

# Social Democracy and the Swedish welfare model

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Ideational analyses of attitudes towards  
competition, individualization, privatization

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## ABSTRACT

Social Democracy and the Swedish welfare model: Ideational analyses of attitudes towards competition, individualization, privatization

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This dissertation consists of an introduction and five research papers dealing with institutional change and how different actors, mainly Social Democracy and its related trade unions, have interacted with the same. Sweden was one of the countries that developed a welfare model able to combine economic growth with increasing universalism and equality both on the labour market and in the welfare state arena. During the last decades, however, the model has undergone a lot of change. This includes developments such as the introduction of a new competition policy, the greater use of individual wage setting, the rise of private health insurance and the new state-subsidized topping up possibilities within major welfare services. By using different types of ideational analysis, these are the four areas investigated in the papers of this thesis. Papers 2-5 deal with more recent developments, while paper 1 focuses on a time before the emergence of this type of welfare regime.

Paper 1 examines why Social Democracy had such a permissive attitude towards cartels in the 1920s. It is found that the idea of socialization was the main factor behind the permissive attitude, i.e. that monopolistic associations were seen as suitable targets for future socialization.

Paper 2 investigates how different actors have viewed competition legislation over time. One of the findings is that a new consensus on competition policy became possible only after Social Democracy abandoned the idea to give the public sector a unique position in terms of competition legislation.

Paper 3 reviews and examines the arguments for individual wage setting brought forward by the largest Swedish trade union. I find a lack of sustainability in the arguments for individual wages.

Paper 4 analyzes the discrepancy between political rhetoric and practice with regard to the rapid rise of private health insurance. I also investigate the relation between privatized delivery and privatized funding.

Paper 5 describes the new state-subsidized topping up possibilities within three major welfare services. It is argued that it represents a departure from the idea of universal welfare services, which aimed to get rid of means-tested, selective elements.

**KEYWORDS:** privatization, individualization, competition, Social Democracy, Scandinavian welfare model, institutional change, trade unions, competition policy, cartel legislation, the idea of socialization, solidaristic wage policy, private health insurance, individual wage setting, ideational analysis