Policy and Politics in Sweden

Principled Pragmatism

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Editors' Preface

All industrial states face a tension between bureaucracy and democracy. Modern governments have found it increasingly difficult to formulate policies adequate to the complex tasks they undertake. At the same time the growing specialization and widening scope of government have led many to question whether it can still be controlled democratically. Policy and Politics in Industrial States explores how some of the major democracies have dealt with this dilemma.

Policy is a pattern of purposive action by which political institutions shape society. It typically involves a wide variety of efforts to address certain societal problems. Politics is also a much broader concept, involving the conflict and choices linking individuals and social forces to the political institutions that make policy. Comparative analysis of the interaction between policy and politics is an essential beginning in understanding how and why industrial states differ or converge in their responses to common problems.

The fact that the advanced industrial states are pursuing many similar aims such as increasing social well-being, reducing social conflict, and achieving higher levels of employment and economic productivity means neither that they will all do so in the same way nor that the relevance of politics to such behavior will always be the same. In looking at an array of problems common to all industrial states, the books in this series argue that policies are shaped primarily by the manner in which power is organized within each country. Thus, Britain, Japan, the United States, West Germany, Sweden, and France set distinctive priorities and follow distinctive policies designed to achieve them. In this respect, the series dissents from the view that the nature of the problem faced is

the most important feature in determining the politics surrounding efforts at its resolution. Taken to its logical extreme, this view supports the expectation that all states will pursue broadly similar goals in politically similar ways. Though this series will illustrate some important similarities among the policies of different countries, one of the key conclusions to which it points is the distinctive approach that each state takes in managing the problems it confronts.

A second important feature of the series is its sensitivity to the difficulties involved in evaluating policy success or failure. Goals are ambiguous and often contradictory from one area of policy to another; past precedents often shape present options. Conversely, adhering to choices made at an earlier time is often impossible or undesirable at a later period. Hence evaluation must transcend the application of simple economic or managerial criteria of rationality, efficiency, or effectiveness. What appears from such perspectives as irrational, inefficient, or ineffective is often, from a political standpoint, quite intelligible.

To facilitate comparison, the books in the series follow a common format. In each book, the first chapter introduces the reader to the country's political institutions and social forces, spells out how these are linked to form that country's distinctive configuration of power, and explores how that configuration can be expected to influence policy. A concluding chapter seeks to integrate the country argument developed in the first chapter with the subsequent policy analysis and provides more general observations about the ways in which the specific country findings fit into current debates about policy and politics.

The intervening chapters provide policy cases designed to illustrate, extend, and refine the country argument. Each of the policy analyses follows a common format. The first section analyzes the *context* of the policy problem: its historical roots, competing perceptions of the problem by major political and social groups, and its interdependence with other problems facing the country. The second section deals with the *agenda* set out for the problem: the pressures generating action and the explicit and implicit motives of important political actors, including the government's objectives. The third section deals with *process*: the formulation of the issue, its attempted resolution, and the instruments involved in policy implementation. The fourth and final section of analysis traces the *consequences* of policy for official

objectives, for the power distribution in the issue area, for other policies, and for the country's capacity to make policy choices in the future. The element of arbitrariness such a schema introduces into the discussion of policy and politics is a price the series gladly pays in the interest of facilitating comparative analysis of policy and politics.

An important feature of these cases is the inclusion, for each policy problem, of selected readings drawn primarily from official policy documents, interpretations, or critiques of policy by different actors, and politically informed analysis. We have become persuaded that the actual language used in policy debates within each country provides an important clue to the relationship between that country's policy and its politics. Since appropriate readings are more widely available for Britain and the United States than for the non-English-speaking countries in the series, we have included somewhat more policy materials for these countries. In all instances, the readings are selected as illustration, rather than confirmation, of each book's argument.

Also distinctive of the series, and essential to its comparative approach, is the selection of common policy cases. Each volume analyzes at least one case involving intergovernmental problems: reform of the national bureaucracy or the interaction among national, regional, and local governments. Each also includes two cases dealing with economic problems: economic policy and labor-management relations. Lastly, each book includes at least two cases focusing on the relationship of individual citizens to the state, among them social welfare. Our choice is designed to provide a basis for cross-national and cross-issue comparison while being sufficiently flexible to make allowance for the idiosyncracies of the countries (and the authors). By using such a framework, we hope that these books will convey the richness and diversity of each country's efforts to solve major problems, as well as the similarities of the interaction between policy and politics in industrial states.

D.E.A.
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Policy and Politics in Sweden

1 The Swedish Way

Perhaps it is no accident that the term "love-hate" was invented in this part of the world. Swedes have a remarkable ability to simultaneously attract and repel—even themselves. In a recent advertisement, the state-run Radio Sweden International advised listeners to think of Swedes not only as "blond, beautiful, rich, neutral, healthy, sexy, innovative, morally righteous, and gravely serious" but also as "dark, ugly, poor, prejudiced, lazy, sick, frustrated, and truly funny."

Outsiders typically treat Sweden with the same ambivalence. In the United States, private consulting firms have developed computer models to advise rich clients about future social trends. Sweden is used extensively to supply data for these models, ranging from demographic trends of a troublesome nature (births outside marriage, aging of the population, divorce, and so on) to the growth of "postindustrial" attitudes among workers (known in an earlier era as laziness).* At the same time, however, Swedish politics and policy have been cited since the 1930s as a textbook example of enlightened argument, humane government programs, and moderate compromise—the middle way between authoritarianism of the left and the right.

Popular images are surely accurate in at least one respect: Sweden is a land of big government. By the mid-1980s Sweden

*To give some idea of these trends, in 1980 about 40 percent of all babies in Sweden were born out of wedlock, 80 percent of all mothers with children less than seven years of age were employed outside the home, and almost one in five Swedes were publicly supported old age pensioners. Government-sponsored studies showed that between 1968 and 1981 people in the work force worked fewer days and shorter hours (by 1981, 56 percent of the employed had labored four days or less the preceding week) and took longer and more frequent vacations. Most Swedes declared their favorite way of occupying their leisure time to be watching television.

was probably the first modern state in the western world to have a majority of its voters dependent on public funds for their livelihood (as pensioners, public employees, and other predominantly tax-supported groups). Public expenditures at all levels of government amounted to approximately two-thirds of the nation's gross national product. The Swedish public sector employed more than one out of every three workers and was roughly equivalent in size to the entire manufacturing segment of the economy. So it was that in the late 1970s, the first non-Social Democratic government in forty-four years recognized the obvious fact that the public sector was Sweden's leading growth industry and tried to turn it into an income-producing export. The state's management consulting firm (*Statskonsult*) was mobilized to lead an export drive selling the administrative services of the Swedish bureaucracy to foreign countries. As befits the product line, there was a loss after three years of $1.4 million.

The popular debate between pro- and anti-welfare state forces has intensified the dichotomized, stereotyped thinking about Sweden. For decades, Sweden's official public relations organs (e.g., the Swedish Institute) have promulgated appealing visions of effective social welfare programs and a happy, healthy populace. Some academics have claimed that Sweden is leading the move to transcend the capitalist economy. Anti-welfare state forces are no less zealous in garnering negative examples from Sweden. The appealing pictures of towheaded children in day care centers are countered by stories of Ingmar Bergman's bureaucratic nightmare and Björn Borg's tax flight from his native land. Both sides, we think, are more interested in using than in understanding Sweden.

To know Sweden is to be ambivalent about it. The deeper the knowledge, the deeper the ambivalence is likely to become. During the Vietnam era, thousands of young American deserters and draft evaders found safe harbor in Sweden; nonetheless, no more than twenty or thirty of these Americans remain in Sweden today, despite the government's special language classes, basketball teams, newsletters, and employment services. Most were unable or unwilling to adjust to Swedish life. For those who remain and know Sweden best, the ambivalence runs deep. As one such American put it, "Officially Swedish ideology is very good. Their attitude toward society as a whole and the world is generous. But the funny thing is that people don't care much about their neighbors. Swedes are so insular, self-contained. It's easy to be lonesome here" (*Washington Post,* December 26, 1982, p. A25).

We do not demur. Our theme too is love/hate, not at the socio-psychological level, but in terms of policy and politics. There *is* a distinctively Swedish way of conducting the public business, and it contains elements of both model and warning. But how to get past the stereotypes that suffocate understanding? We will try to do so here by examining specific examples of Swedish politics and policymaking.

The picture that emerges is rich in paradox and surprise. Although the Swedish way is based on democratic procedures and liberal conceptions of individual rights, it is also deeply skeptical of any claims of individual primacy over the social group. For all its imagery of permissiveness and high-technology modernization, Sweden has a decided strain of social conservatism that carries over from the country's relatively recent status as an agrarian nation. The Swedish way of conducting public affairs is visionary, dreaming of a future egalitarian society. Yet it is also immersed in painstaking attention to technical detail. The Swedish public philosophy is awash with what those on the political right in the United States term secular humanism, reinforced by one of the lowest rates of church attendance in the world. Nevertheless, an outsider is struck by the churchlike quality of the mammoth labor movement and its concern for proper public action and thinking. The power of this Social Democratic "church" dominates Sweden's political landscape, but it is a hegemony built through an intricate, muddling sort of policy debate that keeps the congregation together.

In drawing these contrasts, and others in the pages to follow, we seek to go beyond the view of Sweden as social laboratory—that is, seeing the country simply as a testing ground for Social Democracy, postindustrial lifestyles, political middle ways, and the like. Although such abstractions deserve attention, we should not lose sight of the distinctive "Swedishness" of the Swedish way. Therefore, before turning to specific cases, we should take some time to understand the general tone and quality of Swedish politics.

Innovation and Rigidity

Swedish public life exhibits a paradoxical combination of adaptability and rigidity, of innovation and highly structured behavior. The adaptability and innovativeness are on all sides to see. The most obvious signs are the occasional news items that reach the international media because of their curiosity value—a new government policy toward parental spanking of children, a reform turn-

ing prisons into semivoluntary leisure time communities. But these are only examples of a larger trend. For the past half-century, Sweden has been in the process of "making itself," that is to say, of using the political process and public policy to create a more or less coherent and explicitly social democratic vision of itself.

We do not mean that everything happening has been planned. In fact, as we shall see, much of the social democratic vision of society has been planned only in retrospect and conveniently rationalized for political purposes. What we mean is that adaptation and innovation have occurred against a general orientation or view regarding the kind of country Sweden should try to become, whether one calls this a "people's home" (an old conservative term Social Democratic leaders began using in the 1930s), a welfare state, or simply social democracy. This orientation is corporate in terms of group-based political expression, communitarian in terms of aspiring to social equality, and progressive in terms of promoting economic growth and change.

The practical result of pursuing the welfare vision is that problems of collective choice—what the Swedish government should do to move Swedish society in the "right" direction—preoccupy the political system. Policymaking is in a state of constant adjusting and innovating to find desirable improvements. At any one time over 100 official commissions may be at work investigating various problems and drafting proposals for new legislation and regulations. If social insurance cannot provide income support for all mothers-to-be who need it, more comprehensive maternity benefits must be made available. If private-sector employment restrictions threaten effective use of these benefits, then new laws must be enacted to guarantee maternity leave with the right to return to work after the baby is born. If a new welfare gap is then discovered to exist after the baby is born but before the return to work, benefits should be extended to the mother's first months with her newborn. If this policy discriminates against couples who would rather have the father stay at home with the baby, then the maternity benefit must be changed to a parent benefit that applies to whichever parent stays at home. One reforming impulse leads to another in pursuit of the vision of a better, more humane, more socially cohesive Sweden. In Stockholm, the reforming spirit never sleeps.

This adaptive reformism obviously has a great deal to do with the fact that the Social Democratic Party, allied with a powerful

and well-organized trade union movement, retained government power for the forty-four year period from 1932 to 1976. Both the Social Democratic Party (formed in 1889) and the Trade Union Confederation (known as LO and founded in 1898) came into existence concurrently with the fight for representative, democratic government that occurred in Sweden between 1890 and 1917. This identification with what became the nation's modern form of democratic government helped legitimate the labor movement, rather as though the AFL-CIO in the United States had been in on the writing of the Declaration of Independence or the Constitution. By the end of World War I, when parliamentarianism and universal suffrage was finally and fully established, the Social Democrats (with 39 percent of the popular vote) were already the largest single party in the new electorate. But labor and its socialist leadership in turn were affected by helping play the role of founding fathers; henceforth it became difficult to argue that the socialist agenda should be pursued outside the structure and processes of existing political institutions. Electoral setbacks in the 1920s helped turn the labor movement's leadership away from radical claims for socializing wealth and nationalizing industry and toward a more moderate, incremental approach to transforming society. After the Social Democrats gained power in a Depression-stricken Sweden in 1932, their reforming efforts were repaid with a long string of election successes, all of which cemented the mutual identification of the labor movement, reformist government, and Swedish nationhood. Thus, when today's Social Democrat thinks of the major twentieth-century reforms, he or she instinctively begins with democratic elections and ends with labor movement welfare legislation, as in the following list:*

1909—Introduction of male suffrage
1912—Law on industrial safety
1913—First old-age pension insurance
1918—Universal suffrage for women and men
1919—Eight-hour working day
1928—Law on collective bargaining
1937—Maternity benefits and maintenance allowances
1948—Legal right to two weeks of holidays
1948—General child allowance

*From Casten Von Otter. "Swedish Welfare Capitalism." In Richard Scase, *The State in Western Europe* (London: Croom Helm, 1980), p. 146.

1953—Three weeks' vacation
1955—National health insurance
1960—Forty-five-hour working week
1960—National earnings-related pensions
1963—Four weeks' vacation
1969—New housing subsidies for families with children
1970—Simplified compensation for medical care
1971—Forty-hour working week
1974—Dental insurance
1974—Employment Protection (job security) Act
1976—Reduced pension age from sixty-seven to sixty-five and partial pensions before
1977—Industrial Co-determination Act
1978—Five weeks' vacation

It would be a mistake to think that the innovative, reformist mentality in Sweden is simply a function of Social Democratic power. Reformism has a long-standing tradition within nonsocialist circles as well. During the second half of the nineteenth century and the early twentieth, popular movements brought substantial grassroots pressure to bear for causes such as church reform, temperance, consumer cooperatives, and educational reform. By the same token, employers in the early part of this century were strongly divided between the die-hards who sought to deny unions recognition and progressive employers who eventually prevailed in their desire for better working arrangements with the young union movement. Sweden's unusually large number of major industrial enterprises that are still family owned today is testimony to a willingness to adapt and modernize traditional business practices to changing social conditions. In politics, the three-party bloc of the nonsocialist parties (the Liberal, Conservative, and Center Parties) has more often sought to amend and refine than to stop policy reforms initiated by the Social Democrats. These observations reaffirm the same basic point: across the spectrum of political partisanship, in politics and administration, in public and private sectors, Swedes typically adopt a problem-focused approach that is grounded in empirical detail and that seeks specific solutions to concrete problems. A predilection for workable reforms is part of the larger Swedish political tradition.

Having said this, we must also observe that the main initiative for policy innovation and change came from the Social Democrats during their almost fifty years of political power. In no other