



February 2020

Swedish Welfare and Development in the Post-War Decades

Alexandru Zanca
University of Pennsylvania

Follow this and additional works at: <https://repository.upenn.edu/phr>

Recommended Citation

Zanca, Alexandru (2020) "Swedish Welfare and Development in the Post-War Decades," *Penn History Review*. Vol. 26 : Iss. 2 , Article 3.

Available at: <https://repository.upenn.edu/phr/vol26/iss2/3>

This paper is posted at ScholarlyCommons. <https://repository.upenn.edu/phr/vol26/iss2/3>
For more information, please contact repository@pobox.upenn.edu.

SWEDISH WELFARE AND DEVELOPMENT IN THE POST-WAR DECADES

Alexandru Zanca, University of Pennsylvania

Introduction

Scandinavian nations are conventionally perceived as successful examples of welfare states, where capitalist market institutions and extensive social policies happily go hand in hand. Public fascination with the “Nordic model” began in 1936 when the American journalist Marquis Childs published *Sweden: The Middle Way*, an appraisal of the reformist policies being introduced by the Swedish Social Democratic Party at this time.¹ In reference to Sweden, Childs proclaims in the introduction of his book: “it is true that the domestic economy has been made to serve the greatest good of the greatest number.”² This was a bold claim to make during the Great Depression about an economy of any kind. Turning into a bestseller overnight, *Sweden: The Middle Way* caught the attention of President Franklin D. Roosevelt himself. He subsequently decided to send a commission to Europe, including Scandinavia, to research cooperative systems there.³ One result was an admiration for Swedish policymaking that persists among public officials to this day. For example, in an interview at the Wharton School in April 2019, former Fed Chairman Alan Greenspan suggested that the United States look to Sweden for inspiration on how to solve the current Social Security crisis.⁴

However endearing the Nordic socialist utopia might look, liberal America’s fetishization of the Swedish model tends to simplify or erase the intricate mechanics behind

economic development in general, and Swedish development in particular. For centuries now, social scientists have been trying to understand and develop consistent theories on how nations bring about economic prosperity. One particular aspect that constitutes a “chicken or egg” dilemma is the directionality of the welfare-development relationship. For instance, the British economist John A. Hobson, in his study on imperialism, argues that sustained economic growth requires increases in taxes and wages;⁵ in other words, welfare promotes development. On the other hand, Columbia University professor W. W. Rostow proposes in his analysis of the stages of economic growth that welfare succeeds development, representing just one of the possible paths that nations may choose once they accumulate economic surpluses.⁶

Given this divergence of views within the field of development studies, this paper aims to further investigate the nature of the welfare-development relationship and reconcile opinions on the matter. First, this paper argues that economic development and welfare are bidirectionally connected through mutually-enforcing dynamics at labor and social policy levels. Second, this paper proposes that, because the main factors acting on it are the domestic administrative system and international long-term trends, this relationship is delicate and susceptible to breakdown under inconsistent policymaking and inadequate political responses to crises. Sweden in the post-war decades of 1945-1975 constitutes an appropriate case study for supporting this two-fold thesis. As one of only two nations in Europe (the other being Norway) to feature social democratic hegemony, that is a near dominance of the political left over the state, for an extended period of time, Sweden presents a particular set of post-war policies that highlight valuable aspects of the welfare-development relationship.⁷ In this regard, it is notable that during this period of general economic expansion in Europe, also known as “the Golden Age,” Sweden managed to maintain considerably high growth

rates⁸ alongside diminished economic inequalities,^{9 10} having seemingly overcome the efficiency-equity trade-off within the welfare-development relationship.

Historical Context

Towards the end of the 20th century, the labor movement started to gain ground in Sweden, its main branches being the Swedish Social Democratic Party (*Sveriges socialdemokratiska arbetareparti*, SAP) and the Swedish Confederation of Trade Unions (*Landsorganisationen i Sverige*, LO). In the context of increasing capitalist pressures and under the influence of socialist ideas migrating from Germany, the SAP formed in 1889 as an extension of regional trade unions and socialist groups. The SAP served as the central party for the movement, as well as the main trade union organization until the creation of the LO in 1898.¹¹ The labor movement found favorable factors in Sweden, rising alongside the evangelical and temperance movements as part of a series of popular movements. With a population that was over 50% rural at the time, Sweden saw popular movements easily form roots in tight-knit, self-organized countryside communities.¹²

At the beginning of the 20th century, significant systemic changes impacted Sweden. The nation with its modern borders formed in 1905 after the dissolution of its union with Norway.¹³ Additionally, in 1911, universal suffrage for men was achieved, consequently increasing the SAP's representation in the Riksdag (the Swedish Parliament).¹⁴ As the nation restructured, so did the SAP. In 1917, a small revolutionary faction of the party separated and formed the Communist Party. The SAP that remained after the split advanced with a vision of peaceful reform and transition. Nationalization, a key issue in the SAP's program throughout the 1920s, became increasingly marginalized and had been replaced by 1932 with the concept of a planned economy that was less concerned with

issues of proprietorship.¹⁵



The building of the Swedish Parliament in Stockholm, also known as the Riksdag

However, Marxist tendencies could not gain traction in Sweden, which has a strong Protestant tradition based on values of individual responsibility. Abandoning the SAP's Marxist ideologies left behind a void that the party leadership quickly filled with ideas borrowed from German academic socialism, the British Fabians and, most of all, Keynesian expansionism. Thus, from the 1930s onwards, the SAP incorporated the theory of leveling economic cycles (saving during expansions to spend during recessions) and the theory of purchasing power (stimulating the economy through robust wages to sustain demand) into its fundamental crisis management policy.¹⁶ In terms of class structure, interwar Sweden featured a weak middle class, a well-organized industry and business community, mostly represented through the Swedish Employers Confederation (*Svenska Arbetsgivareföreningen*, SAF), and a vast, uniform proletariat. According to class theory, this meant there was a trade-off that the SAP had to face when seeking the support of these groups. Given the SAP's close ties with the LO, the obvious choice for the party was to rely on strong class politics directed at the working class, which ended up forming most of the party's electorate.¹⁷

The cumulation of trends and events in the early 20th century -- ideological shifts, expanded voting rights, the

popularity of labor movements within Sweden's class structure -- made it possible for the SAP to attain a dominant position in the Riksdag and become identified with the larger national interest. This culminated with the SAP gaining control of the government in 1932, which it maintained uninterrupted until 1976. During the World War II period, the SAP further boosted its popularity by marching on a platform of neutrality.¹⁸

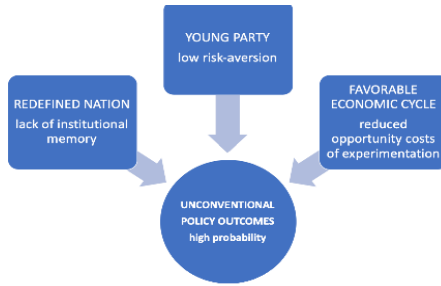
19

Policy-Making Framework

At the beginning of this remarkable stage in the SAP's and Sweden's shared existence, both the nation (at least in its geographical sense) and the party were young. In terms of policymaking, this meant a lack of institutional memory and reduced risk-aversion created an increased potential for unconventional outcomes. Moreover, as the SAP began its long reign in Sweden, the nation was already robustly industrialized. Per capita income increased by 131% from 1870 to 1910 along with the consolidation of an export-based technological sector that included Nobel Industries, Atlas Copco, L. M. Ericson, ASEA, Alfa-Laval, and SKF. In the inter-war period, the consumer durables sector took off as well. Given this productive prowess that Sweden had developed over the previous half-century, the 1930s world economic crisis proved to be gentle on its economy.²⁰ This favorable business cycle constituted a third factor contributing to Sweden's unconventional policymaking outcomes.

Esping-Andersen notes that the Swedish welfare state is peculiarly structured so that it reconciles efficiency with equity. Although costly, the welfare system is mostly perceived as an investment that will pay for itself later. The policymaking philosophy is one of "productivistic" and preventive social policy, which translates into minimal public support for providing unemployment benefits but considerable spending

Swedish Welfare and Development



Framework for unconventional policy outcomes

for education, healthcare, and labor mobility. Government action is not meant to disincentivize employment but support it, thus encouraging citizens to contribute productively to society and become more deeply integrated within it. The party developed a narrative around *folkhemmet* (“People’s home”), the idea that the whole nation should feel like home for the Swedish people.²¹ As a result, any government interventions that the SAP designed had to subscribe to the principles of assisted self-help -- the idea that welfare assistance does not clear individuals of responsibilities but seeks to boost their abilities to improve their situation--and universality -- the idea that welfare does not carry any stigma but serves to foster social integration and elevate individuals to full citizenship status. With such guidelines, the nation and the party became paternalistic, burdened by the mission of designing a Swedish identity on the idealistic model of the “conscientious worker.”²²

In order to secure and hold onto political power, the SAP employed a strategy of accord initiatives and “open-door politics.” This was not a strategy of compromise, but one of gaining cross-class trust (for example, by not taking part in revolutionary actions that would alarm the upper classes) and then working with others towards reframing party goals in ways that were tolerable for the opposition.²³ Indeed, the main reason why the SAP was able to hold the government for so long was its capacity to build coalitions.²⁴ In this way, the

SAP developed a socialist paradigm that worked from within capitalism and not against it. The importance of industrialists and corporatists as collaborators in the consolidation of welfare states is often overlooked because of the misconception that these actors would be damaged by, and are therefore opposed to, extensive social policy. However, influenced by the indirect connection between the SAP and the SAF and mediated by the LO, Swedish reformist policies were carefully shaped to be in the interest of capitalists too. The government-led social programs took pressure off employers to provide private social benefits in order to attract scarce labor. Active labor mobility and restructuring measures coupled with investment training also suited the needs of profit-maximizing private enterprises.²⁵ The SAP's implementation of labor market reforms, family and gender policies, and fiscal restructuring, discussed in turn in the sections below, followed this framework and exemplified the underlying logic of obtaining concomitant welfare for the citizens and development for the nation by playing these two facets of the economy against each other.

Labor Market Reforms

Due to a strong network of entrepreneurs and industrialists that developed over the 19th and 20th centuries, Sweden came out of the global economic crisis of the interwar period unscathed. This network, mostly represented by the powerful Wallenberg families that controlled important technological companies and banks, was very proactive in matters of industry modernization and restructuring, as well as crisis response. Later, after World War II, the private sector boomed. Consumer durable firms, including but not limited to Electrolux, Luxor and Facit, expanded their production to serve a growing international market. Heavier sectors performed surprisingly well, too. For instance, Swedish shipbuilding reached 10% of global production by the 1960s.²⁶ The Marshall

Plan was also a favorable factor to Swedish take-off.²⁷

The economy overheated as it reached full employment levels, triggering inflation. Policymakers were actually expecting a post-war recession and were caught unprepared. The expansionary policies that were prepared in anticipation of such a recession only served to worsen the situation. The government reacted by implementing a policy package including price controls, trade regulations, and specific taxes, but with little success at counteracting the expansion.²⁸

Gösta Rhen and Rudolf Meidner, economists at the LO, came up with an unconventional solution. At the 1951 LO Congress, they proposed the so-called Rhen-Meidner Model (R-M Model). The two economists were critical of the conventional Keynesian approach previously employed by the SAP. They argued that Keynesianism is extremely inflationary in a tight labor market. Supposedly, in such a setting, wages tend to drift in a self-enforcing manner as groups of workers demand higher wages in response to other workers obtaining higher payouts as a result of competitive pressures. This is bad for the economy because it causes inflation, but it is also perceived as harmful for the cohesion of the labor movement.²⁹ In contrast, the R-M Model is shaped around 4 main goals: low inflation, full employment, high growth, and income equality. The achievement of these goals is based on three main policies: predominant tight fiscal policy over the business cycle, solidaristic wages and active labor market mediation. Thus, the R-M Model is both a macroeconomic theory of wages and employment and a policy action program.³⁰

The solidaristic wage policy, or “equal pay for equal work,” means that wages are uniformly set across industry sectors instead of being left to fluctuate along with unpredictable market conditions. Wages are negotiated among labor unions and employers’ organizations within each industry so that wage differentials are decreased. For workers, the benefits lie in the more equitable income distribution. For capitalists,

it is a decrease in competition for labor. For the socialist government, it was an easy fix to the spiraling inflation.³¹

There are side-effects to the solidaristic wage plan, but these are perceived as being features of the model. Inefficient businesses that rely on underpaid workers to function are likely to fail should they be forced to pay the industry-wide wage. This leads to continuous restructuring and economic migration, à la Schumpeterian creative destruction, with fresh labor supply for the more resilient and efficient enterprises that survive. Here is where the active labor market mediation part of the R-M model comes into play. The government should step in to aid with the transition of workers through various welfare and training schemes. In the long-term, the hopes are that the economy becomes stronger and more efficient, with the right workers in the right places and the closure of insufficiently productive enterprises.³²

The R-M Model quickly became influential on the SAP's actions. To reinforce the solidaristic wage policy, the LO's position as a negotiator in relation to the SAF was strengthened. The government also consolidated the Public Employment Service (*Arbetsmarknadsstyrelsen*, AMS), so that it could recruit its staff directly from among trade union representatives with real life knowledge of the labor market's particularities. The initiatives proved effective in taming the economy while sustaining high rates of employment and equalizing earnings. This, in turn, lessened the need for the redistributive welfare state. Last but not least, the quality of jobs improved, and Swedish workers were brought closer to middle class status.^{33 34}

The labor market movements that took place in Sweden in the post-war period show that welfare and economic development are closely and bidirectionally connected through a relationship that needs to be carefully managed. The favorable global business cycle at the beginning of this period empowered unions and prompted the government to intervene in labor force allocation. In this way, workers' welfare was improved

through a more equitable income distribution and smooth transitions among jobs. In turn, productivity increased and the economy became stronger. However, this market dynamic was heavily dependent upon the close collaboration and sustained efforts of many actors -- SAP, LO, AMS, and employers -- to reduce labor market frictions as much as possible.

Family and Gender Policies

Gustav Möller, minister of social services in 1924-1926 and 1932-1951, is conventionally seen as being the founding father of the social democratic welfare state. Coming from a humble, working-class background, Möller held radical views of what a social democratic society should look like, while also arguing for a gradual implementation. He strongly believed in a universal support system that did not stigmatize the recipient. He hoped to achieve this through reduced means testing and an administration modeled after the AMS, with “street bureaucrats” as staff. Most of all, he hoped for a welfare system that could confer autonomy to mothers and their children. Möller’s influence was key in minimizing means testing and centralization in the Swedish welfare state.³⁵

Other similarly influential voices in the SAP were Alva and Gunnar Myrdal. In 1934, the two sociologists published *Crisis in the Population Question*, drawing attention to an imminent demographic crisis in Sweden caused by drastically low childbirth rates. The couple argued that the traditional family had become dysfunctional and the state should intervene to regulate the consumption decisions of families. Furthermore, children should be taken away from their families and raised by society. They believed this would result in a reinforced sense of social integration for the children and a liberation of parents (especially mothers) from the constraints of family life.³⁶

Needless to say, the Myrdals’ views were too radical for the Swedish social democracy, but their rhetoric did manage

to construct a pronatalist agenda for the SAP, in favor of high birth rates.³⁷ Throughout the 1930s, family policy turned into population policy. The government forbade the firing of pregnant women, while also implementing programs such as housing loans for young married couples and paid maternity leave. Another remarkably simple but very effective policy launched at this time was the disbursement of maternal aid, maternal insurance, and children allowances directly to mothers instead of their husbands, a considerable structural alteration of conventional gender roles. The apogee of progressivity was reached in 1972 when governmental reports started replacing the term “maternal allowance” with “parental insurance.” For the first time in Swedish public life, the responsibility for child rearing was perceived as shared among the parents.^{38 39}



Swedish sociologists Alva and Gunnar Myrdal, authors of *Crisis in the Population Questions* and Nobel Prize laureates for Peace and Economics, respectively

In post-war Sweden, measures for assisting mothers were slow to be implemented because they were seen as damaging by both traditionalists and progressivists. The former worried about undermining the paternal role and harming the family structure. The latter was concerned that motherhood-based rights might consolidate the gender divide, instead of alleviating it. In practice, despite all the progress made, women continued to live under an implicit “housewife contract”

throughout the SAP's period of political hegemony.⁴⁰ Within the party, Olivia Nordgren made efforts to legitimize "the housewife profession," enforcing traditional roles and opposing gender equality.⁴¹ Despite these efforts, female participation in the workforce increased, especially in part-time jobs.⁴² Although the solidaristic wage policy rendered a gender-based wage gap structurally impossible in its conventional sense, a distributional gap persisted, with most women working in the public sector rather than the private sector.⁴³

It might be useful to consider how the Swedish model's approach to gender compares to other European states. According to historian Susan Pedersen, the British welfare state, with modest allowances for children and mothers, was shaped by influential labor unions that wanted to preserve the "breadwinner" status of the male worker. On the other hand, France developed more robust family allowances in order to avert unionizing pressures and to promote a pronatalist agenda.⁴⁴

With the examples of British and French welfare as frames of reference, Sweden's ability to develop a "middle way" stands out once again. The Swedish case combined the French pronatalist element with British-style acceptance of gender imbalances and strong labor unionization. The former aspect explains the extensive family policies, while the latter might hint towards an answer for the observed distributional gender gap between public and private workforce. Labor unions tended to favor a conservative patriarchal structure. The private sector was more heavily unionized, resulting in women having a harder time joining it.

All in all, the Myrdals' near-apocalyptic views of a degenerating and vanishing Swedish society failed to materialize. In fact, in the post-war period, marriage rates reached record levels and birth rates recovered. It remains unclear whether these changes can be attributed to the SAP's policies alone or were a natural outcome of strong economic

growth.⁴⁵ In any case, the temporal coincidence of increased natality, reinforced welfare state, and consistent economic growth in the 1940-1970 period are indicative of an underlying mechanism linking development and welfare. In the Swedish case, the outcomes of post-war family and gender policies further support the view that welfare and development reinforce each other through a delicate, bidirectional relationship. Debates on Swedish demographic trends prompted government actions that rebalanced gender roles and improved the welfare and autonomy of women and children. These generous measures were made possible by a burgeoning economy. At the same time, the markets benefited from the increased workforce participation of women and population increase that ensued. However, these trends were threatened by social and cultural attitudes resistant to the economic emancipation of women, especially in the private sector. To maintain a steady pace of progress, the government had to reconcile the implicit “housewife contract” with economic motives.

The Crumbling of the Swedish Fiscal State

As discussed before, the intentions of the welfare state were to elevate the Swedish worker to full citizenship status. In the process, a large middle class was created. The middle class that emerged in the 1950s came with its own unionization structures, as well as private pension plans that disrupted social cohesion. The flat-rate state pension that all workers benefited from failed to satisfy middle class desires. Therefore, in 1959, in order to accommodate its evolving electorate, the SAP passed the controversial earnings-related ATP pension scheme.⁴⁶

Esping-Andersen considers the implementation of the ATP scheme a “watershed” moment in the SAP’s existence, as the party started to shift focus from the working class to the middle class. The foundational universalist principle gained new meaning as the SAP’s policymakers abandoned egalitarian

aspirations and instead chose to preserve moderate levels of inequality. Attempting to remodel the welfare state for the wants of the middle class was costly for the government, requiring considerable increases in tax rates. Therefore, this was also the moment when the tax system started to degenerate.⁴⁷

The 1970s brought oil price shocks, stagflation, and slow global growth.⁴⁸ It also started to look like the R-M model was backfiring. The negotiated solidaristic wages stagnated rather than adjusting with the development of the economy. This meant that, in some industries, businesses were pocketing the entirety of the value of increased worker productivity. In 1975, the LO and Meidner came up with a drastic solution for the democratization of capital. The Wage-Earners' Funds proposal involved seizing profits, establishing funds under employees' names, and thereby allowing employees ownership of the enterprises they worked for. Needless to say, such a revolutionary initiative was unpopular and negatively impacted the labor movement's image.⁴⁹

Right before the 1976 elections, the popular Swedish writer Astrid Lindgren published a pamphlet titled *Pomperipossa in the World of Money* lamenting the 102% marginal tax rate that she faced and criticizing the tax system. Her views were representative of popular dissatisfaction with increasingly convoluted taxation schemes. The media scandal that followed barred the SAP from winning the elections again. After 44 years of rule, the SAP's hegemonic social democratic regime in Sweden came to an end.⁵⁰ More than anything else, the state of the fiscal system towards the end of this period shows how sensitive the welfare-development relationship is to inappropriate policymaking. As soon as the SAP abandoned its commitment to near-equality and universalist policies in an attempt to appease the emerging middle class, welfare ceased supporting economic development and the party's actions backfired.

Conclusion

Almost four decades after the release of his first bestseller, Marquis Childs returned to Sweden to investigate the outcomes of social democracy. Subsequently, in 1980, Childs published *Sweden: The Middle Way on Trial*, raising doubts about the state of the Nordic model and its future trajectory. It looked like the Swedish welfare state had reached a crisis point with unclear prospects.⁵¹

Ultimately, the Swedish case study indicates that welfare and development are interlinked in a mutually reinforcing manner. It has been repeatedly observed that social and labor policies meant to increase public welfare directly supported the economy by reducing labor market frictions, improving workers' productivity, and boosting domestic consumption. At the same time, a performant economy was essentially a necessity for the government to implement its welfare policies. One might even be justified in wondering whether welfare and development are not actually one and the same thing, or at least two sides of the same coin.

This study has also shown that the welfare-development reinforcement system is quite fragile, especially in the Swedish case. Swedish Prime Minister Olof Palme used to employ the metaphor of a snail to describe the slow and steady pace of social democratic reformism.⁵² When a certain threshold of well-being and near-equality was achieved, the welfare state lost its natural rhythm and the capacity to address further demands from those it had assisted. What ensued was more of a political failure than an economic one. Policymaking that was excessively accommodative of myopic demands and inconsistent with societal long-term goals tended to stretch the welfare state beyond the room available in the welfare-development relationship. Perhaps next time a nation attempts social democracy, moderation should be prioritized more highly. Until then, one of the biggest questions that remains to be answered

in the Swedish case is the title of a 1955 *Economist* article about Sweden: “What follows equality?”⁵³



Swedish Prime Minister Olof Palme, who held office from 1969 until 1976 and then again from 1982 until his assassination in 1986

Notes

- ¹ Nina Renata Aron, "This Book Is the Reason Liberals in America Adore Sweden's Government and Society," *Timeline*, July 25, 2017.
- ² Marquis W. Childs, *Sweden: The Middle Way* (New Haven: Yale University Press, 1936), xii.
- ³ Franklin D. Roosevelt, "Press Conference #303," Washington, DC, June 23, 1936.
- ⁴ "Alan Greenspan: Can the U.S. Economy Stay on Top?," *Knowledge@Wharton*, Apr. 16, 2019.
- ⁵ John A. Hobson, *Imperialism: A Study* (New York: Gordon Press, 1975), 75-93.
- ⁶ Walt W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto*, 3rd ed. (New York: Cambridge University Press, 1990), 73.
- ⁷ Francis Sejersted, *The Age of Social Democracy: Norway and Sweden in the Twentieth Century* (Princeton: Princeton University Press, 2011), 5.
- ⁸ Andreas Bergh, "The Rise, Fall and Revival of a Capitalist Welfare State: What are the Policy Lessons from Sweden?," *Research Institute of Industrial Economics*, May 17, 2011.
- ⁹ "What Follows Equality?," *The Economist*, Oct. 29, 1955.
- ¹⁰ Martin Schnitzer, *The Economy of Sweden: A Study of the Modern Welfare State* (New York: Praeger Publishers, 1970), 130.
- ¹¹ Villy Bergström, "Party Program and Economic Policy: The Social Democrats in Government," in *Creating Social Democracy: A Century of the Social Democratic Labor Party in Sweden*, ed. Klaus Misgled, Karl Molin, and Klas Åmark (University Park, Pennsylvania: The Pennsylvania State University Press, 1992), 131.
- ¹² Göran Therborn, "A Unique Chapter in the History of Democracy: The Social Democrats in Sweden," in *Creating Social Democracy: A Century of the Social Democratic Labor Party in Sweden*, ed. Klaus Misgled, Karl Molin, and Klas Åmark (University Park, Pennsylvania: The Pennsylvania State University Press, 1992), 12-15.
- ¹³ Sejersted, 11.
- ¹⁴ Bergström, 131.
- ¹⁵ *Ibid*, 132-144.
- ¹⁶ Sejersted, 7, 166-169.
- ¹⁷ Therborn, 8-21.
- ¹⁸ *Ibid*, 3-4.
- ¹⁹ "Swedish Social Democratic Party," *Encyclopædia Britannica*, Sept. 11, 2018.
- ²⁰ Sejersted, 19-20, 41-43.

²¹ Gøsta Esping-Andersen, "The Making of a Social Democratic Welfare State," in *Creating Social Democracy: A Century of the Social Democratic Labor Party in Sweden*, ed. Klaus Misgled, Karl Molin, and Klas Åmark (University Park, Pennsylvania: The Pennsylvania State University Press, 1992), 35-37.

²² Sejersted, 99-102.

²³ Therborn, 16-19.

²⁴ Karl Molin, "Historical Orientation," in *Creating Social Democracy: A Century of the Social Democratic Labor Party in Sweden*, ed. Klaus Misgled, Karl Molin, and Klas Åmark (University Park, Pennsylvania: The Pennsylvania State University Press, 1992), xxiv-xxv.

²⁵ Peter A. Swenson, *Capitalists against Markets* (New York: Oxford University Press, 2002).

²⁶ Sejersted, 216-221.

²⁷ Lennart Erixon, "A Swedish Economic Policy - The Theory, Application and Validity of the Rehn-Meidner Model" (Stockholm: Stockholm University Department of Economics, 2000).

²⁸ Ibid.

²⁹ Ibid.

³⁰ Ibid.

³¹ Erixon.

³² Ibid.

³³ Esping-Andersen, 51-52.

³⁴ Sejersted, 221-223.

³⁵ Ibid, 242-243.

³⁶ Ibid, 241-247.

³⁷ Ibid.

³⁸ Carl G. Uhr, *Sweden's Social Security System: an Appraisal of Its Economic Impact in the Postwar Period* (Washington, D.C.: U.S. Dept. of Health, Education, and Welfare, Social Security Administration, Office of Research and Statistics, 1966), 13-18.

³⁹ Ann-Sofie Ohlander, "The Invisible Child? The Struggle over Social Democratic Family Policy," in *Creating Social Democracy: A Century of the Social Democratic Labor Party in Sweden*, ed. Klaus Misgled, Karl Molin, and Klas Åmark (University Park, Pennsylvania: The Pennsylvania State University Press, 1992), 213-235.

⁴⁰ Sejersted, 241-247.

⁴¹ Ibid, 90.

⁴² Ibid, 241-247.

⁴³ Esping-Andersen, 61-62.

⁴⁴ Susan Pedersen, *Family, Dependence, and the Origins of the Welfare State: Britain and France, 1914-1945*, (Cambridge: Cambridge University Press,

2006).

⁴⁵ Sejersted, 247.

⁴⁶ Esping-Andersen, 47-51.

⁴⁷ Ibid.

⁴⁸ Ibid, 54.

⁴⁹ Sejersted, 372-374.

⁵⁰ David Wiles, "Astrid Lindgren Spoke, People Listened," *Sweden Sverige*, last modified Oct. 23, 2018, accessed May 10, 2019, <https://sweden.se/culture-traditions/astrid-lindgren-spoke-people-listened/>.

⁵¹ Steven Kelman, "The Souring of Sweden," *Washington Post*, Apr. 13, 1980.

⁵² Klaus Misgled, Karl Molin, and Klas Amark, introduction to *Creating Social Democracy: A Century of the Social Democratic Labor Party in Sweden* (University Park, Pennsylvania: The Pennsylvania State University Press, 1992).

⁵³ "What Follows Equality?," *The Economist*, Oct. 29, 1955.

Images

Page 41: "Sveriges riksdag," accessed January 22, 2020, via Wikimedia Commons, https://commons.wikimedia.org/wiki/File:Sveriges_riksdag_%281%29.jpg.

Page 43: Figure by author.

Page 48: "Alva & Gunnar Myrdal Bromma 001," accessed January 22, 2020, via Wikimedia Commons, https://commons.wikimedia.org/wiki/File:Alva_&_Gunnar_Myrdal_Bromma_001.jpg.

Page 53: "Olof Palme 1974 (cropped)," accessed January 22, 2020, via Wikimedia Commons, [https://en.m.wikipedia.org/wiki/File:Olof_Palme_1974_\(cropped\).jpg](https://en.m.wikipedia.org/wiki/File:Olof_Palme_1974_(cropped).jpg).