

SUGGESTIONS AND DEBATES

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WORKING-CLASS POWER AND THE 1946 PENSION REFORM IN SWEDEN

A Modest *Festschrift* Contribution*

The Great Social Democratic Celebration view of the development of the Swedish welfare state has to be repudiated and relegated to where it belongs, the lush vegetations outside the open *veld* of scholarship.¹

Obviously, the small states of the Far North are important cases in social scientific discourse over the character and development of the welfare state. In particular the long reign of Swedish Social Democracy, and maybe even more the exceptional strength of trade unions in Sweden, belong to the sociological wonders of contemporary capitalism. Industrial relations as well as social and labour market policies in Sweden have become a fashion in current social and historical analysis around the globe.

Rather surprisingly, there exist few studies on the origins and historical development of welfare policies in Sweden. For example concerning pension policy, an area in which Sweden in several respects was ahead of most

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¹ Therborn, G. (1983): "The Working Class, the Welfare State and Sweden", paper presented at the Social Policy seminar of the Swedish Sociological Association (Ladvik, 1985), p. 37, reprinted in P. Kettunen (ed.), *Det nordiska i den nordiska arbetarrörelsen* (Helsinki, 1986), pp. 1-75. Baldwin follows in the footsteps of Therborn and indeed singles out major contributors to the development of the Swedish welfare state in addition to those who are usually honoured. Although an appropriate foundation, considering we are living in 1989 – the centenary of the foundation of the Social Democratic Labour Party in Sweden – I think it is important to see the true proportions of this narrative. Thus, these pages may be labelled, to paraphrase Therborn, "a modest *Festschrift* contribution" (p. 28).

industrial nations since early this century, the seminal work is still Åke Elmér's *Folkpensioneringen i Sverige* (The People's Pension in Sweden) published some thirty years ago.² The major weakness of this thesis is its national focus, and the absence of a cross-national perspective. However, otherwise it is an outstanding analysis of the origins and social forces behind the Swedish pension system from late 19th up to mid-20th century. In Elmér's view, the background to the unanimous choice in 1913 of an all-encompassing, universalist pension scheme, instead of a worker's insurance, was the decisive political weight held by farmers and rural smallholders. In contrast, the unanimity behind the pension reform in 1946 had more complex reasons. Conventional wisdom holds that this was basically a Social Democratic affair. The Labour movement had since the 1930s become the main political factor, and had already from the 1920s tried to reform the pension system against stubborn Conservative resistance. The general election of 1936 with the pension issue in focus, proved victorious for the Social Democratic party, and a State Commission led by a leading Social Democratic social policy expert was appointed to carry out reform in all areas of social welfare.

However, it is evident that Social Democracy was in no sense the obvious force behind the pension reform that followed in 1946. The labour movement was split when the State Commission made its proposals, and was reunited only after most other socio-political forces had made their choices. In Elmér's analysis, the pension decision was made in the interplay between on the one hand the Swedish Conservative party, now in favour of social reform, and the left-leaning emerging lobby organizations of pensioners on the other.

Recently, the Harvard historian Peter Baldwin has started to publish the results from his comparative study of European pension policy. Among other things, he questions the validity of conventional wisdom regarding the Social Democratic impact on welfare state developments in Sweden.³ Despite the obvious merits and seriousness of his article "How socialist is solidaristic social policy?", his analysis of pension reform in Sweden in the mid-1940s must be seen in a broader intellectual context. I have had the good fortune to read the mimeograph version of Baldwin's dissertation. It is broad in scope, rich in detail, and sharp in focus. His conclusions are well argued and the whole work is a fine example of sensitive historical analysis.⁴

² Å. Elmér, *Folkpensioneringen i Sverige* (Malmö, 1960).

³ *International Review of Social History*, XXXIII (1988), pp. 121-147 [hereafter Baldwin, *IRSH*]. Cf. P. Baldwin, "The Scandinavian Origins of the Social Interpretation of the Welfare State", *Comparative Studies in Society and History*, 31 (1989), no. 1, pp. 3-24.

⁴ P. Baldwin, "The Politics of Social Solidarity and the Class Origins of the European Welfare State 1875-1975" (Harvard University, Department of History, 1987), mimeo [hereafter Baldwin, PSSCOEWS].

I highly appreciate and respect his ambition to write a non-Whiggish narrative, and both the discussion of the 1913 Pension law and the 1959 Superannuation law are nuanced interpretations of Swedish history. However, I cannot avoid the impression that, in presenting the 1946 Swedish pension reform as a specifically Conservative effort for social solidarity, he overdoes his case.⁵

Generally speaking, Baldwin questions a classical axiom attributed to one of the founding fathers of the social sciences, namely Marx's thesis that the working class has only its chains to loose and is accordingly the only class whose interest is not "particular" but "universal"; in the end, workers' emancipation means the emancipation of all mankind. The *Communist Manifesto* held that the only class with a "total" societal interest is the proletariat, the wage-earners. Baldwin's dissertation opens with an illuminating general discussion of redistribution, solidarity and the Welfare State. In the article, the starting point is narrower, focusing on the issue that has caused some authors to note with astonishment that the Swedish Social Democrats were not united behind what posterity has come to regard as the most progressive pension proposal of the Scandinavian welfare state.⁶ The

⁵ Productivity at American universities, in particular the production of dissertations from the elite schools, has created a fundamental problem in the scientific community at large. The need to make a career in an extremely competitive academic market place, where success is founded on making a 'break through' in an overwhelming publishing milieu, forces the dissertation authors to press their points to the extreme as well as to adapt them to the theoretical conjuncture of the day. Invisible academic proof-work is superficially transformed into visible articles in scientific journals, the most prestigious form of publishing and the best means for providing advertisement for forthcoming books. Thus, while simplistic viewpoints are spread all over the field, the indispensable 'Socratic' dialogue between scholarly minds is put aside. Too much competition can be turned into a disadvantage. The threat of anti-intellectualism based on this orientation cannot be overlooked, sacrificing the generally high quality of American research, in particular historical research. I would like to add, that these remarks reflect my own ambiguity towards a system I had an extremely rewarding firsthand experience of as a Fulbright visiting scholar during academic year 1987/1988 at Mount Vernon College and the Brookings Institution, Washington D.C. Commenting upon these remarks, Per Nyström reminded me that Gunnar Myrdal early on had noticed another bad habit in the US academic community: the abuse of citations from best friends and close colleagues (letter to the author 1989-01-26).

⁶ Concerning the astonishment among social policy experts at the apparent progressiveness of the bourgeois parties, it is important to note that Baldwin misreads Elmér, *ibid.*, *IRSH*, p. 137, n. 45. Elmér does not say that the Right's attitude "is the most difficult to explain", only that it is not possible for him to conclude whether it was purely tactical or a matter of principle (pp. 118-127). Elmér also stresses that he is speculating on this issue, but pays considerable attention to the principal arguments. However, he does not analyze in terms of rationality (a great merit in Baldwin's article), makes no reference to the Right's advocacy of white-collar pension interests, and does not investigate the sources to which Baldwin has had access (especially the archive of the Right party).

most consistent backers were, instead, the bourgeois parties, in particular the conservative party (the Right Party). This paradox is resolved by reassessing the forces behind the pension reform, including a thorough investigation of the change of mind *inside* the Swedish Conservative Party in the mid-1940s. If the arguments are taken to their logical conclusion, then it is the bourgeoisie – paradoxically by pursuing its most immediate and narrow concerns⁷ – and not at all the working class, that represents the “totality” of social interests, i.e. as the ideology of nationalism as well as mainstream economic theory have always proclaimed. The solution to this paradox and a real test of the Marxian thesis may be impossible, except perhaps upon the death of the proletariat. However, focusing on Baldwin’s orientation and contrasting it with Elmér’s traditional analysis, I will discuss this dilemma of the pattern of interest representation and welfare reform in 20th century Sweden: had social development in the mid-1940s reached a point where the working class had only its “vested interests” to defend and no chains to loose? Thus, rather than defending the general validity of a certain theoretical position, I question the particularity of especially Baldwin’s theoretical criticism and empirical analysis. From the outset, four initial remarks have to be made. I do *not* agree that universal, tax-financed, uniform flat-rate pension benefits *alone* are the most typical feature of the Scandinavian welfare model. Secondly, in the mid-1940s in particular it is wrong to confine the investigation to the pension issue. Several social reforms were on the agenda at that time; apart from pensions, they included sickness insurance, child allowances, and other forms of child support, education, housing, and labour market policies. Also, as will be argued later, the reforms in the mid-1940s are *not* the major source of Sweden’s reputation as a model welfare state. Fourthly, and perhaps most important to note is that Baldwin throughout the article underestimates the role of the Agrarian party, and more generally, agrarian interests, in the process under review.

The ghost of Beveridge

The target of Baldwin’s critique is the ‘Social’ (democratic) interpretation of the welfare state: “The solidaristic welfare state is here explained by the triumph of the interests of the poor and the working class, spoken for by the

⁷ Baldwin, *IRSH*, p. 128: “The universality and apparent solidarity of some of the most conspicuous and celebrated postwar reforms were not the result of the Left’s strength, but were due to the immediate and direct interests the bourgeois classes and their parties developed in such social policy.” Indeed, these “interests” are of course *part* of the policy process that made possible the unanimity in Parliament when welfare reforms were enacted in Sweden in the mid-1940s. Cf. A.-K. Hatje, *Refolkningsfrågan och välfärden* (Stockholm, 1974), esp. pp. 222-224.

labor movement and the Left. While social policy had earlier and elsewhere been motivated by the interests of the elite and therefore restricted in its intents, in Scandinavia and Beveridge's Britain, a new vision of universalist, solidaristic, egalitarian social policy was successfully advocated by the disadvantaged groups that stood to gain most.⁸

In repudiating the 'social' interpretation of the welfare state, with the Swedish pension reform in 1946 as a 'case in point', two mistakes are made: one methodological, the other analytical. The methodological flaw consists of the use of a particular, *national*, social policy model – the British Beveridge Plan – as the implicit yardstick for all types of European welfare state development. Baldwin incorporates three basic constituents directly from the Beveridge Plan as the essence of his own "solidaristic social policy" model: first and foremost, universal coverage; tax-financing as a secondary aspect; and lastly, uniform flat-rate benefits.⁹ These formed the nucleus of the Beveridge social insurance model, which Baldwin adopts and applies as a scheme without considering its historical context and deep British roots.

Thus, he looks at the Scandinavian welfare state, with its universalism, and in particular the social policy of the Social Democrats, through Beveridgean spectacles. However, Scandinavia is not and has never been Britain. There has been some exchange of social policy ideas, but, as Baldwin mentions but fails to understand, the Beveridge Plan was not very important in early postwar Sweden.¹⁰ Thus, the welfare models of Britain and Scandinavia are worlds apart, and cannot be blurred into a common vision of solidarity and equality. Their roots are strikingly different and must be treated as such.¹¹ Otherwise one misses the remarkably different *potential* of the two "models".¹²

⁸ Baldwin, PSSCOEWS, pp. 27-28. For references to proponents of the 'Social' interpretation, see Baldwin, *IRSH*, p. 127, nn. 18 and 20. For a recent overview of alternative schools of thought, see T. Skocpol and E. Amenta "States and Social Policies" in *Annual Review of Sociology*, 12 (1986), pp. 131-157.

⁹ Baldwin, PSSCOEWS, pp. 77-79. This "counter-criticism" is *not* made in order to apologize for the frequent use and abuse of Sweden as an implicit yardstick in recent welfare state research, just to bring out the underlying methodological problem in Baldwin's article.

¹⁰ It would have been interesting to know whether the Right Party's pretention that its new social policy stance was the equivalent of the Beveridge Plan, had any repercussions outside the party. However, it seems that this was mainly an "internal argument". Cf. Baldwin, *IRSH*, p. 134. Already in 1943 a presentation of the Beveridge Plan had been written by Sven Larsson – a social policy expert on the secretariat of the Population Commission – as a result of active intervention by Gustav Möller. This booklet was published by the Social Democratic publishing house *Tiden*.

¹¹ Of course, both the British Labour Party and the Swedish Social Democrats belong to the European Labour Movement and definitely share certain general values. Nevertheless, despite their internationalistic rhetoric, each labour party has first of all to be seen in its national context, in particular when it is in a position to influence the broader

To the upper class liberal civil servant William Beveridge the aim was to create an all-embracing social security network in peacetime. Postwar Britain should not return to the inequalities and status differences of an archaic past. An already rich and powerful aristocracy should share at least a part of its wealth and authority with the common people.¹³ The aim was to cultivate cross-class solidarity – the wartime solidarity of officers and soldiers – in peacetime between employers and employees (compared to Scandinavia, British social policy at that time was extremely sexist) – in marked contrast to the “backward” Scandinavian solidarity between peasants and workers, between the rural and urban poor. However, there is no reason to work backwards, and the cooperation in mid-20th century Sweden between workers and farmers – the political alliance between the Social Democrats and the Agrarian party – exaggerates the “solidarity” between the free peasantry and the emerging proletariat at the beginning of the century. Nevertheless, the “backwardness” of Swedish society set the structural parameters that made the 1913 pension law feasible.

From the late 19th century Sweden was not only rapidly industrialized but also democratized.¹⁴ With increasing prosperity, the Swedish reformist labour politician Gustav Möller – party secretary from 1916 and Minister of Social Affairs in 1924-1926 and almost without interruption 1932-1951 –

political spectrum. To see Alarik Hagård and Martin Skoglund, the junior and senior Conservatives on the Social Welfare Committee, as two Swedish “Beveridges” – which in effect is what Baldwin does – would be a tremendous exaggeration. Hagård was the son of a farmer, worked as a teacher but ended up as General Manager of the Borås Public Hospital. He entered Parliament in 1941 and was an MP until his untimely death in 1956. Throughout his Parliamentary career, his main interest was social policy. (Information provided by Åke Elmér in a letter to the author 1988-08-11.) Skoglund was a wealthy farmer and later Speaker of the Upper House (see also note 39). Actually, Skoglund advertised the lack of a “Swedish Beveridge” at a meeting of the Social Welfare Committee. See Riksarkivet [hereafter RA] 11853/3, minutes, 2 Oct., 1944, p. 5 (cf. p. 1 in the drafts for these minutes, RA 11853/3, 2-5 Oct.).

¹² See the forthcoming works by G. Esping-Andersen, “The Three Political Economies of the Welfare State”, in J.E. Kolberg (ed.) *Between Work and Social Citizenship*; and S. Svallfors, *Vem älskar välfärdsstaten?* (Lund, 1989). To be fair, Baldwin hints at this problem in his dissertation: PSSCOEWS, pp. 481-495.

¹³ For example, it is very unlikely that a book like Ronald Fraser’s *In Search of a Past* (London, 1984) could have been written in Sweden. The way class differences changed between pre- and postwar Britain and Sweden, respectively, differs strikingly. A book akin to Fraser’s, Tom Nairn’s recent *The Enchanted Glass* (London, 1988), with its analysis of the form of the British state, indirectly highlights the difference between the two countries in the relationship between monarchy and democracy.

¹⁴ The workers’ movement as the inheritor of the egalitarian and democratic traditions in Swedish society, earlier upheld by the peasantry, is elaborated in G. Therborn, “Socialdemokratin träder fram”, *Arkiv för studier i arbetarrörelsens historia* (English edition in *Annali Giangiacomo Feltrinelli 1983-1984*), no. 27-28 (1984). A similar idea for Scandinavia as a whole has been put forward by Stein Rokkan. Cf. *Stat, nasjon, klasse* (Oslo, 1987).

primarily wanted to achieve, not universal benefits so much as a rising standard of living, a modicum of security (*trygghet*, to use the key notion in Swedish social policy discourse).¹⁵ There was of course no Roman road for social policy from 1913 to 1946; pension policy was deadlocked in the 1920s but Möller did score successes with pensions in the 1930s, both in consensus and in conflict with the non-socialist parties. Changes were enacted in 1935 and 1937. To omit this sustained Social Democratic – and Liberal – interest in raising pension levels as well as in changing the system – and the corresponding Conservative resistance – is to distort the picture.¹⁶ Möller's fundamental solution to these problems in the mid-1940s – in the pension system as well as concerning child and sickness benefits – was to introduce uniform, flat-rate benefits, the third element in Baldwin's solidaristic social policy model and the main link to the famous world forerunner of social security at that time. Universality and tax-financing were never major pension issues in Sweden at that time, although the general tax *level* was extremely controversial immediately after the war. This is a missing link to social policy reform that has not been fully investigated.¹⁷ The battles over universality and tax-financing had been fought long before in Sweden, in the latter case in particular by the peasantry – as Baldwin clearly and carefully points out in his dissertation – and later also supported by the workers' movement.¹⁸ Universality meant a people's insurance instead of a Bismarckian workers' insurance. Thus the *inclusion* of the peasantry and

¹⁵ This is stressed in a letter to the author from Per Nyström, Möller's Under-Secretary of State 1945-1950 (17.8.1988). Cf. P. Nyström, *Historia och biografi* (Lund, 1989); B. Rothstein, "Att administrera välfärdsstaten: några lärdomar från Gustav Möller" in *Arkiv för studier i arbetarrörelsens historia*, no. 36-37 (1986), pp. 68-84, and J. Hermansson and T. Svensson, "Möller och socialpolitikens principfrågor", *Tiden*, 81 (1989), no. 1, pp. 59-65.

¹⁶ Elmér, *ibid.*, esp. pp. 54-75. Cf. H. Hecló, *Modern Social Policies in Britain and Sweden* (New Haven, 1974), esp. pp. 211-226. Hecló emphasizes the "informed defence" put up by the *administrators* of pension policy – the Director-General of the National Pension Board – against the intense Conservative attacks on the disastrous effects of public pensions, but also stresses the role of Möller's *learning* as Minister of Social Affairs in the 1920s for later developments.

¹⁷ Baldwin has a short paragraph on this dilemma but does not draw the full implications, *IRSH*, p. 145. The resistance from Wigforss as Minister of Finance against the more costly pension alternative (III) had a clear background not only in the necessity to finance this and other expensive social policy reforms (child allowances, sickness insurance, etc.) but also in the fact that the Liberal and Conservative parties, combined their backing for reforms with active efforts for lower taxation immediately after the war. Cf. Elmér, *ibid.*, p. 88, and E. Rodríguez, *Offentlig inkomstexpansion* (Uppsala, 1980), esp. pp. 112-123.

¹⁸ Baldwin, PSSCOEWS, pp. 153-168. Cf. K. Englund, *Arbetarförsäkringsfrågan i svensk politik, 1884-1901* (Uppsala, 1976), esp. pp. 126-129 and ch. 14, and Elmér, *ibid.*, pp. 16-54, 116-146 and 149. The 1913 pension system had a dual character: universal contributory pensions based on premiums paid, and tax-financed, means-tested supplementary pensions.

the rural poor in an otherwise industrial system was the novelty of the 1913 pension law. Tax-financing meant that the central government took over some of the costs for poor relief earlier paid via local taxes (primarily by wealthier farmers).

However, Möller's practical preference for uniform flat-rate benefits was new to Sweden. It implied a complete reconsideration of means-testing, which became more like an administrative income-test, an important change in principle as well as in practice.¹⁹ During the first half of the 20th century this type of screening of relief applicants *slowly* changed from the identification of the poorest individuals to the *exclusion* of the very rich from benefits available to the great majority – “vertical universalism” in Baldwin's terminology (for an empirical illustration of this concept, see the respective pension “take-up ratios” for Britain and Sweden in Fig. 1).²⁰ This became particularly evident in 1937 with the new motherhood support system, in which all but one mother in ten were entitled to public provision. The well-to-do (upper class women) were excluded on grounds of “national psychology” (*folkpsykologi*).²¹ Thus, a test was *also* used to screen out people at the upper end of the income scale.

In the pension system, from 1913, the well-off could claim their share by virtue of the premiums they had paid; everybody above the age of 67 was entitled to a pension benefit. In the early 1930s, about three out of four exercised their right to draw a benefit. The income-tested pension supplement was provided for a majority of the 67+, particularly after the 1935 pension reform, that was approved by all the parties; still, those at the top of the wealth and income pyramid were excluded from this extra allowance.²²

¹⁹ Income testing was discussed a great deal in the Ministry of Social Affairs in the mid-1940s, in particular regarding housing support. Cf. Möller's speech in Minutes from the Nordic Meeting of Ministers of Social Affairs 1947, mimeo, and P. Nyström, “Goda bostäder åt alla”, *Arkiv för studier i arbetarrörelsens historia*, no. 41 (1989). Nyström has also stressed that the inspiration behind the shift in principle from means- to income-test goes back to the Danish social policy expert K.K. Steincke, who may be described as a mentor for Gustav Möller in this field of policy. P. Nyström, “Välfärdsstaten och dess styrningsmekanismer”, in A. Björnsson (ed.), *I folkets tjänst* (Stockholm, 1983), pp. 221-234.

²⁰ Public expenditure on poor relief was greatly reduced as a share of total social expenditure between 1900 and 1940: from 60 to well below 20 percent. By 1950, after the 1948 pension payouts, poor relief costs had dropped to below five percent, see graph 2 in S.E. Olsson, “Sweden”, in P. Flora (ed.), *Growth to Limits. The Western European Welfare State Since World War II*, Vol. 1 (Berlin & New York, 1986), pp. 1-116, esp. p. 6.

²¹ A.-K. Hatje, *ibid.*, esp. pp. 32-34 and 209-213.

²² Baldwin gives in his article the impression that the pre-1948 pension system was limited to the poorest, defined very narrowly. See pp. 129 (“the poor alone”), p. 136 (“cover more than the most indigent in any but the most miserly fashion”), and p. 143 (“targetted at the poorest”). In 1939, more than 93 percent of the over-67s were entitled to a pension benefit. Of these, more than a third (37 percent) received only the

This order was reversed in each of the three alternatives proposed by the Social Welfare Committee in 1945: the current system should be abolished in favour of a uniform, flat-rate benefit for everybody. In addition, there would be an income-tested supplement (alternatives I and II) and/or an income-tested housing allowance (alternatives II and III).²³ Alternative III raised the pension level considerably, but still retained the testing practice. In 1951, when this new system had been in operation for three years, a majority of the old-age pensioners still did not qualify for the housing supplement.²⁴ If this is the criterion of universalism, Sweden has still some way to go. To conclude: the issue at stake in 1945-1946 was the appropriate use of income-tests, *not* the principle of universalism.²⁵

The coincidental combination of these “Beveridgean elements” in British and Swedish early postwar pension *plans* tends to hide this basic underlying temporal dissimilarity. The outcome of welfare reform in Sweden and Britain in the mid-1940s – uniform, flat-rate social benefits – had very different lineages, which left their mark on the divergent futures of the two systems. Using the Beveridge Plan as a yardstick only confuses this fundamental incongruency. The reason why the “social” (democratic) interpretation of the welfare state has been so powerful in recent social scientific discourse is not primarily its “Beveridgean” aspects. In contrast to Baldwin, I would argue that the “Scandinavian model” – as an example for the world, or at least for European Social Democracy – made its major imprint abroad *not* from the mid-1940s, but more than a decade later, in the 1960s.²⁶

non-means-tested benefit, based on previous premium payments. All these benefits were obviously meager – before the war on average 10 percent of an industrial worker’s wage – but every Swede could claim them. Thus, to a significant degree, “vertical universalism” had already been achieved before World War II (see also Fig. 1). Cf. S.E. Olsson, “Svensk socialpolitik i internationell belysning: ålderspensioner 1930-1985”, Institutet för social forskning (Stockholm, 1985), mimeo, and J. Palme, “Rätt, behov och förtjänst – ålderspensionerna i välfärdsutvecklingen”, Institutet för social forskning (Stockholm, 1987), mimeo.

²³ Alternative I from the Social Welfare Committee, definitely the proposal closest to the old pension system, also included a uniform flat-rate benefit (although rather small compared to the other two alternatives), but this proposal was never seriously considered outside the Committee. Cf. G. Möller, “De planerade socialreformerna”, *Tiden*, 38 (1946), no. 2.

²⁴ SOS (Sveriges Officiella Statistik), *Allmän folkpensionering 1939-1950* (Stockholm, 1951), p. 36.

²⁵ Or, in terms of the Titmussian social policy model as developed by Mishra and Korpi, it is *not* the subdimensions “Range of statutory services” or “Population covered by statutory programs” (Mishra) or “Proportion of population affected” or “Dominant types of programs” (Korpi) that is at stake, but rather “use of means-test” (Mishra) or “importance of social control” (Korpi). See in both cases table 1 in R. Mishra, *Society and Social Policy* (London, 1981), p. 101 and in W. Korpi, “Social Policy and Distributional Conflict in the Capitalist Democracies. A Preliminary Conceptual Framework”, *West European Politics*, 3 (1980), no. 3, pp. 296-316, esp. p. 303.

²⁶ Svensson, G., “Utländska bilder av Sverige. Bespeglingar i det moderna”, in U.

A number of authors have blurred different aspects of Swedish modernization, some of which, such as technological progress and the regulation of

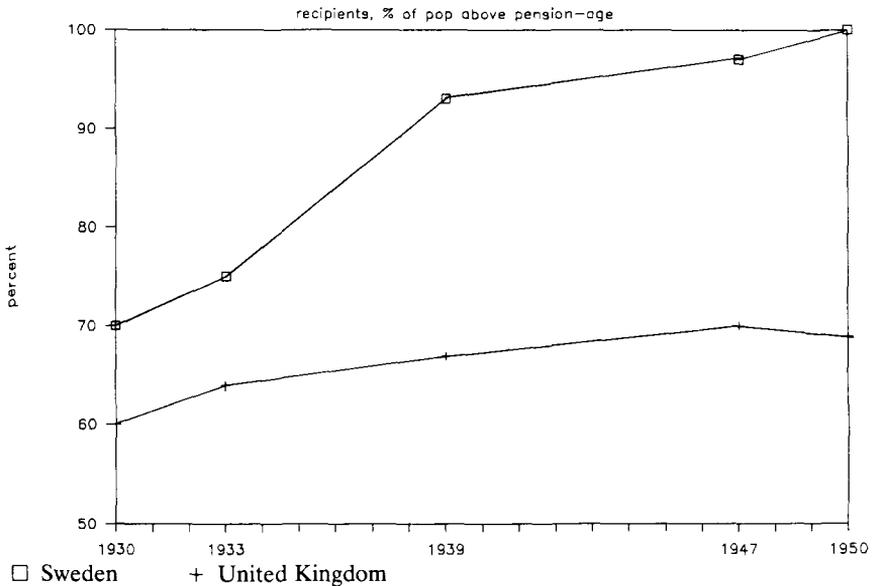


Fig. 1. Old-age pension take-up 1930-1950 in Sweden (represented by squares) and the United Kingdom (represented by plusses). Source: SSIB Data Files, Swedish Institute for Social Research (SOFI), University of Stockholm, Sweden.

industrial relations, were already apparent in the mid-1930s, others, like the welfare state, much later. When the international appeal of the Beveridge approach faded, the effects of another Swedish wave of social reform, in particular the introduction of more or less universal earnings-related pension and sickness (later also paternal) benefits, were recognised instead.²⁷ The combination of uniform, flat-rate social benefits with earnings-related benefits created an even finer and more comprehensive social

Himmelstrand and G. Svensson (eds), *Sverige – vardag och struktur* (Stockholm, 1988), pp. 139-161, esp. p. 148. This rather uneven exposition of “Sweden as a world model” is quite explicit regarding the slow take-off of the export of this image after World War II.

²⁷ Cf. the lively appreciation of social welfare and daily life in a report from a journey to Sweden, as well as critical comments on C.A.R. Crosland’s *The Future of Socialism* (London, 1956), by the young Perry Anderson: “Sweden: Mr. Crosland’s Dreamland”, *New Left Review* (1961), nos 7, pp. 5-13, and 9, pp. 35-45. Cf. D. Strand, “Välfärd och apati”, in T. Erlander *et al.* (eds), *Idé och handling. Till Ernst Wigfors på 80-årsdagen* (Stockholm, 1960). Furthermore, the continental European refugees in Scandinavia during World War II – for instance Willy Brandt and Bruno Kreisky – came to power in the 1960s.

security net and the welfare state managed to match the affluence of civil society.²⁸ The more recent prosperity of the Scandinavian countries, in contrast to the marked decline of the UK, as well as the remarkable differences in the strength of the Left, cannot be overlooked when appraising the use and abuse of present day theories of the welfare state.

The Swedish Right and the pension reform in 1946

The second flaw in Baldwin's article is analytical. His major and indisputable contribution is his discovery of the relationship – the rational link – between the (future) class base of the Conservative Party (upper white-collar employees) and the internal ideological shift that occurred in that party in the mid-1940s. However, the *weight* he attributes to this relationship in the development of the 1946 pension law is debatable. First, it is important to distinguish between what a party wants, the ideology or party program, and what it can achieve in a given power constellation. Secondly, one should differentiate between events inside the Swedish Conservative Party and inside the Royal or Public Social Welfare Committee, which prepared the pension bill. Thirdly, it is important to assess the public process after the publication of the pension proposals, and the public debate they initiated before the final act was drafted in the Ministry of Social Affairs (and approved by various power centers inside the Social Democratic Party).

Baldwin's major mistake is to divorce the Conservative Party from its relationship to other political forces, thus ignoring the power context. He concentrates on the relationship between one social force (the new middle class) and the ideological shift that occurred within the party in the mid-1940s, together with the impact of this on policy making in Sweden at that time. In order to understand this shift, one has to grasp the decline of political conservatism in the Swedish culture.²⁹ The Right party of the 1940s

²⁸ The 'strong society' was a concept used by Prime Minister Tage Erlander to characterize the Swedish welfare state. See T. Erlander, *1949-54* (Stockholm, 1974), esp. pp. 369-388.

²⁹ Wigforss's remarks on Bagge's unsuccessful ambition to play the role of deputy prime minister – as leader of the largest non-socialist party – in the wartime national coalition government hints at the issue of hegemony. See E. Wigforss, *Minnen*, part III (Stockholm, 1954), pp. 278-279. The regrouping within the Swedish party system is discussed from the other (i.e. Social Democratic) angle by G. Therborn, "Den svenska socialdemokratin träder fram", *ibid.*, esp. pp. 34-35. From a conservative insider's perspective, Ivar Andersson has written several admirable works – both in the "Life and Letters"-tradition and autobiographical – that cover this era of conservative decline: see *Arvid Lindman och hans tid* (Stockholm, 1956), esp. chs. XVI-XVIII, *Otto Järte – en man för sig* (Stockholm, 1965), *Åsyna vittne* (Stockholm, 1967), and the work cited by Baldwin, *IRSH*, p. 145, n. 71.

was a shadow of its earlier strength and was challenged from all quarters. In 1928 it had still won almost as many parliamentary seats as the Social Democrats. After that election, Admiral Arvid Lindman formed the last Conservative Cabinet to date in Sweden with the support of seventy-three MPs in the directly elected Lower Chamber. In the Upper Chamber, another forty-nine Conservatives gave him almost unconditional loyalty. This was admittedly a minority government but the Conservatives far outnumbered the other non-socialist parties. After the 1932 election the situation was reversed (in the lower chamber) and throughout the 1930s and 1940s the party steadily declined, although it managed to remain the largest non-socialist party until 1946. (In the Upper Chamber the party remained the largest until 1952. For the distribution of seats in Parliament, see Table 1.)

Table 1
Distribution of seats in Parliament 1928-1948

	1928		1932		1936		1940		1944		1948	
	LC	UC										
Conservatives	73	49	58	50	44	45	42	35	39	30	23	24
Liberals	32	31	24	23	27	16	23	15	26	14	57	18
Agrarians	27	17	36	18	36	22	28	24	35	21	30	21
Social Democrats	90	52	104	58	112	66	134	75	115	83	112	84
Communists	8	1	8	1	11	1	3	1	15	2	8	3

Source: SOS, "Riksdagsmannavalen".

It is clear that a major programmatical shift occurred, particularly regarding social and economic principles, in the Conservative party in the mid-1940s, following major programmatic revisions by the Liberal, Social Democratic and Communist parties.³⁰ A new generation of Conservative activists, accompanied by electoral defeats, forced the party to rethink its position on a number of issues, including social policy. State intervention in the economy and increased public responsibility became more acceptable to its adherents. The traditional critique of the "relief hand-outs" (*understödstagarandan*) was toned down and the idea of universal social rights gained respectability. The Conservatives backed all the major Swedish welfare reforms in the mid-1940s. However, they endorsed some of these proposals at a rather late stage and often added a proviso – such as that the economy must permit such an increase in public spending.³¹

³⁰ L. Lewin, *Planhushållningsdebatten* (Uppsala, 1967), esp. pp. 186-240.

³¹ SOU 1945:46, *Socialvårdskommitténs betänkande XI: Utredning och förslag angående lag om folkpensionering* (Stockholm, 1945), p. 276. Cf. SOU 1944:15, *Utredning och*

The question remains, however, if it really was just a farsighted, strategic concern for the well-being of a potential Conservative electorate – the urban white-collar employees or the new middle class – that changed the party's social policy view?

The Conservative stance on the pension issue is obviously one piece in the Swedish welfare state puzzle, but far from the main one and definitely not the whole picture. Concerning urban white-collar employees, the party was clearly competing in particular with the Liberals. But also the Social Democrats were actively trying to attract the new middle classes. In the 1944 election campaign the Social Democrats, in a series of advertisements in the weekly press, for the first time specifically addressed white-collar employees. The ads focussed on demands such as full employment, higher wages, increased social benefits and improved education, while emphasizing that the Social Democratic party was the ally of all wage-earners – not just proletarian blue-collar workers – and best served the common interest of labourers and white-collar employees.³² Thus, all the “urban” parties were preparing the ground in the early 1940s, and politicians from several parties were very active in the unionization of these groups. Perhaps the Conservatives were less hesitant than the Liberals to openly advocate the interest of upper-salary employees.³³ But even the new Liberal leadership, under the “Keynesian” economist Bertil Ohlin, took pains to stress reform, “social liberalism”, and the situation of the poor and destitute. Regarding social reform, the Liberals tried to avoid confrontations with the Social Democrats. Besides attacking the Social Democrats on “socialisation” and “socialism”, the Liberal party made a clear demarcation between its own progressiveness and the outmoded nature of Conservative policies. In its own view, the Liberal party was the sole bourgeois reform party.³⁴ In the Social Welfare Committee that prepared the pension bill, the Liberal representative sided with the majority of the Social Democrats in proposing a combination of income-tested *but* universal pension benefits (alternative II), while two Conservatives, one *Agrarian*, and one *Social Democrat*,

förslag ang allmän sjukförsäkring (Stockholm, 1944), p. 353 and Elmér, *ibid.*, p. 86. Here, it is appropriate to add that the Right party's final decision to support alternative III was taken *after* the Employer's Confederation (SAF) and the Trade Union Confederation (LO) had delivered their support for the same proposal.

³² D. Sainsbury, *Swedish Social Democratic Ideology and Election Politics 1944-1948* (Stockholm, 1980), p. 61. Cf. P. Nyström, “Gustav Möller i Marx-sällskapet”, in *Meddelande från Arbetarrörelsens arkiv och bibliotek* no. 2/3 (1977), p. 67 and, on white-collar unionization, T. Nilsson, *Från kamratförening till facklig rörelse* (Lund, 1986).

³³ However, in the same breath as the Conservative party leader mentioned the middle class, he pitched the elderly against the young and active generation arguing for a *productive* social policy. RA, Moderata samlingspartiet, Partiledarna, Domö/5, ms. for a speech, 3 October 1945 (cf. Baldwin, *IRSH*, p. 134, n. 35).

³⁴ K. Zetterberg, *Liberalism i kris* (Stockholm, 1975), esp. pp. 142-145.

together with one of the two *civil servants* on the Committee, backed the abolition of income-test except for housing supplement (alternative III).³⁵

The Conservative party was not only under pressure from the Liberals. Another social group, the rural population, was a traditional supporter of universal social benefits. As mentioned, before the modern party system finally took shape, farmers in Parliament had opted for universal social insurance coverage and managed to convince the Conservatives to back the pension bill proposed by a Liberal cabinet in 1913, a reform that was also supported by most Social Democrats in Parliament.³⁶ In the 1940s, the Conservative party still had a strong backing in rural areas, in particular among the upper echelons of the land-owning population. Since the 1930s, however, the Conservative party had lost its prominence among the non-socialist parties and was challenged in the rural electorate especially by the Farmer's Alliance, before 1932 a junior partner in the non-socialist camp. The Agrarians had gained confidence after "horse-trading" with the Social Democrats in 1933. Their independence was further underlined when they formed a government in the summer of 1936, followed in the autumn by the

³⁵ SOU 1945:46, *ibid.* Cf. Elmér, *ibid.*, pp. 81-82. This division within the Social Welfare Committee is simplified by Baldwin into pure party lines: he omits the fact that alternative III was supported by one Social Democrat and one civil servant (as well as the fact that the other civil servant on the Committee supported alternative II). See Baldwin, *IRSH*, p. 132. This is only one example of the disturbing "non-Socratic", "American" habit of "stressing points" and painting in black and white. Likewise, Baldwin fails to mention that Elmér twice in his *magnum opus* gives credit to the secretary of the Social Welfare Committee (and partly to one of the civil servants) as the originator of alternative III (*ibid.*, pp. 81 and 126, n. 13) – in marked contrast to Baldwin's unproven suggestion that the Conservative representatives had this role. For example, none of the Conservative representatives were present at the meeting when the Committee took the decision to work out alternatives II and III, see RA 11853/3, minutes, 14 Sept, 1945. Furthermore, from the minutes of the Social Welfare Committee, where the discussion was very open-minded, it seems that one of the civil servants (Höjer) early on opted for income-tested housing allowances as the sole 'tested' part of the pension benefit. See RA 11853/3, minutes, 1 June 1944, pp. 3-4. The role of the experts – "state managers" – is a reminder of the potential of Theda Skocpol's theoretical approach. Cf. M. Weir, A.S. Orloff and T. Skocpol (eds), *The Politics of Social Policy in the United States* (Princeton, 1988).

³⁶ Governmental power and Parliamentary strength are not the sole variables for the strength and weakness of the Left and Right. However, it is instructive to compare the parliamentary situations in Sweden in connection with the two major pension decisions. In 1913, just after the change to universal male suffrage, the Social Democrats were still outnumbered by both the Liberals and the Conservatives. In 1946, the Social Democrats had as many seats in the Lower Chamber as all the other parties combined (including the Communists) and outnumbered them in the Upper Chamber. This highly relevant fact is omitted in Baldwin's article. See G. Carlsson, "Partiförskjutningar och tillväxtprocesser", *Statsvetenskaplig tidskrift*, 1963, No 2-3. Furthermore, unionization had increased considerably between 1913 and 1946. Cf. W. Korpi, *The Working Class in Welfare Capitalism* (London, 1978), and A. Kjellberg, *Facklig organisering i tolv länder* (Lund, 1983).

first formal red-green coalition cabinet with the Social Democrats. During the wartime national coalition, the Agrarians also participated on an equal footing with their earlier superiors. In two decades, the party underwent a major transformation from the “poor country cousin” to a fairly respected gentleman at the King’s table.³⁷ Like the Liberals, the Agrarians also emphasized their reform-mindedness and even tried to outflank the Social Democrats “from the left” on welfare issues. The advocacy of social insurance in 1944 marked a turning point inasmuch as it was the first platform statement to advocate a broad social welfare policy rather than merely proposing improvements to existing social services in the countryside or benefits limited to rural groups. This coincided, however, with a more aggressive emphasis on the rural dimension – the name being extended to include “The Rural Party”. The Agrarians were presented as the party of the “centre”, between the bourgeois (i.e. the Conservative and Liberal parties) and the socialist (i.e. the Social Democratic and Communist parties) – the golden middle way – but also as the sole reform party of the countryside. In 1944, the Agrarians grouped together all other parties as “urban”.³⁸

With the end of the surrounding war in sight in the 1944 election, the Conservative Party was squeezed as regards social reform between the Liberals on the one hand and the Agrarians on the other. The Conservatives approached the welfare proposals with reluctance and were basically vague and non-committal, except on a few natalist proposals. This stance contrasted markedly with all the other parties. In the mid-1940s the Conservatives then had to take this competition seriously. The electoral defeat in 1944 gave the party a new leader from the rank of big landowners who, as a group, were tentative about supporting expensive social reforms but were sensitive to rural opinion. Thus, there were many tensions in the party over

³⁷ A lot of research hints at this decisive relative shift of the Agrarians in the Swedish party system, although no monograph has covered this process in terms of hegemony and political dominance. There is still no authoritative biography of the party leader Bramstorp. However, this essential hegemonic shift from right to left is considered briefly in G. Therborn “Den svenska socialdemokratin träder fram”, *ibid.*, pp. 30-32. Cf. B. Fryklund *et al.*, “Från bondeförbund till centerparti”, *Zenit*, 34 (1973), pp. 4-23, and B. Fryklund and T. Peterson, *Populism och missnöjespartier i Norden* (Lund, 1982), esp. ch. 12. On the more recent Agrarian shift in the other direction – from left to right – see also the autobiography by the former Conservative party leader G. Bohman, *Maktskifte* (Stockholm, 1984), esp. pp. 59-69. On Nordic agrarian pension policy, see also O. Kangas “Politik and ekonomi i pensionsförsäkringen”, Swedish Institute for Social Research, Occasional papers No. 5 (Stockholm, 1988), G. Olofsson and J. Rasmussen, “Det svenska pensionssystemet: historia, struktur och dilemmor”, University of Copenhagen, Institute of Sociology (Copenhagen, 1988), mimeo, and the discussion on this issue in the articles by S. Kuhnle, L. Nörby Johansen, M. Alestalo and H. Uusitalo in P. Flora (ed.), *ibid.*

³⁸ Sainsbury, *ibid.*, p. 57.

the modernization of ideology; in the end the “elders” managed to keep the program of principles from 1919 intact, while the “urban youngsters” wrote and obtained approval for an “action program”, pleading strongly for welfare reform.³⁹ Most noteworthy, perhaps, was the emphasis on the Conservative’s role in the already enacted 1946 pension law, summed up in the slogan “The Conservative’s line was the People’s”. The party was unanimous on this particular issue but that did not suffice to convince the electorate a few months later – the 1946 (local) election was yet another defeat (and for the first time since the advent of universal suffrage the party was not the largest on the non-socialist side).

In summary, how much credit can be given to the Conservatives for the final outcome of the Swedish pension reform? Their fair share: no less, no more. That they together with the Agrarians were the first of all parties unanimously to endorse alternative III is evident. It is their role within the Social Welfare Committee that is at stake. How much did the two Conservatives push for what was to be known as “alternative III”, later the pension law? Already in 1944 the junior Conservative representative on the Committee made it plain in a speech in Parliament that he would support a fundamental revision of the pension system.⁴⁰ In 1945, when the Committee was completing its work on the pension bill, the senior Conservative – a representative of the landowners and a vice chairman of the party – actively pushed for the elimination of income-tested pension.⁴¹ The above mentioned programmatical development within the party opened the road to a unanimous party position. The party representatives on the Committee were thoroughly coordinated with the party leadership.

However, it is still not clear whether it was the Conservative representatives, the Agrarian representative, or one of the experts of the Com-

³⁹ Lewin, *ibid.*, pp. 190-191.

⁴⁰ Elmér, *ibid.*, pp. 124-125. However, the Conservative MP Hagård did not give any indication of the direction of change. See *Riksdagens Protokoll* AK 1944:11, March 22 1946, pp. 90-91. On this occasion the senior Conservative argued for changes in the income-testing procedure in order to encourage the expansion of entrepreneurial pensions, *ibid.*, pp. 86-87.

⁴¹ When analyzing a singular political event, the *Fingerspitzgefühl* of the main actors also needs to be considered. According to another leading conservative – Ivar Anderson in *Åsyna vitne* – nature had bestowed this important political gift generously on the senior conservative in the Social Welfare Committee, see p. 190. A Conservative attempt similar to that on the pension issue was made with the aim of taking over the child allowance question, but this time another conservative politician failed. See Hatje, *ibid.*, ch. III, esp. p. 97, n. 51. According to the retrospective view of the leader of the Liberal party, Bertil Ohlin, it was the senior Conservative representative who first presented the idea of a completely non-income-tested pension benefit. In the same breath, Ohlin complains about the prestige of Gustav Möller on social policy issues. See *Memoarer 1940-1951* (Stockholm, 1975), p. 133. Cf. Ohlin’s appreciation of Möller in Parliament when the pension decision was taken. AK 1946: 27, 20 June 1946, pp. 43-44.

mittee that in the nick of time, took the initiative to work out a new alternative (III).⁴² In the Parliamentary debate preceding the almost unanimous decision the junior Conservative hinted at the role of “Committee members” in initiating the new alternative. However, it took him five years to stake a direct claim – after the Agrarian representative retroactively had tried to reap the glory.⁴³ Certainly all politicians were aware from the start of the prestige linked to this generous reform. In particular all the non-socialist parties were eager to minimize the role of the Minister of Social Affairs, who had a well-known record as the advocate of social reform within the Social Democratic leadership and when the law was enacted, was praised by several party back-benchers.⁴⁴

The Social Democrats and the pension reform

Finally, there is one question that Baldwin fails to address: why was it so easy for the Social Democrats – and the Liberals – to switch and unite behind “alternative III”?

In the 1944 election, the Social Democrats were vague on the precise content of the pension reform: their discussions focused on adequate benefits for all versus improvements for the neediest (the latter had been the tendency in the war period). This cleavage had been hard to bridge earlier.⁴⁵

⁴² See also note 35. The first written document in the archives of the Social Welfare Committee is a memorandum by the secretary. However, the Committee’s secretariat informed Möller early on about the content of “alternative III”. When the Ministry took over work on the bill after the Committee’s report had been published, this was the main alternative from the start, although Möller had some ideas of his own and was prepared to give way to the majority of the Social Democratic leadership, which supported “alternative II”. Möller’s main ambition was to increase the benefits for the poor and needy, not to extend pension benefits to the well-to-do. But there is no indication that he actively wanted to keep the income-test alive, quite the contrary. Cf. Elmér, *ibid.*, p. 81, pp. 86-90, and Möller’s retrospective remarks in “Inkomstprövade pensioner?”, *Arbetarrörelsens årsbok 1971* (Lund, 1971), pp. 180-182. According to the latter document, the cabinet was seriously split and Möller managed to get the issue transferred from the leadership circle to the Parliamentary group.

⁴³ Elmér, *ibid.*, p. 126, n. 13. On the remarkable career of the Agrarian on the Social Welfare Committee – a scandalized Social Democratic entrepreneur who in 1932 became an Agrarian MP and subsequently displayed strong pro-nazi sympathies – see G. Hellsström, *Jordbrukspolitik i industrisamhället* (Stockholm, 1976), pp. 161-169.

⁴⁴ Rather ironically, on this occasion the junior Conservative hailed the work of the chairman of the Social Welfare Committee – an old Social Democrat who had supported income-tested pensions. *Riksdagens protokoll*, AK 1946:27, 20 June 1946, p. 26.

⁴⁵ Cf. note 42 above. Baldwin gives an overview of the tensions within the labour movement on this issue, *IRSH* (pp. 137-139). This is the only occasion in the article where Baldwin really takes issue with Elmér’s thesis. However, I cannot share his view that Elmér’s underlying assumption is that the Social Democrats of course “supported the reforms that eventually resulted” (p. 138, n. 49) if this means “alternative III”.

It was resolved in the aftermath of the proposals from the Social Welfare Committee and the public debate that followed. The regrouping behind “alternative III” was amazingly quick.

The main resistance came from the core of the Social Democratic leadership: the Prime Minister, the Minister of Finance, the future Prime Minister, etc. They naturally wanted the Party to take full advantage of the pension reform.⁴⁶ Concerning its content, apart from financial considerations there were redistributional objections but their minor weight must be seen in the light of the associated administrative drawback: income-test. Furthermore, the Minister of Finance in particular was aware of the need to foot the bills from the Ministry of Social Affairs, where the pension reform was by no means the only expensive idea. Finally, personal strains among the leadership grew in these years. In particular, the clashes between nos 2 and 3 in the party hierarchy – the Ministers of Social Affairs and Finance – reached a dramatic culmination when the no. 1 – the Prime Minister and Party Chairman – died unexpectedly just before the opening of Parliament in the autumn of 1946 – after the pension issue had been resolved but before decisions had been taken on sickness insurance and child allowances.⁴⁷

The core of the party leadership was supported by economically responsible public opinion, i.e. in particular the liberal press, which initially – like the Liberal party – stuck to the less costly alternative (II). Even some Conservative newspapers, in particular the leading *Svenska Dagbladet*, after the publication of the Committee’s report, published editorials with this type of emphasis familiar to their readers. Quite soon, however, the

Elmér thoroughly scrutinizes the process that led to this position – although he did not investigate one of the sources that has been available to Baldwin, the archives of the Right Party.

⁴⁶ According to the retrospective view of Gösta Rehn, Per Albin Hansson from the start envisaged the advantages of alternative III (oral communication). However, the written documents indicate that the Social Democratic Party Chairman supported alternative II when the leadership circle discussed the pension reform.

⁴⁷ One explicit reason for not accepting Möller as the heir of Per Albin Hansson was that Wigforss considered that Möller limited himself to social policy issues instead of regarding the totality of the party’s policy positions. See *Minnen*, Part III (Stockholm, 1954), p. 296. Cf. A. Gjöres, *Vreda vindar* (Stockholm, 1967), p. 163, T. Erlander, *1940-49* (Stockholm, 1973), p. 254 and *1949-54* (Stockholm, 1974), p. 246, G. Jonasson, *Per Edvin Sköld 1946-1951* (Uppsala, 1976), pp. 11-24, 56-70, 135-138, 152-154, 185-186, T. Nilsson, *Människor och händelser i Norden* (Stockholm, 1977), pp. 112-117, and S. Andersson, *På Per Albins tid* (Stockholm, 1980), pp. 276-289. Andersson is also very detailed about the tensions within the cabinet after 1946, *ibid.*, pp. 292-301. Cf. G. Möller, “Dyrtidstilläggen” in *Arbetarrörelsens årsbok 1971* (Stockholm, 1971), pp. 187-189. Already in early 1946, however, Möller had responded to this state-financial criticism and stated that maybe alternative II had to be accepted in view of the strain on public resources. See *Tiden*, February 1946.

editorials were coordinated with the Conservative party line.⁴⁸ The Agrarians and their press did not hesitate to back the proposal (III) put forward by their representative on the Committee. In time, however, the liberal press, particularly its leading organs, not to speak of the Liberal party leader, had a hard time making up their minds (actually, the Liberal party switched its position after the Government). The longer the public debate went on, the more support non-income-tested pensions received in the non-socialist camp.⁴⁹ Obviously, this unanimity contributed a great deal to the final outcome of the pension issue. But it was not only pressure from outside that made possible the swift change in the Social Democratic position.

As mentioned, *one* of the four Social Democratic Commissioners had backed the non-income-tested proposal (III). He received firm support from the emerging pensioners' organizations affiliated to the labour movement (actually, his seat in Parliament belonged to the same town – Malmö – where these organizational endeavours had their centre). In 1944, these tiny associations had successfully lobbied Parliament and against the recommendation of a united sub-committee managed to get a more or less unanimous vote for an acceleration of the pension reform.⁵⁰ The organizations continued to lobby the party, the trade unions and SD parliamentarians.⁵¹ After some uncertainty, most SD newspapers came out in support of the more generous alternative.⁵² Finally, when the party executive made its decision, it also came out overwhelmingly for non-income-tested, uniform flat-rate benefits.⁵³ The same strong support was found in the SD Parliamentary group.

Why? Why did the core of the Social Democratic leadership not receive any support from the party's MPs? Why did the former not make the question a vote of confidence? Were the latter more concerned about the well-being of a future electorate? Or did they fear immediate Conservative gains in the coming election? Or Communist gains, which at the time were an even more urgent threat?

Nowhere in Swedish society was any enthusiasm exhibited for a continuation of means-tested pensions. There was a strong commitment to self-

⁴⁸ On the tensions between the elderly editorialists at *Svenska Dagbladet* and the new generation of Conservatives, see E. Sandlund, *Svenska Dagbladets historia*, part III (Stockholm, 1984), pp. 204-207. Cf. I. Anderson, *Från det nära förflutna* (Stockholm, 1969), esp. pp. 216-219.

⁴⁹ Elmér, *ibid.*, pp. 86-90.

⁵⁰ Elmér, *ibid.*, pp. 76, 126 and 170. The lobbying by the emergent pensioners' associations is not discussed at all by Baldwin.

⁵¹ Elmér, *ibid.*, p. 171.

⁵² Elmér, *ibid.*, p. 86.

⁵³ Arbetarrörelsens arkiv och bibliotek, Partistyrelsen, Minutes, 5 March 1946. Cf. Elmér, *ibid.*, p. 90.

education and responsibility in the organized labour movement but screening poor people was not a popular duty.⁵⁴ As mentioned, the means-test instrument had shifted from distinguishing between the poor and the rest of society to demarcating those at the top from the great majority of welfare recipients. Concerning pensions, the cost awareness argument did not take root, particularly as the difference between the two alternatives did not seem insurmountable in a milieu where even the most parsimonious came out in support of the more generous benefit. Also the powerful Trade Union Confederation (LO) supported non-income-tested pensions. Pressure from pensioners in the trade union movement, as well as an ambition to work closely on social issues with the newly formed white collar confederation (TCO) – the LO and the TCO had meetings before sending their responses to the pension proposals to the Government – made it an easy choice for the LO. The non-income-tested pension proposal was beneficial to its members as well as to other wage-earners. Furthermore, keeping the income-test might have led to a future rift in the LO. Finally, the LO was in more or less complete agreement on the pension issue with the Employers' Confederation (SAF).⁵⁵

Conclusions

There is no need to repeat the arguments against analyzing the 1946 pension reform in Sweden as an either – or case of universality. However, the fact that the Conservative party was strongly united on the pension issue in the fall of 1945, just a few months ahead of the other parties – with the important exception of the Agrarians – cannot justify a scientific conclusion that is simply a repetition of the Conservative's election slogan of 1946: "The Conservative's line was the People's". This would be as ahistorical as the Great Social Democratic Celebration, putting the pension decision in the latter year out of context. Had it been the case that the Conservative party laid the foundation for the guiding principles of the present day Swedish welfare state, then I am firmly convinced that the leading Conservative expert on postwar social policy, former party chairman Gunnar Heckscher (in the 1940s chairman of the party's youth organization, an active participant in the programmatic revisions at that time and later a professor of political science) would have made a point of this in his scholarly *The Welfare State and Beyond*.⁵⁶ He does not even hint at this. Is it

⁵⁴ For a recent illuminating essay on this topic, see R. Ambjörnsson, *Den skötsamme arbetaren* (Stockholm, 1988).

⁵⁵ Elmér, *ibid.*, pp. 146-156.

⁵⁶ (Minneapolis, 1983). For a critical review from a neo-liberal perspective of this fairly non-partisan account of Swedish social democratic social policy, see E. Langby, "Sweden: Libertarianism on Rocky Soil", in *The Public Interest*, 80 (1985), pp. 100-103.

likely that he forgot such an important, even decisive Conservative contribution? Hardly, just as it is unlikely that modesty (or rivalry with his predecessor Jarl Hjalmarsson) prevented him from mentioning this supposedly major role of his party in the making of welfare Sweden. Instead, he stresses the longstanding positions taken by Social Democrats (while mentioning the other participants in this process) as the key political factor in the development of the principles behind the modern Swedish welfare state.⁵⁷

An analysis of these principles cannot be limited to the pension issue alone, in particular not in the 1940s when a whole series of social policy issues were on the agenda: apart from pensions, sickness benefits, child allowances, school meals, education, housing and maybe above all labour market policies. In all cases concerning income support, Gustav Möller opted for uniform flat-rate benefits. He did so with exceptional strength; for example, regarding sickness benefits he completely revoked the proposal put forward by the Social Welfare Committee and accepted by most pressure groups, and persuaded the party to follow his line, even though he ultimately failed (after he had left as Minister of Social Affairs).⁵⁸

Flat-rate benefits, so prevalent in the 1940s, must be seen in the context of the basically rural nature of Swedish society at that time. Although a growing group, urban white-collar employees were still a minority. It is definitely not unimportant that – as Baldwin has made plain – the 1946 pension agreement heralds the coming issue of the parameters of common interests between various categories of wage-earners.⁵⁹ But in the mid-1940s it was still the old communality between industrial labourers, agrarian smallholders and other segments of the rural population that managed to place its imprint on the principles of the Swedish welfare state. A decade later there was a different situation. But in both cases the Swedish labour movement had more than its vested interests to defend and pursue,

⁵⁷ Heckscher, *ibid.*, esp. pp. 41–52. Heckscher's contributions to the social policy discussions of the 1940s are included in RA, *Igor Holmstedts Samling om Högerpartiet*, 2. The conservative claim – not repeated by Heckscher – that their representatives in the Social Welfare Committee made a major contribution to the abolition of means – and income-testing in the basic pension system has been repeated continually since the inception of the new pension system. Apart from the sources mentioned by Baldwin, see also N. Loman (ed.), *I frihetens tjänst* (Stockholm, 1979), p. 58.

⁵⁸ On the long route from voluntary to compulsory sickness insurance, cf. R. Lindqvist, "Konflikt och kompromiss vid den allmänna sjukförsäkringens tillkomst", *Arkiv för studier i arbetarrörelsens historia*, no. 41–42 (1989), pp. 52–81, and, on unemployment insurance, P. G. Edebalk, "Från motstånd till genombrott: den svenska arbetslöshetsförsäkringen 1935–54", *Meddelanden från socialhögskolan* (Lund, 1988), 3, esp. pp. 32–33.

⁵⁹ Baldwin, PSSCOEWS, pp. 496–521. Cf. S. Marklund, "Welfare State Policies in the Tripolar Class Model of Scandinavia", *Politics & Society*, 16 (1988), no. 4, pp. 451–468.

and the Swedish working class still some chains to lose. As the recent study by Kangas and Palme indicates, there is definitely reason to analyze Nordic pension policy in a broad theoretical perspective, and not exclusively in terms of working class power.⁶⁰ However, to refute the “Social” (democratic) interpretation of the welfare state with the 1946 Swedish pension reform as a case in point, seems as an extravagance. There is no doubt, that the new social movement born in the closing decades of the last century, has had a say in the transformation of Swedish society in the current century. In the terminology of modern French historiography, in particular since the 1930s a certain Social Democratic “mentality” has slowly been penetrating Swedish society, politics and culture: easy to feel, harder to define and clarify.

⁶⁰ O. Kangas and J. Palme, “The Public-Private Mix in Pension Policy”, in J.E. Kolberg (ed.), *ibid.*