



THE SWEDISH WELFARE STATE: PROSPECTS AND CONTRADICTIONS

by M. Donald Hancock

For decades the Swedish welfare state has simultaneously fascinated and troubled outsiders. After the rise of the Social Democrats to long-term political power in 1932 and their subsequent success in initiating a comprehensive program of social and educational reforms, sympathetic Western journalists and social scientists began to celebrate the Swedish system as a "middle way" between capitalism and socialism, a "model for the world," and the "world's most modern society."

Liberal-minded politicians in such countries as Norway, England, West Germany, New Zealand, and the United States have borrowed selectively from the Swedish experience to establish ombudsmen and introduce social reforms. During the 1960s, Willy Brandt, then Chancellor of West Germany, publicly praised Sweden's mixture of public-private economy and welfare services as a model for encouraging growth and minimizing class conflict in other industrial societies.

At the opposite extreme, social critics with diverse points of view have regarded the Swedish welfare state with ideological disdain. Conservative politicians in Western Europe and the United States have repeatedly criticized the Swedish system for allegedly frustrating individual initiative. In a more strident vein, the South African journalist Roland Huntford has attacked Swedish bureaucracy and the Social Democratic commitment to equality for comprising the basis for a "new totalitarianism." Similar views based on other premises have been voiced by the radical left within Sweden itself. Criticizing the "alliance" between business and Social Democracy as "the Swedish model of exploitation," Jan Myrdal, son of economist Gunnar Myrdal, and other "proletarian" writers have agreed with Huntford that Sweden is well on its

way to becoming a "union dictatorship."

Both uncritical praise and strident disapproval obscure more than they reveal. The Swedish welfare state is a success as well as a failure; moreover, it is far from a finished product. To understand Sweden's relevance for social change elsewhere we must examine her domestic reform efforts in their own political context.

What are the underlying objectives of the welfare state as conceived by the Social Democrats and implemented with varying degrees of nonsocialist endorsement from the early 1930s onward?

What has the evolution of the Swedish welfare state done for workers, women, and others—and at what financial and social cost?

What has the welfare state failed to achieve and what are its prospects for future transformation?

One of the most pervasive myths concerning the contemporary Swedish welfare state is the naive belief that the country's industrial growth has produced "generalized welfare" as a matter of course. In fact, the development of the Swedish welfare state has resulted from basic ideological choices by the Social Democrats and other domestic reformers during the crucial decades of Sweden's industrialization and political modernization since 1900. As the political spokesmen for Sweden's growing industrial proletariat, Social Democratic leaders decided as early as the party's founding congress in 1889 to work within the existing socioeconomic and legal system in pursuing social change. Accordingly, they joined with other progressive parties—the Liberals early in the century, the Agrarians (now the ruling Center Party) from the 1930s through the mid-1950s—in implementing reform efforts piecemeal.

These involved, first, the slow democratization of the Swedish political system in accordance with Western notions of parliamentarianism and individual civil liberties (1907–1921),* and, second, the expansion of the government's role as economic and social engineer.

From the outset, Social Democratic leaders and their

*Sweden shifted during this period from a system of limited suffrage, in which votes were weighted according to income, to a system of universal suffrage. Likewise, a parliamentary democracy was introduced, in which the ruling party was required to maintain the confidence and support of a parliamentary majority.

close allies, the officials of the national labor federation (*Landsorganisation*) renounced the Marxist concept of inexorable class conflict under capitalism. Once the Social Democrats acquired a stable parliamentary majority in the 1932 elections, they proceeded to act from this ideological perspective with New Deal style measures to help restore economic health in the face of the Great Depression—introducing public works, worker retraining programs, and government subsidies to farmers distributed through a network of agricultural cooperative associations.

In 1938, the national labor federation undertook a major step toward ensuring labor peace by concluding the historic "Saltsjöbaden agreement" with the Swedish Association of Employers. This pact, named after the Baltic resort town where it was signed, outlawed unauthorized strikes and set up grievance procedures to supplement the work of the Labor Court, established in 1928 to settle labor-management disputes over interpretations of wage contracts.

Simultaneously, the Social Democrats, with the support of the Agrarian Party, embarked on an ambitious effort to expand social services. Between 1934 and 1937, the Riksdag, the Swedish Parliament, approved voluntary unemployment insurance, a national pension system, home construction subsidies for large families, maternity benefits, state grants to invalids and orphans, and state subsidies for school lunches.

The advance of the welfare state, which had been interrupted by World War II, was resumed under the Social Democrats after the war. The Riksdag endorsed a compulsory national pension program in 1946 and communal support for home construction in 1947. A national health program was also introduced in 1947, but because of a doctor shortage, it was not fully implemented until 1955. In addition, the Social Democrats sponsored a 1956 law on "social help," which further extended social services and narrowly won a protracted parliamentary struggle with the Conservative, Liberal,

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and Center Parties in 1959 to launch a new compulsory pension scheme providing supplemental retirement benefits based on a citizen's best-income years.

During the 1950s and 1960s, the Social Democrats initiated another set of reforms—this time with the formal support of the three nonsocialist parties. To promote greater class equality by reducing educational barriers to socioeconomic mobility, the traditional three-track public school system (vocational, intermediate, pre-university) was abolished in favor of a unified system modeled after that of the United States. "In the process," says Professor Arnold J. Heidenheimer of Washington University in St. Louis, the Swedes "greatly increased access, particularly of working-class children, by eliminating most standard examinations and other criteria of selection, even to the point of abolishing the exam given at the conclusion of gymnasium [advanced secondary school] study."¹

Overall, the Social Democrats sought to "humanize" Sweden's existing capitalist industrial system while increasing its efficiency. Their reform strategy thus served two overlapping social objectives: to ameliorate individual deprivation caused by advancing age, disability, unemployment, and insufficient income; and, as a necessary means to that end, to accelerate Sweden's economic growth through active labor-market, monetary, and fiscal policies.

Both supporters and critics of the Swedish welfare state have described this strategy in terms of a "compensatory" theory of social justice. As the authors of a joint 1971 Social Democratic Party–National Federation of Trade Unions report, *Equality*, asserted, "We have the means to be generous toward those who aren't successful in our complicated society."² In 1970, when he optimistically forecast 70 percent economic growth by the end of the decade, former Prime Minister Olof Palme asked rhetorically, "Is this desirable or not?" and answered:

A rate of progress of 60–70 percent is, of course, valuable. But if the price is that people are adversely affected, if they are thrown out of work without being given new opportunities to find employment, then the price would be too high. If the price is to exacerbate social cleavages in Swedish society, the price is also too high. But if an increase in productivity of 70 percent means that we can help people who are hurt and can reduce social cleavages in Sweden, it's worth the price.³

The dual purpose of the Swedish welfare state, then, is to promote material prosperity while compensating those individuals who, in the words of the *Equality* report, "for whatever reason wind up outside the boundaries recognized by a career society."

Radical critics are correct when they detect in this strategy some strong ideological limits to the structural transformation of Swedish society. While the emergence of the welfare state has undeniably enhanced social security and altered the distribution of political power in Sweden, it has neither abolished social stratification nor changed basic relations between the "haves" and the "have-nots."

Prosperity and Labor Peace

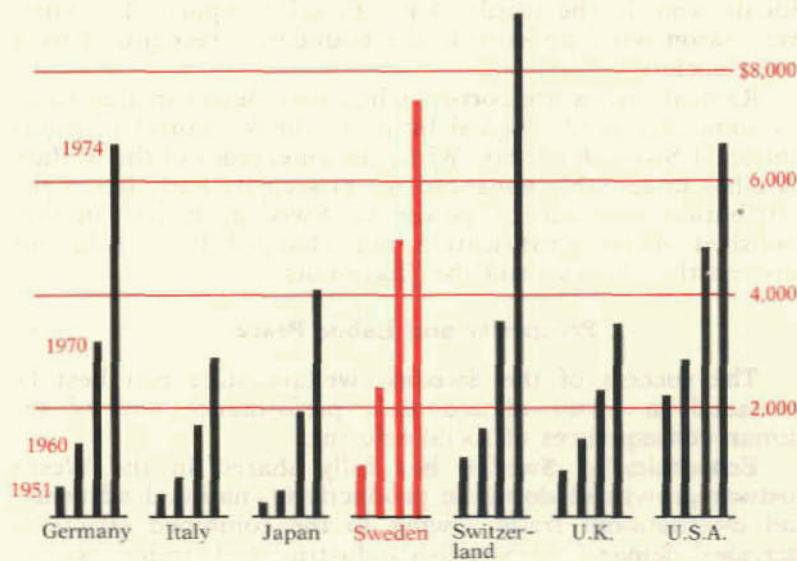
The success of the Swedish welfare state can best be measured in terms of economic performance and of the human consequences of social reforms.

Economically, Sweden has fully shared in the West's postwar growth of domestic productivity, national affluence, and international trade. Owing to the combined effects of increased demand for Swedish industrial and timber exports (chiefly in Scandinavia, the Common Market area, and North America) and efforts by the central government to facilitate investment and industrial rationalization, Sweden experienced an average annual growth rate of 4-5 percent from 1945 through 1970.

By 1973, Sweden's per capita gross national product reached \$6,140 (second only to the United States and Switzerland among industrial nations). In that same year, private consumption per capita was \$3,240 (compared to \$3,840 in the United States, \$3,000 in West Germany, and \$1,190 in the United Kingdom). Between 1967 and 1974, real hourly earnings increased by 28 percent; in 1976 they averaged 23 Kr (kronor), or approximately \$5.50, as compared with \$4.87 in the United States.

As in other advanced Western countries, economic growth in Sweden has been uneven during the past decade and increasingly beset by "stagflation." Productivity declined during the mid-1960s and again after 1971 in response to international recessionary trends. But in both instances, indirect government intervention in the economy helped ease the effects of incipient economic crisis. A direct result of government economic activism was Sweden's strikingly low rate of unemployment; it rose from 1.5 percent in 1970 to a peak of

PER CAPITA GNP IN CURRENT U.S. DOLLARS, 1951-74



Source: GNP and population—*International Financial Statistics* (International Monetary Fund), 1976, 1977; midpoint exchange rates—United Nations, *Statistical Yearbook, 1961* and *Monthly Bulletin of Statistics*, July 1977.

2.5 in 1973, declining thereafter to 2.0 in 1974 (compared to 5.6 percent in the United States in 1974 and 3.0 percent in West Germany).

Important to Sweden's postwar affluence has been an extraordinary record of labor peace. As a matter of deliberate policy, the national labor federation—which encompasses virtually all of the industrial hourly wage earners and roughly one-fourth of the lower-level salaried employees—has generally sought to avoid direct confrontation with the Swedish Association of Employers in negotiating national wage agreements. Moreover, between sessions, the trade union leadership has studiously acted in the spirit of the Saltsjöbaden agreement in enforcing contract terms and proscribing "illegal" strike activity.

As a result, Sweden claims an international record with respect to the infrequency of strikes and retaliatory lockouts. In contrast to a total of 3,095,000 working days lost in Sweden

through strikes in 1932, an annual average of only 536,000 working days was lost during the entire 1956-66 decade and 141,000 per year between 1966 and 1973.

In turn, national affluence has enabled government agencies to extend and expand the social services launched between 1934 and 1960. Aggregate expenditures on social services rose from 544 million Kr in 1938 (approximately \$104 million at the time) to 41,266 million Kr in 1972 (approximately \$8,543 million).

The Ideal Society

Augmenting the redistributive effects of compensatory social services is the "democratization" of access to secondary and higher education in Sweden. In 1930, fully 91 percent of the adult population had only a primary school education and fewer than 1 percent had a university degree. The educational reforms of the 1950s and 1960s have significantly changed that picture. By 1974, 50.2 percent of the population 16 years and older had completed at least 8 years of school; 14.3 percent had completed at least 9 to 10 years; 27.1 percent had progressed to a gymnasium (an advanced secondary school, equivalent to a two-year American college); and 8.8 percent had obtained some form of higher education.*

There has been a sharp increase in the number of female students. At the turn of the century, only 8.9 percent of those completing secondary school were women. By the 1930s the percentage had increased to 29.8, and by 1966-70 it reached 45.8 percent. The percentage of women among those receiving university degrees had grown from 23.5 in the 1940s to 40.5 by 1966-70.

Whether material affluence, extensive welfare services, and more equal access to education have yielded the Swedes something close to an ideal society depends very much on one's point of view. Clearly, from the historical perspective of widespread rural poverty in the 19th century and mass urban unemployment in the 1930s, Sweden has made enormous progress. The government's dual commitment to material growth and full employment is the envy of union leaders in much of the industrialized West. Sweden's health care is second to none; it boasts the world's highest investment in medical services, the lowest infant mortality rate, and easy

*In 1974, 89.3 percent of the U.S. population had completed 8 years of schooling; 57.5 percent had completed high school; 18.7 percent had completed two years of college; and 10.9 percent had completed four years of college.

SWEDEN'S SOCIAL WELFARE PROGRAMS

Universal Health Insurance

Financed by individual contributions, employer fees, and subsidies from both the central government and local authorities. Payments under the national health program cover outpatient services at hospitals and district medical offices, subject to a uniform fee of 15 Kr per visit (\$3.06);* all hospitalization expenses, including childbirth; 50 percent of dental expenses; and all prescription charges above 20 Kr (\$4.05). In addition, health insurance provides a daily allowance amounting to 90 percent of a person's lost income during sickness and pays up to seven months' income compensation to whichever parent leaves work to care for a newborn infant.

Minimum Old-Age Pensions

Payable at 65 years of age—9,880 Kr (\$2,010) per year for single persons, 16,120 Kr (\$3,280) for married couples. Since July 1, 1976, basic benefits have been augmented by supplemental pensions (financed largely by employer contributions), which increase retirement income to two-thirds of the annual average of a person's 15 highest-income years.

Children and Family Allowances

Paid mostly out of central government revenues. These include an annual payment of 1,200 Kr (\$243) per child to all parents or guardians, regardless of need; rent subsidies for low-income

*The rough dollar equivalents used in this article are those of August 30, 1977, when Sweden devalued its currency by 10 percent.

access by citizens to doctors and dentists.

The sum of these achievements, as Harold Wilensky notes in *The Welfare State and Equality* is that Sweden "not only distributes medical care more aggressively and fairly, but also invests heavily in health-relevant programs of housing, nutrition, health education, and child care, and draws the income floor for everyone higher and more uniformly; in short, it assures the least privileged of its population a higher standard of living."⁴

But from the perspective of "utopian" social engineering, the Swedish welfare state is far from perfect. It is expensive, impersonal, and, in important respects, seriously flawed. In the eyes of its critics, basic reforms are long overdue.

families; payments for home-help services, day nurseries, and playschools; and miscellaneous services, such as vacations for children and housewives and school lunches. In 1972, more than 1,796,000 children under 16 years of age benefited from one or more of those services.

Unemployment Insurance

Supplements Labor Market Board activities by paying cash benefits to jobless persons who do not qualify for one of the "sheltered jobs" set aside for the handicapped or who are not immediately enrolled in a retraining program. The system of unemployment insurance remains voluntary, although it is likely soon to become compulsory and universal. Most Swedish workers are covered through membership in some 44 unemployment "benefit societies" organized by the trade unions. They are eligible for a maximum allowance of 130 Kr (\$26) per day for up to 300 days. Persons not covered by a benefit society may apply to a local labor market office for state-financed allowances of 45 Kr (\$9) a day.

Industrial Accident Insurance

Financed largely by employers, pays medical benefits, life annuities, and death benefits for accidents sustained at work and for occupational diseases. The number of industrial accidents increased from 129,298 in 1960 to 136,563 in 1968, but declined to 124,864 at the beginning of this decade. In 1971, industrial accident insurance paid compensation for 2,961,420 working days lost through injuries on the job.

An incipient crisis has been evident since the mid-1960s when nonsocialist critics and left-wing Social Democrats launched simultaneous ideological attacks on its perceived shortcomings. Although liberals and critical socialists disagree in their basic analysis of the causes of the crisis, they generally concur on its symptoms:

The high cost of welfare. Because 90 percent of the Swedish economy remains in private hands, the Swedish state is required to finance social services, national defense, and other government functions largely through taxation rather than through direct proceeds from nationalized industries and services, as in Eastern Europe.

To pay for the range of economic and social services administered by the various levels of government, the tax rate is correspondingly high. All Swedes and registered aliens earning more than 4,500 Kr (\$914) a year are required to pay both a local income tax at an average rate of 27 percent, as well as a national income tax, with rates ranging from 26 percent on annual incomes of 40,000 Kr (\$8,130) to 58 percent on incomes above 150,000 Kr (\$30,500).

Corporations also pay a direct income tax as well as multiple indirect taxes in the form of contributions to the various national insurance programs on behalf of their employees. Capital gains are taxable as ordinary income, including the entire gain on the sale of real estate. The most important form of indirect taxation is the value-added tax, which was introduced in 1969 in place of a national sales tax. The value-added tax, levied on all goods and services except exports, has increased from 15 percent in 1969 to 17.65 percent in 1971, and 20.63 percent in June 1977.

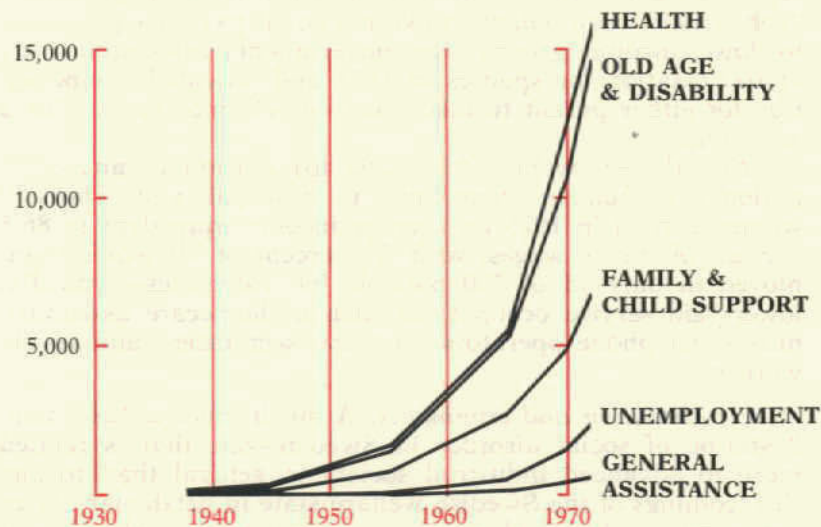
The effects of Sweden's heavy tax burden on individual behavior are predictable. Swedes of all economic brackets and political persuasions complain bitterly and try, when possible, to augment family incomes. An increasing number of housewives have entered the job market; factory workers and craftsmen take on two or three jobs concurrently, sometimes collecting sickness compensation while they are absent from one job but working at another; and many of those with capital and the requisite knowledge either invest abroad or practice varying degrees of income tax fraud.

Bureaucratization. Accompanying the extension of social services during the past four decades has been an inevitable growth in the size of the Swedish government and the centralization of political power.

Empirical indices show an increase in government consumption as a percentage of GNP from 16 percent in 1960 to 23 percent in 1973; a steady growth in the number of state employees, which presently comprise approximately 14 percent of the labor force; a merger of 3,000 local government units into some 280 larger, more efficient, but undeniably more remote regional governments; and a common tendency within both government and private interest groups to impose detailed policy directives and controls from above. In these trends lies the source of the simultaneous rightist and left-radical attacks on the alleged emergence of "corporatist authoritarian" tendencies in Sweden.

SOME COSTS OF SWEDEN'S "WELFARE STATE," 1938-72

Annual social expenditures in millions of kronor*



*The exchange rate has varied from an average of 5.16 kronor to a dollar through the 1960s to under 4 in 1977.

Persistent inequality. In the eyes of both radical and socialist critics, one of the most conspicuous shortcomings of the Swedish welfare state is its failure to achieve real social equality. A highly publicized study issued in 1970 on income distribution in Sweden clearly documented that a principal cause of inequality was periodic unemployment and variations in underemployment, suggesting that the government's official policy of full employment is less effective than the ostensibly low unemployment rate would indicate.

Another chronic source of complaints is social discrimination against women. Attitudes toward sex roles have changed significantly in recent decades. As Berit Gonenai and Birgitta Thorsell note in a recent article on "Economic Necessity and Women's Emancipation," the belief that women have the right to "demand employment again . . . after a period in the home," has gained increased recognition from the 1940s onward.⁵ This is also an economic consequence of the shortage of workers in industry and service jobs. Since 1960, both the

national labor federation and the national government have undertaken concrete steps to advance the emancipation of women. The federation abolished its earlier practice of setting separate wage scales for women and since 1969 has pursued a "solidaristic wage policy" providing equal pay for equal work to lower-income groups; the government introduced individual taxation for spouses in 1971 and provided compensation for either parent to take a leave-of-absence to care for a new infant.

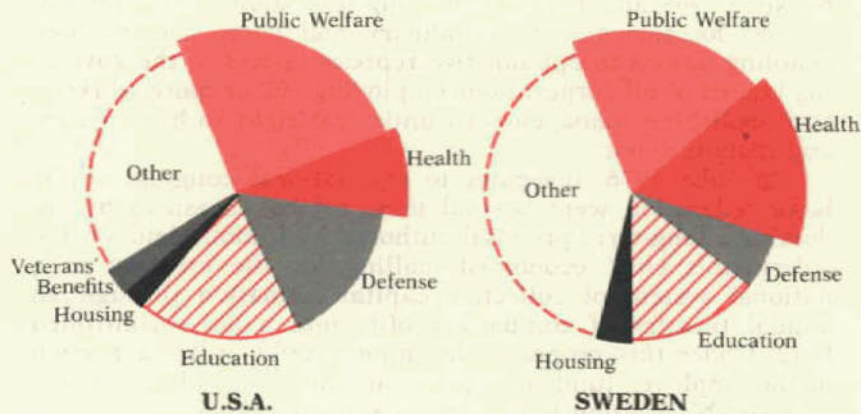
Nonetheless, women still suffer from economic and occupational inequality. According to Gonegai and Thorsell, women earned in 1975 an average income equivalent to 86.5 percent of men's wages, with 75 percent of all women employed in only 75 of 300 possible job categories—typically, lower-paid service occupations such as homecare assistants, nurses, telephone operators, cashiers, secretaries, and textile workers.

Worker alienation and criminality. A much more diffuse manifestation of social disorder in Sweden—one that is related more to advanced industrial society in general than to any shortcomings of the Swedish welfare state in particular—is an apparently widespread sense of powerlessness and personal frustration. Its causes are exceptionally complex, ranging from the psychological pressures of industry's demands for increased productivity to the decline of extended families and the loss of a personal sense of community caused by urbanization. Employee resentment of stress and inadequate control over local working conditions erupted into spontaneous wildcat strikes in 1969 and 1970 at the Volvo factory, at the docks in Göteborg, and at the state-owned iron mines in northern Sweden.

To the extent that criminality can be interpreted as a sort of anomic response to modern society, Sweden shares in the industrial world's trend toward increased lawlessness. Reported crimes increased nearly fourfold between 1950 and 1973—from 172,999 to 622,060—with the largest category encompassing various types of theft. Although violence against persons also increased from 12,665 to 33,130 incidents during the same period, the number of murders actually declined from 81 to 66.

None of these trends is, of course, unique to Sweden. All advanced nations manifest degrees of burdensome taxation, bureaucratization, inequality, and alienation. What is distinc-

**WELFARE'S SHARE OF PUBLIC OUTLAYS,
U.S. AND SWEDEN, 1975**



A comparison of total outlays (federal, state, and local) shows that the United States surpasses Sweden in the percentage of public spending devoted to education (18 vs. 14 percent), public welfare (25 vs. 20 percent), and defense (16 vs. 6 percent) but trails in health (8 vs. 16 percent) and housing (1.6 vs. 3.3 percent).

Source: U.S. data—Office of Management and Budget; Bureau of the Census. Swedish data—Embassy of Sweden, Washington, D.C.

tive in the Swedish case is the policy response to the perceived imperfections of the welfare state and the implications of that response as a possible pattern for other nations.

Although employer groups and the three nonsocialist parties came to endorse the Social Democratic concept of the welfare state during the postwar period, the nonsocialist and socialist blocs differ in their prescriptions for easing its contemporary malaise. Private corporations such as Volvo and Saab have already undertaken a radical reform of the manufacturing process by abolishing the traditional assembly line at experimental sites in an attempt to lessen worker alienation and decrease absenteeism. (The initial results are being debated.) Politically, the nonsocialist parties now in power would seek to correct imperfections in the established system by slowing down the growth of bureaucracy and by increasing private incentives to invest in further industrial growth (primarily through a reduction in the rate of marginal taxation).

Since the late 1960s, the Social Democrats and the national labor federation have acknowledged leftist criticism

that the basic source of inequality and worker alienation is the concentration of socioeconomic power in private hands. Accordingly, the Social Democratic Cabinet, largely at the federation's prodding, enacted a series of legislative measures between 1969 and 1976 establishing new sources of collective savings for investment in industry and home construction, enabling unions to appoint two representatives to the governing boards of all corporations employing 100 or more workers, and abolishing management's unilateral right to hire, assign, and dismiss labor.

In June 1976, delegates to the national congress of the labor federation went beyond these reform measures by endorsing a long-term proposal authored by Rudolf Meidner, the federation's chief economist, calling for the creation of a national system of collective capital formation through an annual transfer of company profits into a union-controlled fund. Under this proposal, the unions could utilize a portion of the employee fund to acquire, in time, controlling interest in Sweden's leading industries—a radical change.

The public's short-term electoral response to the contest between Social Democrats and nonsocialists over economic democracy versus liberal reform was to give a narrow parliamentary majority to the Center, Liberal, and Conservative Parties in the September 1976 election. Thus, for the first time in 44 years, a stable nonsocialist coalition displaced the Social Democrats from executive leadership. In part, the socialist setback can be blamed on the failure of the party leadership to endorse the Meidner proposal; Prime Minister Olof Palme had preferred to refer the complicated and highly controversial issue to a Royal Commission for expert evaluation. Thus, the leading Socialist newspaper *Aftonbladet* suggested after the election that a principal cause of defeat was lack of a party-union consensus on the question. In greater measure, however, the party's loss can probably be attributed to serious public reservations about the Meidner plan.

Several worries voiced during the campaign by non-socialist spokesmen were apparently shared by many rank and file workers. How, for example, would the fund be administered? What guarantees were there that it would not simply result, as Thorbjörn Fälldin,* the Center Party chair-

*Thorbjörn Fälldin, 51, a farmer and politician, was born in Hogsjo in northern Sweden. A member of parliament since 1958, he became chairman of the Center Party in 1971. He heads a three-party coalition, which outnumbers the Social Democrats in parliament, 180 to 152, with 17 other seats held by the Communists. New elections are scheduled for 1979 unless Fälldin loses his majority earlier through a parliamentary vote of no confidence.

man and now Prime Minister, put it, "in the substitution of one concentration of power by another?" To what extent would control of capital and the eventual controlling interest by unions in corporations lessen individual powerlessness at the factory level, if there were no accompanying effort to strengthen democracy within the labor federation itself?

The Welfare "Society"

Despite the lack of clear answers to these basic questions, the introduction of some such fund seems sure to emerge as the next significant reform of the Swedish welfare state. A 1976 report issued by the Swedish Association of Employers advocates the creation of a voluntary program of collective savings based on contributions from individual wages rather than company profits. Encouraged by that report, Prime Minister Fälldin predicted in April 1977 that a system of employee funds could be implemented on such a basis as early as 1980. For their part, the Social Democrats remain keenly interested in the issue. They have announced that they will conduct an extensive discussion on the merits of alternative collective-savings programs among the party's rank and file before submitting a new report at their 1978 congress.

The introduction of employee funds, in whatever form, will by no means resolve the tension between national achievement and imperfection that now characterizes Swedish society. No immediate utopia is conceivable. Sweden—like other advanced nations—must as a matter of national survival maintain the complex economic and social structures that are a principal source of inequality and alienation. But within these existing constraints, the ideological competition between the Social Democrats, with their commitment to economic democracy, and the nonsocialists, with their emphasis on classical democratic liberties, may yield some margin of qualitative change.

As Harold Wilensky notes, such changes could transform the welfare *state* into a welfare *society*. The challenge, he writes, "is to humanize the welfare state and make it more effective at a time when costs are climbing, and simultaneously (to enable it to) cope with the universal issues of civilized survival."⁶

That *both* the Social Democrats and nonsocialist groups are committed to a continuing strategy of active social change is the real relevance of the "Swedish model" to other industrialized countries. What is instructive about the Swedish case

is not the particular blend of economic and social policies, which each nation must achieve in light of its own resources and requirements. What is striking is the historical willingness of Swedish leaders—in politics, business, and labor—to respond creatively to continuing public pressures for change. In my view, a significant test will come as the Swedes try to broaden their historically successful welfare state formula—material growth plus “compensatory” social services—to accommodate citizens’ demands for increased control over their own lives.

1. Arnold J. Heidenheimer, “Secondary School Reform: Why Sweden? Why Not West Germany?” in Arnold J. Heidenheimer, Hugh Hecllo, and Carolyn Teich Adams, *Comparative Public Policy: The Politics of Social Choice in Europe and America*, New York: St. Martin’s, 1975, pp. 46–47.
2. *Jämlikhet: Första rapport från SAP-LO’s arbetsgrupp för jämlikhetsfrågor* [Equality: First Report of the Social Democratic Party and National Federation of Trade Unions Working Group on Questions of Equality], Borås: 1969, p. 107, quoted in Kurt Sjöström, *Socialpolitiken i det kapitalistiska samhället* [Social Policy in the Capitalistic Community], Göteborg, 1974, p. 112.
3. Olof Palme’s speech at a 1970 conference in Göteborg on “Social Care in the Future,” quoted in Sjöström, p. 113.
4. Harold L. Wilensky, *The Welfare State and Equality*, Berkeley: University of California Press, 1975, p. 102.
5. Berit Gonegai and Birgitta Thorsell, “Out of the Kitchen and into the Labor Market: Economic Necessity and Women’s Emancipation,” *The American-Scandinavian Review* (forthcoming).
6. Wilensky, p. 118.