

Where the Swedish Welfare state is today

Alexander Tengnäs

*School of Business, Engineering and Science, University of Halmstad, Halmstad,
Sweden.*

Abstract

The welfare state was once a security for the ones with low income. Today, however, it seems like the purpose has changed into providing a certain standard of living for the Swedish citizens and also seem to be a crucial part in order to uphold and maintain that standard. The purpose of this study is to show to where the Swedish welfare state stands today. Both primary data (collected through a survey) and secondary data (collected from scientific research papers) have been used in this study. The findings show that the welfare state today provide both an income security for those with the lowest income levels, it also guarantees a certain standard of living. At the same time, the state is at risk since it is dependent of the support from the great mass and the politicians propagates about the welfare state in order to gain votes.

Keywords: Welfare state, Lifestyle welfare, Swedish welfare

1. Introduction

The Swedish welfare system started out when the labor movements in the early 1900's increased in strength. The purpose of the system was to bring income security to those who were ill and/or sick (Solberg Søilen, 2009). According to Scarpa (2009) the starting point was in 1891 when the risks related

to sickness was shifted from local to national level by the introduction of the first sickness insurance on the labor market. The risks related to old age, and unemployment was shifted to national level in 1913 respectively 1934.

Per-Albin Hansson, with his social democratic "people's home", is

often seen as the father of the Swedish welfare system, but it was Gustav Möller who was the one realizing the “new” social policy when he was head of the ministry of health and social affairs in the first half of the 20th century. He introduced “the Möller line”, which consisted of the idea that the citizen should be guaranteed a certain basic provision from the state. Except from the income insurance, the citizen had a self-responsibility of complementary insurances. Within the social insurance system there were a lot of various insurances, such as the retirement pension, the unemployment insurance, the general sickness insurance, and the insurance against work injuries (Förhammar, 2015).

The middle class grew as the salaries of the workers’ increased. This meant, for the welfare state, that the policies slowly changed into being fully adapted to the new reality where the support for the welfare state was. This led to that the focus had transited from the neediest groups in society, whom

the welfare state first was built for, into the middle class in order to maintain the electoral support (Solberg Søilen, 2009).

In this paper, the author tries to investigate, both by secondary data to build theory and primary data to build empiricism, where the Swedish welfare state is today.

2. Theory

Scandinavian countries, and especially Sweden, Svallfors (2004) claims are dominated by a class-divided society and that there are no signs of change in that matter. The aim of the Swedish welfare state is including most of the population in several core programs. Furthermore, Svallfors (2004) continue to describe the Swedish welfare state as an active part in redistributing living conditions between groups.

Svallfors (1997) argues that there are differences in welfare states depending on politics. Since a social-democratic government mostly has run Sweden throughout

the history, the welfare state builds a lot more on redistribution and state interference. In other countries such as Australia, the focus is more about regulating wages and work conditions. Korpi & Palme (1998) states that Sweden and the Netherlands are the two countries with the biggest redistributive budgets and also the highest redistributive effect of the western countries analyzed in their study.

During the 1980's, the spending of the welfare state in Sweden was around 30% of gross domestic product (GDP). By 1993 it had risen up to 36% and peaked. After that the levels sunk again down to around stable numbers around 30% again. This shows that the welfare state has been strong throughout the history and show that there are no signs of an extensive decline of the welfare state in the Swedish society and GDP (Brooks & Manza, 2006).

Rosen (1996) states that Sweden had achieved one of the highest living standards in the world. The standard of living is not only a

result of the output of material goods, but also the household services. Those services provide a lot of economic growth and also a lot of family time, which is another parameter of high standards of living. Furthermore, Rosen (1996) presented the fact that in the 1990's Sweden's government expenditures accounted for more than 60% of the country's output. This was much larger than any other (non-Scandinavian) rich country.

Another perspective of the Swedish welfare state today is the fact that there is a lack of acute problems. The lack of acute sustenance problems for any large groups in society contributes to the need of maintenance of normative orientations that is supported by the great mass. Pure self-interest will in the long run not be enough to keep the welfare state going (Offe, 1987).

Esping-Andersen (2000) highlights another factor that has affected the development of the welfare states in general. The fact that the women's economic role have evolved,

contributes to a very big difference in the risk of child poverty. Since both parents work, the incomes for families are high and that builds up the standard of living. This is shown in the Scandinavian countries with high employment numbers for women. This is especially evident in Sweden where the number is above 80% among the women with small children (Esping-Andersen, 2000).

3. Method

This article is built up in different parts, at first there is the introduction chapter followed by the theory chapter. These two are built up with secondary data from various sources and databases. All the sources in this article are of scientific character and found most out of the databases *Summon*, *Web of Science*, and *Scopus*. This, however, does not mean that these are the only databases searched through. The author has not received any funds in order to perform this research. The University of Halmstad grants the access to most of the articles used as secondary sources in this article. Furthermore, the author has financed some of the sources on his own.

The theory building and the introduction provide the history of the welfare state and welfare program in Sweden. Furthermore it brings understanding of the development and change in the welfare state up until what it is

today. Another purpose of the theory is to bring a picture of to what extent Sweden today is a country that is dependent on the effects brought by the welfare program in forms of, for example, grants and insurances. The theory is also the base in the survey questions and statements.

Secondly, primary data to the empirical data chapter is collected solely through one survey. A survey, which has been distributed online via Facebook and by e-mail in order to reach up to the minimum of 200 respondents, that was required. These two distribution channels were the ones that the author reasoned would bring the widest range of respondents. The only restriction made was that the respondents were required to be a Swedish citizen. This restriction was reasonable since the focus of this study is within Sweden.

This survey contained five statements that the respondents had to answer to. All five statements were outlined to be answered in a

Likert-scale. A five-scaled Likert was used and ranged from 1.*Strongly disagree* to 5.*Strongly agree* with a neutral answer in between. The neutral answer was there for those who either were neutral or did not know what to answer.

Before the respondents started to answer the survey, a briefing about the subject and a definition of what the Welfare system means as following;

“The welfare is a system built on rights, the core idea of a social security for the poor was mostly about putting food on the table. It has now turned into a system, which should provide and guarantee a certain standard of living.”

This explanation was necessary in order to get valid results in the empirical chapter and to be able to connect this adequately to the secondary theory. The welfare state and system is a frequently discussed subject, mostly by politicians, and is often one of the most important subjects before governmental

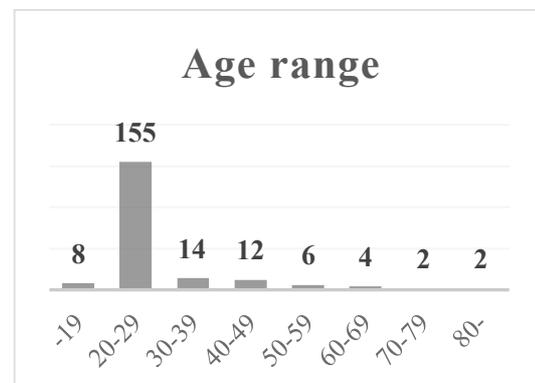
elections. However, it is a diffuse term and that is why the clarification of the welfare state for the respondents was in place.

The survey had to be filled in anonymously since the author did not give the option to fill in the name of the respondents. This generates higher validity to the study, especially since some of the statement was of political character. Having to tell your name in a situation like that could be an incitement to put up untruthful answers. This was avoided by the anonymity.

All the answers from the survey have been collected and summarized into separate charts in order to get a adequate base to analyze in the following chapter and to finally be able to draw conclusions about the extent Sweden is a country that upholds a lifestyle welfare program.

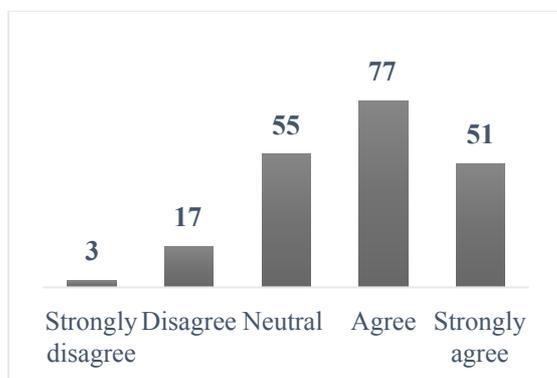
4. Empirical data

The survey respondents were quite equally represented when it comes to gender. Out of the 203 participants there were 45,8% (93) women and 54,2% (110) men. Since this survey was published in the well-known channels of the author, the participants were mostly in the same age range as the author. Out of the total 203 there were 155 respondents within the age range of 20-29. This might mean a bias in the form of a distorted result compared to a more evenly distributed age range. This means that conclusions should be dealt with very large carefullness, especially if it is conclusions about the population in general.



Statement 1

“The Swedish society is divided into different classes.”

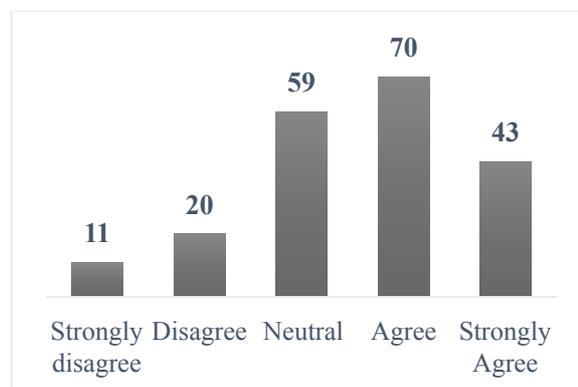


128 out of the 203 participants (63%) either agree or strongly agree that Sweden is a country that is divided into different classes. Whereas 55 (27,1%) were neutral or did not understand the question. Only 20 (9,9%) disagree or strongly disagree to that the Swedish society is divided into classes. The mean value is 3,77, which indicates a strong opinion in favor for the class divided society.

61,8% of the men either agreed or strongly agreed with the statement and 64,5% of the women said the same.

Statement 2

“Welfare grants are for those with the lowest levels of income.”

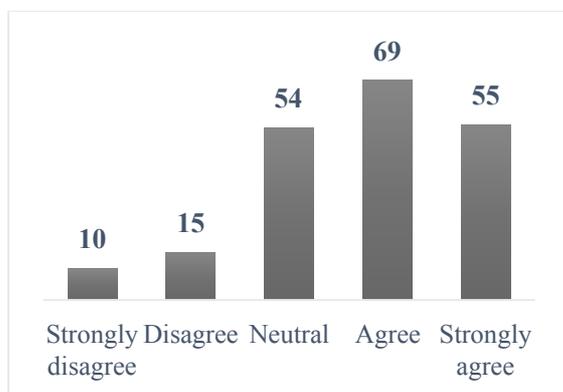


Only 31 (15,3%) out of 203 either disagree or strongly disagree with that the welfare grants are given to the people in the society with the lowest income level. 10,8% of the women and 9,1% of the men participating disagree or strongly disagree with the statement. The majority (55,7%) either agree or strongly agree and the rest (29%) states that they are neutral to the statement.

The mean value is 3,56, which is a little lower than statement 1 but is still a strong value in favor for the agreement side.

Statement 3

“The welfare system is a cornerstone of the Swedish society.”

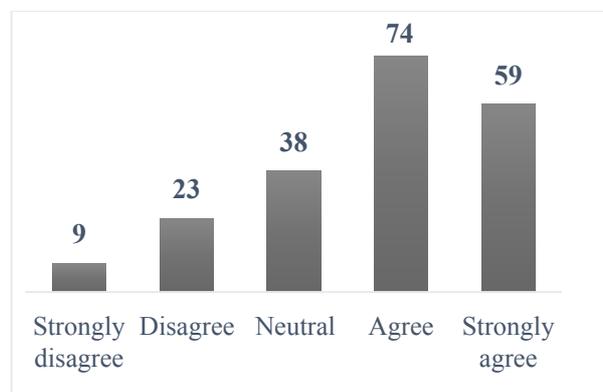


The importance of the Swedish welfare system is shown clearly in the results of statement 3. 69 agree and 55 strongly agree that the welfare system is one of the cornerstones of the Swedish society. Those two combined presents 61,1% of the participants' answers. 26,6% of the participants are neutral and 12,3% do not agree with the importance of the system and either disagree or strongly disagree. The mean value is 3,71.

A little more than half of the men (55,1%) agree or strongly disagree whilst the vast majority of the women (71%) highlight the importance.

Statement 4

“The purpose of the welfare system is to provide and guarantee a certain standard of living.”

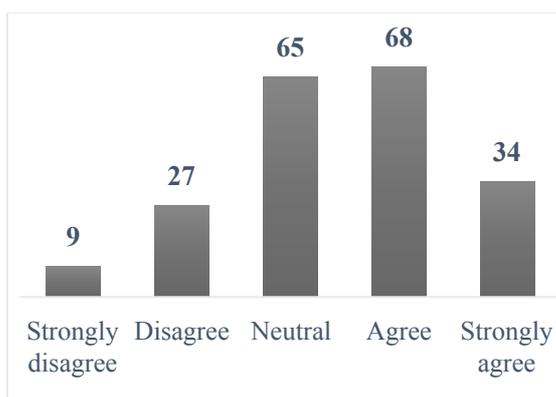


With a mean value of 3,74 the results speaks for itself. The majority (74 responses, 36,5%) agree and strongly agree (59 responses, 29,1%) that the welfare system exist in order to provide a certain standard of living for the Swedish citizens. Only 15,8% disagrees or strongly disagrees with the statement.

The results are evenly distributed between men and no major differences could be found there.

Statement 5

“Politicians propagate about the welfare system to gain electoral votes.”



This statement presents a result where almost a third of the respondents (32%) were neutral. This can be seen as if they do not have an opinion in the matter or that they do not understand it. Only 36 responses (17,7%) disagree or strongly disagree with the statement. Meanwhile 102 responses (50,2%) either agree or strongly agree. The mean value presented for the statement is 3,45.

Women were more skeptical (disagree or strongly disagree) to the statement than men, 20,4% compared to 15,5%.

5. Analysis

In the empirical results from the survey made, there was an overall opinion that the Swedish society is divided into different classes. This is supported by Svallfors (2004) who claimed that Sweden is dominated by a class-divided society. Not many of the survey's respondents disagreed with this, only 9,9%, and especially the women agreed with the perception of the class-divided society (64,5%) compared to 61,8% of the men. Solberg Søylen (2009) speaks about the classes as an obvious part of the Swedish society and reflects over the growth of the middle class throughout the history.

Scarpa (2009) claims that the Swedish welfare system started in 1891 when the risks related to sickness and/or illness shifted from a local level to a national level. Furthermore, work-related risks regarding old age, and unemployment shifted to a national level in 1913 and 1934. Solberg Søylen (2009) presented another

shift in the welfare state. From providing the neediest groups of society with an income security into guaranteeing a certain standard of living for the middle class. Both the original purpose (the so called “Möller line” presented to the Swedish citizens in the first half of the 20th century) and the new purpose presented by Solberg Søilen in his study 2009 were supported by the empirical results in this study. Statement two in the survey, which claims that the welfare grants are aimed for those with the lowest levels of income, showed a result where most of the respondents agreed with it. At the same time, there was a strong perception among the respondents that the purpose of the welfare state is guaranteeing a certain standard of living for the citizens, which was shown in statement four in the empirical chapter. These numerous shifts in the welfare state program presented by Scarpa (2009) and Solberg Søilen (2009) has transformed and shaped the welfare state into what it is today. As the empirical results show there is no

crystal clear image of a single purpose of the Swedish welfare state.

Looking further at the empirical results, the welfare state provides income to those with the lowest income levels and put “food on their table” which was the original idea of the program. At the same time it guarantees a certain standard of living for the citizens. Solberg Søilen (2009) claimed that the focus had transited into providing this “guarantee”. These empirical results shows (and should be considered carefully since the askew distribution of respondents) that the focus has shifted, but not entirely as much as Solberg Søilen stated. In this case, the focus today would be on both the original idea and the new focus on lifestyle guaranteeing and not entirely at one or the other.

Svallfors (1997) proposed that since Sweden has mostly been run by a social democratic government throughout the history, there is a big focus on redistribution and state interference. This can be partly

supported by the empirical results that showed that people think that the welfare system is a cornerstone in the Swedish society. A vast majority of the women either agreed or strongly agreed to the big importance of the welfare system. Korpi & Palme (1998) also support this in their study of western countries, where they provide evidence of that Sweden has one of the largest redistributive budgets. 61,1% of the respondents seem to support this, and there also seem to be a difference in the support between men and women, in where the women are more willing to highlight the importance of the welfare state more than the men.

The importance is also shown in the research made by Brooks & Manza in 2006. They presented the fact that the welfare state spending's were and had been for the past decades around 30% of GDP. Rosen (1996) also presented the major importance of the welfare state in Sweden. However, he put a lot of focus on the standards of living in Sweden. He claimed that

the standards of living are among the highest in the world. This is another thing that can be connected to empirical results of statement four, in which the standard of living were asked for.

Offe (1987) also talked about the standard of living, since there is a lack of acute sustenance problems, the purpose of the welfare system must change from pure self-interests to be supported by the great mass. This goes hand-in-hand with the need for support from the citizens in the middle class that Solberg Søylen (2009) wrote about. This also tracks back to the empirical result discussed earlier on, which showed that the purpose of the program is to provide a certain standard of living; this was made clear since only 15,8% of the respondents either disagreed or disagreed with the statement.

Since the society's economical situation has changed, so has the welfare state (Esping-Andersen, 2000). The standard of living is the one of the main goals for the

welfare state according to the empirical evidence. Since a certain minimum standard level of living is aimed to be secured in Sweden the risk of poverty is minimized according to Esping-Andersen (2000). Esping-Andersen talks about the change in employment levels for women and presents high employment numbers and that the result of this are increased income levels for Swedish families since both parents work. Although, this does not automatically equal that there is no poverty in Sweden at all, but it shows that because of the big redistributive budget Sweden has, a budget that Korpi & Palme (1998) discussed, the median standard of living is really high thanks to the welfare state.

In order to maintain the support of the welfare state, the needs for shifting's in the shape of the welfare state are very important, as discussed earlier. However, since there is no clear picture among the population of what the welfare state is there are some issues. A lot of the respondents think that politicians

use the welfare state and propagate about it just to gain electoral votes. This is what Solberg Sølén (2009) argued for in his study when he put up the importance of the support for the program. Furthermore, this means that the purpose of the state always will be up to date and provide what the middle class think is important at the time due to the need for support from that class.

One major problem of the welfare states' dependence of support from the middle class is that those who are not belonging to the middle class will not take part of the benefits from the welfare program. The middle class is growing stronger, as presented by the numbers of employment that Esping-Andersen (2000) stated. Those who belong to a class above the middle will not be bothered in the same way as those below the middle class. If the middle class continue to increase its' standard of living, the focus will go more and more towards solely guaranteeing a certain standard of living and focus

less on providing food on the table for those in need.

This study presents a result in which it is supported that the welfare state provides grants to the people with lowest income levels, but at the same time it guarantees a certain standard of living and at the same time it is used by politicians to gain electoral votes.

6. Conclusion

The Swedish Welfare state has gone through a lot of shifts throughout the history; from providing food on the table for those in need into guaranteeing a certain standard of living. Some even claim that the focus has shifted to the latter. This study can conclude that today, the welfare state in Sweden is of great importance for the society and the citizens' standards of living. However, it is not its' only purpose. The original idea of providing an income security for those with the lowest income is still a very important part of the program.

Another conclusion is that the welfare state requires a big support from the population. This means that politicians sometimes take advantage of the welfare state and propagates about it in order to gain votes. The development of the state is at risk since it goes towards benefiting those in the great mass who support it and demands it to fulfill their standard of living, instead of focusing on helping those in biggest need.

7. Implications

This study could be used as a starting point for further research within the area. The biggest age range represented in this study was 20-29, this means that this research provides a valid conclusion about young adults' point of view of the welfare state in Sweden. Especially since a lot of them are in the welfare state system in the forms of educational grants from the state.

8. Future studies

With more time and resources it would be of great contribution to the area to investigate the exact same problem using different methods. This study only consisted of one empirical data source (the survey). Performing qualitative research would help getting deeper knowledge about the welfare state. A wider range in age of the participants in another study of the same subject could provide a broader and more generalizable image of the welfare in Sweden.

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