the indicator increased significantly from 25.2% in 2004 to 29.2% in 2006 - an increase of 4.0%. Since 2006, it has been possible to identify a significant decrease in the value of the coefficient in question, when in 2007 it reached 23.7%. Its value thus decreased year-on-year by 5.5%. Subsequently, the development of the indicator increased by 1.4% to 25.1% in 2008 (www.europa.eu).

CONCLUSION

Sweden's successful socio-economic development at the end of the 19th and early 20th centuries was mainly based on the rapid industrialization of the economy and investment in infrastructure, effective institutional and school reforms, low corruption, the development of the financial system, the openness of the economy and, last but not least, the country's neutral position during the war conflicts.

After evaluating the current state of development of the welfare state theory and analyzing the key characteristics of the current development of the Swedish economy, it can be stated that we have succeeded in fulfilling the set goals and partial objectives of the article.

A significant economic risk or a complex of risks can be considered a potential and currently fairly long-term decline in economic growth as a result of the escalation of the debt crisis, or as a result of the political-economic turmoil in the European Union, or the escalating of the conflict in Ukraine. The high dependence of the Swedish economy on exports to European Union countries in this context should be addressed as soon as possible by the effective application of economic diplomacy in the framework of the development of sales alternatives e.g. in more developed countries in Asia, Africa, Brazil, Canada and others.

Taking into account the forecasts of the Swedish National Bank, we can conclude that, in the case of medium-term stability in the European Union, Sweden can, thanks to favorable
economic development indicators, create a sufficient set of resources for the mentioned anti-risk activities in a short time.

In relation to the existence and sustainability of the Swedish socio-economic model, it is possible to take a rather unequivocal position:

- Based on the characteristics of past developments in the Swedish economy, it is possible to confirm that the basic features of the socio-economic model of the so-called "welfare state" of Sweden and their reflection in the development of key parameter values of socio-economic development showed elements of discontinuity or deterioration:
  - high government spending and support for the development of the state's social function,
  - high taxation rate,
  - the relatively small size of the banking system and the financial market.

These are the characteristics that currently must not always withstand fiscal and budgetary pressure on the one hand, and the inefficiency of the Swedish economy on the other. A separate chapter is the issue of liberalization of the financial market, which brought with itself a high-risk household debt. By examining the current development of the Swedish economy, we have come to the conclusion that although in some parameters and functions of the social function of the state Sweden still shows a high above-average level, even Sweden has already begun to promote the neo-liberal concept of addressing selected issues of understanding and securing socio-economic standards and security as individual citizens as well as the Swedish economy as a whole. Despite the fact that there has been a change in the spectrum of opinion in power within the Swedish political and economic scene, in many areas of development of the application of the welfare state concept, neoliberal changes were forced by the need to address the fiscal and budgetary sustainability of the guaranteed standards. From the presented findings we can conclude that, in our opinion, the Swedish socio-economic model, as presented by professional literature, is currently significantly distorted by the neoliberal policy, which is partly the result of a change in political power in the country and partly due to the unsustainability of the previously guaranteed social security when economic crisis hit the global economy.

In the long term, we consider the socio-economic risks associated with the demographic aging process of the Swedish population to be much more significant and the resulting need for effective resolution of the issues:

- Effectively increasing the effectiveness of the use of family policy development tools, focusing on increasing the birth rate, but also on creating conditions for effective education and training in line with the long-term needs of the Swedish economy - both in the family and in the school or other educational or interest institutions.
- Last but not least, the issue of efficient management of migration flows. In this area, we need to address the whole complex of issues:
- Effectively influencing the number and structure of immigrants in line with the long-term objectives of socio-economic development.
- Creating effective tools for assessing and verifying immigrants in terms of their social and economic usefulness and in terms of its potential risk in relation to state and citizen security.
- Creation and application of effective long-term integration programs into the majority society.
  - At the level of individuals through integration programs and so-called immigration curators,
  - At community level, by applying an effective and lawful distribution of the population in terms of transforming passive multiculturalism into an active and
enriching multiculturalism that is only possible by avoiding the phenomenon of social exclusion of migrants and their macrosocial communities. The introduction and mandatory use of programs for the re-integration of second and third generation immigrants into the majority society until the time of effective multi-generational impact of the first wave of integration.

- Initiate a global debate on refugee issues. Given the crucial importance and implications of both population aging and international migration processes for socio-economic stability and development, taking into account the level of risk of these factors in the Swedish economy, it is necessary to specify the alternatives for developing our framework proposals as follows:
  o Increasing the effectiveness of family policy instruments should be on a different principle than before. The guarantee of the choice between maternity and career should be maintained. Given the "phenomenon of so-called economies of scale, however, higher welfare rates (today's level) and social security should be guaranteed to mothers and families who fulfill the socially preferred goal of (stopping the demographic decline) from one month of life to 3 three years of life of the child. In the first two children, the state-guaranteed standards were to be partially reduced to activate the economic motive in addition to the personality and biological motive, with a link to a real society-wide target.

- Effective influencing of migration flows should be addressed through the effective use of specific tools:
  - Economic assistance in countries of migration or wave movement towards Sweden (this is seen as a protective measure against uncoordinated migrants' flows into the country),
  - Using the tools of economic diplomacy and marketing techniques to build the image of the state in the sense of attracting a certain kind of migrants in accordance with society-wide goals,
  - By modifying the asylum procedure and creating an assessment mechanism for immigrants, depending on their anticipated future social value. Taking into account the multi-generational effects of migration, the criteria for such evaluation should include the expected population contribution of the migrant or his / her relatives, the risk of the migrant in terms of security threats, health risks, religious risks, economic classification and qualifications and the anticipated societal (meaning socio-economic benefits - the migrant background in the home country to estimate roughly the volume of possible remittances the potential of its growth, social risks and social adaptability.

From the presented findings and expectations of future development, the growing influence of Sweden in the European Union as a technologically advanced economy with a stable socio-economic environment can be assumed to cope with the financial and fiscal-budgetary risks of economic growth. Despite the current trend of liberalization of the Swedish economy and the partial reduction of social standards, it is possible, based on the presented knowledge, to seek to maintain a socially understood model of state functioning on the principles of effective coexistence of the private and public sectors. The preconditions for success, and even though the fiscal problematic sustainable development of the welfare state development model, can be found in the long-term traditions of key values of society in terms of egalitarianism and transparency as well as a well-proven complex of mechanisms that align the positive effects of increasing the intensity of Sweden's involvement in international labor division or the development of internal competitive environment. It is worth noting the way in which state development is managed through state-supervised management of the strategic orientation of the economy to services with high added value and the way to stimulate this development through measures aimed at increasing competition in business research. Promoting and developing entrepreneurship has become key compared to the recent past of centrally
managed economies in former socialist bloc countries, while Sweden has not nationalized the production of goods and services compared to these economies, but has supported it through private property laws. However, Sweden has nationalized the income from this production with a high level of taxation. This has created room for the development of an efficient welfare state in the context of strategic nationalization or monopolization of the provision of services within the internal environment of the Swedish national economy (Bergh, 2014).

The focus of the attractiveness and adaptability of the Swedish socio-economic model concept lies in the long-term optimization of economic policy in support of the economic pro-export tendencies, as well as the efficient use of the resulting revenues for infrastructure or technology-oriented socio-economic development, resulting in a relatively high ability to maintain high social protection.

The long-term positive aspect of the Swedish economy is the school system, which effectively contributes to the valorisation of human capital in the Swedish economy, even on the basis of strategically motivated state investment.

The inspiration for the Slovak Republic should be the informal effectiveness of the formal anti-corruption policy and the way of resolving the banking crisis in the 1990s. Last but not least, it is the strategic orientation of education and the whole economy to develop the quality of human resources in the economy with regard to the development of production economic activities in the segment of high-end technology products.

Sweden has entered the history of world politics as the first country to practically apply the concept of welfare state. Thus, the Swedish economic model has become synonymous with a modern mixed economy that combines a market-based system with extensive state intervention that ensures economic and social stability. This model of political governance of the state combines efforts to bring together a liberal market economy and a centrally managed economy.

The issue of sustainable and effective implementation of the welfare state model is increasingly up-to-date in view of the increasing complexity of the world economy's structure, as well as the crisis and the increase in the risk of the global economic environment. In contrast to the past, a separate and sovereign state has to cope with the multiple challenges of the turbulent reality of the global economy in developing the application of the welfare state concept within its own internal environment. The key drivers of these challenges are, in particular, such factors as the growing interdependence of the individual entities of the world economy; the changed state position with regard to the operation of multinational corporations; the decreasing stability of world financial relations; the demographic implications of the world's population; the degradation of the environment. Sweden's research economy serves as a good example of both trends in the development of a socio-economic model of state governance.

Nevertheless, Sweden is a state that places great emphasis on meeting the broadly understood concept of the welfare state. The characteristics and analysis of the current development of the Swedish economy confirmed the need to correct the ambitious objectives of the Swedish model of the welfare state of the 1960s. Nevertheless, Sweden remains a promising example of a country with a broadly supported social system and good macroeconomic results even in today's world economy crisis.

The article confirmed both the effective management of the solution to the consequences of the current economic crisis and the preconditions for maintaining the greater part of the social standards of today in the medium term. On the other hand, despite the good forecasts of economic development, the sustainability of today's Swedish welfare state development model does not seem smooth.

In relation to the expected future changes resulting from the development tendencies of the Swedish economy and the world economy, it is possible to assume the necessity of gradual
reduction of state-guaranteed social security standards. However, excessive liberalization of the Swedish economy, which brought the country into a deep crisis at the beginning of the 90s of the 20th century, also appears risky.

Despite the need to take into account the aforementioned risk factors in the development of the Swedish socio-economic model, the sustainability and viability of key elements of the Swedish socio-economic model can be confirmed and even highlighted, as evidenced by the long-term placement of Sweden at the top of the Global Competitiveness Index as well as the highly positive assessment of Swedish socio-economic model in the international comparison using the human development index.

In a cautious and proactive application of economic policy aimed at maintaining a dynamic balance between development by key factors for the growth of competitiveness and sustainability of government spending in the social field, the Swedish socio-economic model can work effectively even in the conditions of the current globalized world economy, or even be an example for other countries, in particular through the enforcement of the above-mentioned anti-corruption mechanisms strengthening the effectiveness of public institutions, which is consequently translated into the effective functioning of the national economy.

A key prerequisite for the success of the Swedish socio-economic model will be to manage the renewal of the population structure by sustaining the current scale of the public sector through a stimulating family policy and effective migration management.

Based on the tasks set out in this article, we can conclude that the objectives of the work have been fully fulfilled, and in addition to the excessive dependence of the Swedish economy on the Member States of the European Union, we consider the risks associated with the development and the need for immigration tendencies to be the most significant risks of the current development of the Swedish economy. The proposed measures outline the possibilities and perspectives of particular solutions.

To conclude, this article plays an important role not only in the benefits of outlining and explaining the context and key factors of the Nordic region's development and analyzing current developments in the Swedish economy, but also in identifying its risks and formulating proposals on particular measures.

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