

**Policy Feedback in the Reregulation
of the Swedish Welfare State**

**Kimberly Earles
PhD Candidate
York University**

Currently, welfare states throughout the industrial world are facing pressures from both internal and external sources to reverse the expansionary trend of the post-war era. Many scholars point to neoliberal globalization as a major threat to social spending, which is connected to the maintenance of national welfare states. However, one must not discount the internal factors that have pushed for such changes, and which have placed the blame for their actions on globalization. Yet, these pressures have not led to a convergence of social policy, as some would suggest, as nations have responded differently to similar pressures. As Paul Pierson argues, “‘policy feedback’ from earlier rounds of welfare state development is likely to be a prominent feature of retrenchment politics” (1996: 147). Because the Swedish welfare state is so entrenched in social democratic values it is unlikely to be dismantled as easily or as quickly as other welfare regimes. As such, the Swedish welfare state, which has been held up as the welfare state model for decades, has undergone a process of reregulation, and not deregulation or dismantling. This does not mean that no changes have occurred, it simply means that those changes that have occurred have not been so severe as to dismantle the Swedish welfare state or to undermine its fundamental principles. However, those changes which have occurred have had a negative impact on women, as both clients and workers within the welfare state. Fortunately, there is hope that the losses are potentially reversible due to the continued support of social democratic values in Sweden.

Esping-Andersen’s groundbreaking work, *The Three Worlds of Welfare Capitalism* (1990) began a serious dialogue between scholars on the value of welfare state typologies and on the usefulness of Esping-Andersen’s typologies, in particular. Indeed, Francis Castles argues that Esping-Andersen’s typology has achieved ‘classic’ status (2001). Esping-Andersen’s ambition in coming up with these typologies was to offer a “reconceptualization and re-theorization on the basis of what [he] consider[s] important about the welfare state” (1990: 2). As such, he came up with three welfare-state regimes which serve as ideal-types around which advanced industrial nations cluster; they are ‘liberal,’ ‘conservative,’ and ‘social democratic’ (Esping-Andersen, 1990). The major difference between the three regimes is whether it is the state, the market, or the family that is expected to provide for the majority of people’s social welfare needs. In looking at the Swedish welfare state, the focus will be the social democratic regime; however, an explanation of all three is useful for comparing and giving context.

According to Esping-Andersen, the liberal welfare-state regime encourages citizens to meet their welfare needs through the market, and offers only minimal, means-tested assistance to those in need (1990). The liberal welfare states do not encourage equality but, rather, competition. Canada, the United States, and Australia are all named as having liberal welfare-state regimes (Esping-Andersen, 1990), which look to the private sector, to the market, to provide social services such as child care, elder care, health care, and pensions. In contrast, the conservative welfare-state regime looks to the family and the community to provide for people’s social welfare needs. The conservative welfare states of Austria, France, Italy, and Germany are shaped by the Church, and are strongly committed to “the preservation of traditional familyhood,” which implies a working father and a mother who stays at home and takes care of ‘the family’ (Esping-Andersen, 1990: 27). This regime type relies on the principle of subsidiarity, which

means that the state only intervenes when the family's capacity to meet everyone's needs is exhausted (Esping-Andersen, 1990).

These two welfare-state regimes contrast starkly with the social democratic regime, which relies on the state to provide for people's social welfare needs. The social democratic welfare-state regime is best embodied in the Scandinavian countries, and is often typified by the Swedish welfare state. As Esping-Andersen argues, social democratic welfare states promote an equality of the highest standards, not of minimum need, where all people are incorporated under one universal system (1990). In such a system, "[a]ll benefit; all are dependent; and all will presumably feel obliged to pay" (Esping-Andersen, 1990: 28). The social democratic welfare-state regime is also committed to full employment, and concentrates on allowing both men and women to reconcile their family and work responsibilities (Esping-Andersen, 1990). It is clear that the social democratic welfare states are more committed to making equality a reality than either the liberal or conservative welfare states.

In coming up with his three welfare-state regimes, Esping-Andersen sought to identify the factors which cause these regimes; he identified three – the nature of class mobilization, class-political coalition structures, and the historical legacy of regime institutionalization (1990). All of these factors helped to shape these three welfare-state regimes, and will also play a role in shaping their future. The historical legacy of regime institutionalization is an important factor, as it indicates the importance of past reforms to the institutionalization of class preferences and political behaviour (Esping-Andersen, 1990). The historical legacies of liberal, conservative, and socialist principles have become institutionalized and perpetuated in their respective welfare-state regimes over time (Esping-Andersen, 1990). This ties in to Pierson's argument around policy legacies, or feedback, which indicates that a nation's past policy choices and institutional forms will affect its future policy choices and institutional forms (1996).

While Esping-Andersen created a dialogue with scholars with his welfare-state typology, the responses were not always favourable. For example, after analyzing *The Three Worlds of Welfare Capitalism*, Castles and Mitchell argue that it is inappropriate to use Esping-Andersen's composite indices for such an analysis (1993). They also argue for the need for a 'fourth world' of welfare capitalism, which would be a radical regime encompassing Esping-Andersen's 'liberal' Australia and New Zealand (Castles & Mitchell, 1993). This radical welfare-state regime would be equalizing, but characterized by low social expenditure and a strong labour movement that has found it difficult to make political inroads (Castles & Mitchell, 1993). Castles also points out, in a later article, the call by some scholars for a Southern European welfare-state regime, an East Asian Confucian regime, and an East European regime (2001).

However, the most scathing reviews of this welfare-state regime typology have come from feminist scholars who criticized Esping-Andersen for neglecting issues of gender. Walter Korpi points to how feminist scholars were unhappy that this typology did not directly address questions of gender-differentiated outcomes and did not bring (women's) unpaid work into the analysis (2000). Korpi and Palme actually came up with their own typology of social insurance institutions based on the institutional structure of the major social insurance programs (1998). Their typology was based on four models: the targeted model, the state-corporatist model, the basic security model, and the encompassing model (Korpi & Palme, 1998). Under this typology, Sweden (and Norway

and Finland) falls under the encompassing model which is based on universality, supplemented by earnings-related benefits (Korpi & Palme, 1998).

Gregg Olsen also acknowledges the disappointment felt by feminist scholars with Esping-Andersen's typology. Feminists have pointed to the 'gender-blindness' of this typology, and its inability to include women or issues of gender equality (Olsen, 2002). On this basis, O'Connor, Orloff, and Shaver argue that it is, thus, problematic to utilize this framework for understanding policy effects on gender relations (1999). Jane Lewis put forward a revised welfare-state typology that incorporates gender. Her typology is based on the different levels of commitment to a male breadwinner model in each nation, with Britain and Ireland exemplifying a strong male breadwinner model, France exemplifying a moderate breadwinner model, and Sweden as a weak male breadwinner model (or, alternatively, a dual-earner model) (Lewis, 1992). This differentiation between nations indicates to what level their social policies assume that men are the workers/breadwinners and women are the housewives/caregivers. It is clear that some nations still base their policies on the assumption of a strong male breadwinner model, while others, like Sweden, base their policies on the idea of a dual-earner society. Lewis concludes that the position of women within welfare regimes is determined by the valuing and sharing of unpaid work (1992).

And while all of these critiques are valid, and Esping-Andersen has engaged with them in his subsequent works,¹ no dominant welfare-state regime typology has emerged to replace *The Three Worlds of Welfare Capitalism*. Despite the critiques, Esping-Andersen has much to contribute to our understanding of welfare-state regimes and the future of welfare states. He and Pierson argue that once a nation begins down a certain path, for example Sweden following a social democratic welfare path, it is difficult to reverse or dismantle this path or to begin a completely new path; what choices were made in the past will affect what choices are made in the future. This appears to be true in Sweden, where a certain amount of changes have taken place in the past two decades, but not to the extent of other nations which did not have such strong or mature welfare states or welfare legacies to begin with. Of course, this is not to discount the power or agency of particular people or social movements to change the path of a welfare state; it simply reveals the strength of those choices made in the past and the role they will play in future policy choices.

Gregg Olsen agrees that cross-national variations in the content of welfare states remain despite powerful and similar domestic and external forces facing all nations (2002). He argues that a combination of Sweden's powerful labour movement, its more collectivist and statist values, and more unified state structure have left it less vulnerable to these pressures; hence, welfare 'retrenchment' has been less severe in Sweden, and levels of poverty and inequality remain substantially lower in Sweden than elsewhere (Olsen, 2002). Olsen argues that the domestic conditions in each nation may serve to protect the national welfare state from external pressures, such as globalization, to some degree (2002). The existence of a specific set of domestic conditions within each nation comes from decades, and even centuries of social and cultural values being embedded within a particular political structure. It is clear that new forces may challenge such

¹ See Esping-Andersen, *Welfare States in Transition: National Adaptations in Global Economies* (1996) and *Why We Need a New Welfare State* (2002).

values and structures, but that their mere existence will filter how the challenge will be met in that particular context.

Not only are welfare states defined and, to a certain extent, constrained by policy feedback, but the welfare state has also become embedded in the everyday lives of citizens, making it an unpopular choice to try to alter or dismantle the welfare state in most contexts. As such, citizens come to expect a certain level of social provision from their welfare state. Swedes, in particular, identify closely with their state, and believe that it is obligated to support them (Olsen, 2002). In fact, the majority of citizens are clients of the welfare state or work in the public sector, and thus rely on public social services in their daily lives. In the mid-1990s, approximately 57 per cent of Swedes were clients of a major social program or employed in the public-sector, meaning that there is a strong reliance upon public sector services, either directly or indirectly (Pierson, 2001). Indeed, throughout the 1970s and 1980s, the public sector expanded so rapidly in Sweden, that it counted for the overwhelming majority of new jobs, and the majority of these new public sector jobs were jobs filled by women (Esping-Andersen, 1990). This was part of the Swedish social democratic strategy to help women to reconcile their family and work responsibilities, which will be discussed further below.

At this point, a further discussion of the social democratic welfare-state regime is needed in order to better understand its role in the specific context of Sweden and in the current era of globalization. As Olsen outlines in his work, *The Politics of the Welfare State*, the social democratic welfare state sees the abolition of poverty, greater income equality, and full employment as its main goals (2002). It also has an extensive range of income security programs that are universal in scope, and are rooted in rights-based allocation (Olsen, 2002). In addition, the public expenditure level is high and the role of private sector welfare is minimal (Olsen, 2002). Olsen, like many other scholars, identifies the Nordic nations, and particularly Sweden as the ideal type or prototype of the social democratic welfare regime (2002). And, Esping-Andersen, the originator of the welfare regimes typology, agrees, calling Sweden the ‘ideal-typical’ representation of a socialist regime (1990). As such, the Swedish welfare state is routinely ranked among the most egalitarian nations, and as the pinnacle of social policy evolution (Olsen, 2002).

Sweden, then, is the nation closest to being a pure social democratic welfare-state. But, how did this come to be? In the early twentieth century, the concept of the ‘People’s Home’ was developed to encompass the ideals of social democracy, including equality, full employment, and a comprehensive welfare state. This notion of the People’s Home was developed by the Social Democratic Party (SAP), in coalition with farmer organizations (Esping-Andersen, 1990), which proved to be a fruitful coalition for the development of the Swedish welfare state. Later, in the middle of the century, the working class turned to the emerging white-collar, middle-class to form a coalition in support of the welfare state (Esping-Andersen, 1990). This coalition saw the beginning of a welfare state which combined universal entitlements with high earnings-graduated benefits (Esping-Andersen, 1990; Clement & Mahon, 1994), thus becoming a welfare state supported by the vast majority of the population - the middle-class. This is particularly important in Sweden, which has the largest middle-class of any industrialized nation, with close to 80% of the population being in this category (Olsen, 2002). This political coalition was not only important in developing the Swedish welfare state which exists today, but is also important in determining the form of the Swedish welfare state in

the future. By creating a two-tiered welfare state, the middle-class became “wedded to its defense” and guarded against backlash (Esping-Andersen, 1990: 69). And, as Esping-Andersen argues, the future of the Swedish welfare state depends on middle-class support, which is why the welfare state is still committed to expanding and improving services (1990).

The first tier of the Swedish welfare state ensures the basic security of all long-term residents through universal, flat-rate benefits, while the second tier provides earnings-related social insurance benefits to those in the labour force (Olsen, 2002). This dual-tiered structure helped it to grow and expand during the 1970s and 1980s, as there was tremendous support for public welfare (Olsen, 2002). The expansion of the welfare state also helped to discourage the growth of any (or many) private alternatives during this time (Olsen, 2002). Under these conditions, generous social service programs such as child and elder care, parental leave, sickness insurance, disability benefits, and pensions were able to flourish. As we will see later, many of these programs became world leaders for their generous benefit levels, their universality, and the duration of benefits.

The Swedish welfare state, or the ‘people’s-welfare’ system, is rooted in the socialist tradition of social policy (Esping-Andersen, 1990). The social democratic regime draws on the communitarian tradition in which state and society are seen as interlocking (O’Connor, Orloff, and Shaver, 1999). This type of welfare state has come closest to the idea of cradle-to-grave social protection than any other (Olsen, 2002). Sweden has shown a stronger commitment to greater social and economic equality than other nations, with few nations providing such generous support across the full range of social programs as Sweden (Olsen, 2002). This commitment to such a comprehensive welfare state was entrenched in the historical compromise between labour and capital in 1938, known as the Saltsjobaden Agreement (Olsen, 2002). And, the high levels of social spending in Sweden are a reflection of the nature, scope, and quality of its welfare state programs, which are very inclusive and comprehensive (Olsen, 2002). This has resulted in the lowest overall levels of inequality and poverty being in the social democratic welfare-state regime, and, particularly, Sweden (Korpi, 2000).

A major commitment of the Swedish welfare state has been to full employment. In fact, only Norway and Sweden were able to translate their commitments to full employment into reality for most of the post-war period (Esping-Andersen, 1990). Until the 1980s, open unemployment in both countries was under 3 per cent (Esping-Andersen, 1990), exceeding this benchmark only three times from 1950-1991 (Olsen, 2002). This figure is even more remarkable in the Swedish case, when one considers the high levels of female participation in the labour force as well (Olsen, 2002). By the early-1990s, women constituted 48 per cent of the Swedish labour force (Olsen, 2002), the highest percentage anywhere in the world.

The Swedish version of full employment was unique, particularly due to two interrelated factors: high rates of women’s employment, and high levels of employment in the public sector. As John Myles describes, the Swedish version of full employment also meant high employment, as it relied on most people working most of the time in order to support the system (1994). The major mechanism used by the state to ensure this high employment (and high wages) was employment inside the welfare state (Myles, 1994). Such a system created wage pressure that forced out less efficient, low-wage jobs,

resulting in fewer ‘working poor’ (Myles, 1994), and a larger middle-class. Also, under Swedish full employment, those who do not work, such as the elderly, can be provided with high incomes through the income security system, as there are enough people in the labour force to support such a system (Myles, 1994).

But how did Sweden turn their commitment to full employment into a reality? Sweden’s strong and unified labour movement was the driving force behind maintaining the commitment to full employment (Esping-Andersen, 1990). The solidaristic wage bargaining, pursued by Swedish labour, was central to achieving full employment at relatively high wages (Myles, 1994). The Swedish full employment system was based on the use of active labour market policies (ALMPs) within a context of economic growth (Esping-Andersen, 1990). These policies, which allowed the state to channel labour into sectors of the economy where supply was short, and to increase demand wherever there was an excess supply,² became the instrument through which full employment was pursued and achieved in the mid-twentieth century (Esping-Andersen, 1990). Over time, the Swedish welfare state became the leading force in sustaining full employment, partly as direct employer, and partly through subsidies (Esping-Andersen, 1990). The state even went so far as to accumulate large government deficits to finance employment and to escalate public sector employment (Esping-Andersen, 1990). This demonstrates the strength of the state’s commitment to full employment. However, in the early 1980s, the government began relying on unions to sacrifice wages in order to maintain full employment, which created tensions within the labour movement, particularly between private- and public-sector federations (Esping-Andersen, 1990). The Swedish government was also forced to devalue the Swedish currency – the krona, in the 1980s in order to avoid rising unemployment (Olsen, 2002), which was taking hold throughout the industrial world.

The Swedish commitment to full employment was abandoned, at least temporarily, in the early-1990s, when full employment gave way to mass unemployment, prompted by “national and global recessions” and a “consequent decrease in the demand for labour,” which led the state to focus on reducing inflation, not unemployment (Olsen, 1999: 248). The historic commitment to full employment was abandoned in favour of a commitment to price stability (Olsen, 2002), in the face of economic crisis. With this crisis came mass unemployment for the first time in Swedish history. In 1990, the unemployment rate in Sweden was 1.7 per cent, by 1993 it had jumped to 9.1 per cent, and by 1999 it had dropped only to 7.2 per cent (Olsen, 2002). Since this time, unemployment has continued to decline, with rates now below 5 per cent again (Olsen, 2002). However, it remains unclear whether this indicates a renewed commitment to full employment, or simply diminishing levels of unemployment due to economic growth. As is clear from Swedish history, a commitment to full employment does not simply indicate chance in avoiding high levels of unemployment; it involves an active role by the state to do whatever is necessary to maintain full employment.

Again, the Swedish case is also unique due to the high levels of women’s employment, which began to grow in the 1960s and 1970s. The Swedish welfare state developed policies, which encourage women to balance both family and paid employment. Esping-Andersen argues that it is the goal of the modern, advanced, welfare state to allow individuals to harmonize working life with family (1990).

² For a more detailed account of Sweden’s Active Labour Market Policy, see Olsen, 2002 or Olsen, 1999.

Coulson, Magas & Wainwright argue that Sweden's high demand for women's labour resulted in the extension of the welfare state into areas traditionally reserved for domestic labour (1975), which has meant that services such as childcare are provided through the state. Maud Landby Eduards emphasizes the parental leave policies, the reduced working day, and the opportunities and choices available to both parents when it comes to balancing paid employment and family (1989). Jenson & Sineau agree, citing the close link between childcare and employment policies in Sweden as an expression of the state's commitment to gender equality in the labour force (2001b). Celia Winkler also sees the close connection between labour market and family policy in Sweden in the 1970s as being central to women's equality (2002). Esping-Andersen continues to argue for the importance of care services in enabling women to have children and careers (2002a). Indeed, he reiterates, from his earlier work, that a current challenge to welfare state policy is the maintenance of the compatibility of parenthood with work (a 'woman-friendly policy') (2002a). Such woman-friendly policies include affordable childcare, paid parental leave, and provisions for work absence due to family responsibilities and obligations (Esping-Andersen, 2002b). The majority of Swedish women take advantage of these woman-friendly policies and opt for both lifetime employment (with few or no interruptions) and motherhood (Esping-Andersen, 2002b). O'Connor, Orloff & Shaver argue that, in Sweden, women's withdrawal from the labour force is infrequent due to their long maternity and parental leave programs, extensive childcare provision, and the option of reduced working hours (1999).

The welfare state also acts as an important source of employment for many women entering the labour force in Sweden. As such, the welfare state not only provides social services which allow both men and women to work, but it also creates a large labour market within which women may find employment (Esping-Andersen, 1990). As Olsen argues, women's entry into the labour force has been facilitated by extensive public child care provision, parental leave programs, child allowances, job security legislation, and training programs (2002). This indicates the range of services available to both men and women in balancing work and family life. These services are not only designed to facilitate women's entry (and continuance) in the labour market, they also encourage fathers to assume greater responsibility for child care and household duties. The tax system, too, provides incentive for both men and women to work outside of the home, as men and women are taxed individually in Sweden (Esping-Andersen, 1990).

However, the Swedish labour force remains highly segregated. Most women work in traditional female occupations, and a large proportion of women workers work part-time (Esping-Andersen, 1990). Due to the parallel expansion of the welfare state and women's entry into the labour force, what has occurred in Sweden is a feminization of the welfare state (Esping-Andersen, 1990). For example, in the 1980s, the public sector accounted for 80 per cent of new jobs, with 75 per cent of these being female (Esping-Andersen, 1990). The expansion of the welfare state was actually only possible through the recruitment of women to part-time employment, which led to this feminization of the waged labour force (Ryner, 1999). Yet, part-time jobs in Sweden are not necessarily the same as part-time jobs in other parts of the industrialized world, as they are highly unionized, are accompanied by relatively high wages, and allow women flexibility in their work hours.

This discussion of the abandonment of the Swedish commitment to full employment, as well as the feminization of the welfare state, leads to an analysis of what factors are currently challenging the Swedish welfare state. The obvious answer is neoliberal globalization. Recent debates on the origins and impact of globalization have resulted in varying opinions on the topic.³ For the purposes of this paper, globalization is conceptualized as a, “complex of forces born of the crisis of the mid-1970s, that reversed the different complex of forces that had become consolidated during the three decades following World War II” (Cox, 1997: 23). This complex of forces includes, “the reach of American imperialism, the power of financial markets, the spread of capitalist social relations, the intensification of exploitation, and a vast growth in social inequality” (Panitch, 2001: 367). Much of the literature on globalization views it as an inevitable, unstoppable force that we, as citizens and states, must accept and adapt to. This view leaves no room for agency or resistance. Indeed, Rianne Mahon challenges this conception of globalization as unstoppable with one that encompasses room for resistance (2000). This view of globalization as inevitable also does not reflect the state’s role in authoring globalization (Panitch, 2001; Panitch, 1998; Panitch, 1994). Janine Brodie goes so far as to state that “governments are effectively acting as the midwives of globalization” (1996: 5). Paul Hirst and Grahame Thompson also argue that this view of globalization as an unstoppable driving force is a myth (1999). When looking at the particular case of Sweden it is clear that the state has played a significant role in the reregulation of the welfare state; and thus, the state is not passively losing power or having to adapt, but is actively engaged in the process of reregulation. It is for this reason that any strategy to challenge globalization must focus on the level of the nation-state, and not solely on the international level of politics (Panitch, 2001).

Thus, which factors have caused the changes to the Swedish Model – the external, or international pressures from globalization and Europeanization, or domestic pressures, particularly coming from the Swedish Employers Association? In fact many of the challenges to the welfare state have been launched internally and are not the direct result of globalization. Mahon argues that the real limits to full employment and equality are political, and do not stem from globalization (2000). Magnus Ryner also argues that while globalization is central to the Swedish crisis, the crisis cannot be reduced to globalization, as there are both domestic and global political forces which must be considered (1999). These domestic factors, supported by the global political and economic environment, include the abandonment of the commitment to full employment and centralized wage bargaining, as well as a questioning of the principle of universalism, all of which were pushed by the increasingly neoliberal agenda of the Swedish Employers Association (SAF). However, even with these external and internal threats the Swedish welfare state is advanced and mature enough to withstand the pressure and the changes which have taken place and still remains a leader among welfare states (Olsen 1999).

The internal threats to the Swedish welfare state have come mainly from the SAF and the bourgeois political parties. During most of the twentieth century, Swedish firms worked closely with the state. However, since the 1970s more and more multinational firms have emerged in Sweden, and this has led to increased pressure to “internationalize” (Clement, 1994). In the mid-1980s the government liberalized the

³ See, for example, Panitch, 1994; Held et al., 1999; Rosenberg, 2000.

economy by undercutting the power of the strong Swedish labour movement, and dismantling the instruments of the active labour market policy (Clement, 1994). The SAF played a key role in this new policy direction of Swedish political economy. Its interests lay in undercutting the power of the labour movement by allowing for greater unemployment (Clement, 1994). The impact of globalization was to strengthen links between Swedish firms and the “global community.” As a result, the corporatist structure of Sweden’s centralized bargaining system came under threat. The SAF’s strategy in terms of dismantling centralized wage bargaining was only one part of a broader “employer offensive” (Pontusson, 1987). The results of this employer offensive were numerous, including a new neoliberal direction for Swedish social policy as well as for business-labour relations. The subsequent weakening of the labour movement and, thus, the Social Democratic Party, has real implications for the Swedish welfare state, and for Swedish women, as will be explored below.

Another aspect of globalization, or the increased transnationalization of states, is Europeanization, through the European Union (EU). The impact globalization was having on the economies of European nations since the mid-twentieth century led to the creation of a regional trading block, the EU (Olsen, 1999). Like the North America Free Trade Agreement (NAFTA), the EU allows countries to become members only upon meeting an evolving set of economic requirements. In order for Sweden to join the EU in 1994 it needed to achieve and maintain the Maastricht convergence criteria, which meant reducing Sweden’s fiscal deficit through cuts to social expenditures (Turner & Whitehead, 2002). Richard Clayton and Jonas Pontusson argue that the constraints imposed by the Maastricht criteria for monetary union set the stage for cuts to the welfare state in the mid- to late-1990s (1998). The Maastricht convergence criteria represented a shift away from the EU as solely a regional trading block toward being a broader economic and monetary union. The convergence requirements threatened to undermine the material basis of Sweden’s egalitarian welfare state policies (Daune-Richard & Mahon, 2001). Also, financing the Swedish welfare state has been made more challenging by a number of factors, not the least of which is the fiscal and budgetary constraints that European monetary integration imposes (Hemerijck, 2002). This transfer of power from governments to unelected, unaccountable bodies and institutions, such as those of the EU⁴, threatens citizens’, and particularly women’s, rights (Beneria & Lind, 1995). This is particularly true in a nation like Sweden where women have worked very hard and have achieved success in increasing their representation at the local, regional, and national levels of politics.

Indeed, Sweden’s decision to apply to the EU in 1990 was accompanied by the formal abandonment of the commitment to full employment, which was one of the factors that led to the fragmentation of Sweden’s centralized wage bargaining system (Ryner, 1999). Applying for EU membership and the subsequent referendum were very

⁴ In the postwar period, the average voter turnout for national elections in Sweden has been 86.3 per cent, which is a very high rate of popular electoral participation (Aylott, 1999). Discontent with the EU among Swedes has resulted in low voter turnout for European-level elections. For example, the June 1999 election to the European Parliament saw only 38.3 per cent of voters taking part; with many non-voters being anti-EU (Ruin, 2000). This low voter turnout illustrates a problem of legitimacy for European institutions such as the European Parliament (Lindahl, 2000).

controversial in Sweden.⁵ Europeanization threatens the Swedish welfare state because it is a leader and any convergence among policies could actually lead to a weakening of the Swedish welfare state. As Gosta Esping-Andersen argues, many European nations are now searching for reform at the same time, which could lead to “a coordinated joint effort at finding solutions” (2002b: 18). However, one must recognize the distinct welfare policy legacy of each European nation, and the role it will play in future reforms (Esping-Andersen, 2002a). In other words, internal factors such as the state, industry, labour, the welfare legacy and societal norms play the most crucial role in determining policy direction, but even these factors can be influenced or pushed forward by external factors such as globalization and Europeanization.

So, what is the content of the changes that have taken place? Whether these changes in the Swedish Model have constituted a deregulation or a reregulation of the Swedish welfare state is based on one’s view of the role and power of the state in this process of regulatory reform. Many scholars, such as Evelyne Huber and John D. Stephens believe that what has taken place in Sweden is deregulation (1998). They view the privatization of social services and the cuts to social spending as signs of deregulation, of a weakened state or weakened state control over the private sector. However, such a view underestimates the role of the state in choosing which path to pursue and which priorities to emphasize. Evidence of this state power lies in the fact that states have responded to similar pressures in markedly different ways, which illustrates how states have a choice in how to respond to both external and internal pressures (Vogel, 1996). Rather than being passive subjects in regulation, state institutions are actually active agents driving the reform process (Vogel, 1996). The particular ideas and institutions which make up a state determine the specificities of reregulation in a given context (Vogel, 1996). This relates to Vogel’s conception of the relative autonomy of the state, which is comprised of “specific ideological biases and institutional capabilities”; Vogel argues that the interests of the state, or the public interest, only partially transcends the interests of societal groups, or private interests (1996: 268). And it is this we must consider when looking at the specific case of Sweden and the state-sponsored reregulation which has taken place there.

The 1980s and 1990s saw an unparalleled questioning of the core principles of the Swedish Model. Reductions in welfare state spending and a reduced commitment to full employment and centralized wage bargaining characterized the direction of the state during this period. However, as Ryner argues, this direction of state policy, particularly cuts to the welfare state, is actually out of step with public opinion, and could therefore lead to a crisis in representation (1999). And this explains why social democratic parties stick to their traditional welfarist discourse in the public arena, even if they are pursuing neoliberal policies at the same time (Ryner, 1999). As Esping-Andersen argues, the welfare status quo remains very popular, and could constitute a serious obstacle to any reform (2002a). And it explains why there has been a reregulation, and not a deregulation, of the welfare state in Sweden. As mentioned earlier, each nation has its own distinct welfare policy legacy and it would be very difficult, and politically damaging, to break from that legacy altogether.

⁵ The Swedish referendum on accession to the European Union took place on November 13, 1994; following a divisive campaign by both the ‘Yes’ and ‘No’ sides, 83 per cent of voters took part in the referendum, with 52.3 per cent voting in favour of joining the EU (Gstohl, 2002).

The breakdown of the postwar compromise had led to ‘fiscal decentralization’ and a reregulation of the Swedish welfare state. Since the 1980s central transfers to local governments have been reduced and are now in the form of a block grant, giving local governments increased freedom to choose where to spend limited resources (Jenson & Sineau, 2001a). The ‘increased autonomy’ of local governments has led to a focus on competition and privatization in order to deal with fewer resources and an increased demand (due to an increase in the number of unemployed Swedes) (Jenson & Sineau, 2001a). The result of this new focus is that local governments are no longer providers, but are now purchasers, of services; local governments are contracting out to private entrepreneurs and providing citizens with vouchers to ‘purchase’ their own services (Jenson & Sineau, 2001a). All of this has meant a diminishing of the principle of universalism, which was one of the core principles of the Swedish welfare state (Jenson & Sineau, 2001a). Social democracy’s long-standing preference for collective solutions stems from the fear that market and family alternatives offer insufficient security and result in the unequal provision of services (Esping-Andersen, 2002a). This move away from universalism has been accompanied by a simultaneous move towards a new individualism (Daune-Richard & Mahon, 2001). And as will be seen below in the discussion of childcare, this new individualism manifests itself in a discussion of ‘choice’ and a loss of universal policies.

Turning to the issues of organizing and resistance against reregulation, particularly at the state level, the 1991 national election must be discussed. This election saw many surprising outcomes – the Social Democratic Party lost for the only the second time in over half a century, and the proportion of women in the Riksdag fell for the first time in sixty-three years. These results led many women to question the direction of Swedish politics, fearing that the election results represented a move away from welfare politics (Burness, 1999). These concerned women formed a group which became known as the ‘Support Stockings.’ They were concerned with protecting the gains that women had made, which they saw threatened by recent cuts in welfare state programs and in public sector employment (Bergman, 1999). In order to guarantee cooperation from the parties and the entire political party system, the Support Stockings threatened to form a women’s political party, which was not their aim but was viewed as a last resort if cooperation was not secured (Burness, 1999). They were successful in securing cooperation and in making women’s political representation an important issue in the 1994 national election (Briskin, 1999) – a difficult feat in a political atmosphere dominated by talk of unemployment and restructuring. The 1994 election saw the return of the SAP and the proportion of women in parliament increased to 40.4 per cent, with equal numbers of men and women in the cabinet (Burness, 1999).

The example of the Support Stockings demonstrates how political processes could have gendered effects. As Isa Bakker argues, restructuring is not a gender-neutral macro-economic process (1996). The reregulation of the Swedish welfare state, and the consequent cuts in social spending and the privatization of services, have very different effects on men and women. The costs of these cuts are borne disproportionately by the most vulnerable people in society – the poor and women, particularly single mothers (UN Secretary-General; Brodie, 1996). Brodie argues that women are disproportionately affected because restructuring increases women’s economic insecurity as well as their unpaid work (1996). In this way women’s workload increases while their economic

independence decreases; they become more dependent on men or the state for their survival. This leads us to a broader discussion of social reproduction and commodification versus decommodification.

Within the broader theme of social reproduction, one can see the important links between production and reproduction, as well as the societal undervaluing of domestic labour and that which is deemed ‘natural’ work for women – care work. Social reproduction entails all that is necessary to produce, and reproduce, labour power, which includes nurturing as well as teaching and socialization skills. The reproduction of labour power is not simply a daily necessity, or activity, but also involves reproducing an entirely new generation of workers (Seccombe, 1974). Seccombe sees social reproduction as the reproduction of the capacity for work through the reproduction of labour power (Seccombe, 1974). He also places emphasis on the importance of mothers’ roles in the early socialization of children - in the ideological reproduction of the relations of production (Seccombe, 1974). Social reproduction of labour involves the entire life cycle and the reproduction of the new generation (Picchio, 1997). Picchio argues that “the process of social reproduction is a material and cultural process which relates to bodies... individual and collective identities, and social relationships” (1997: 1). Social reproduction is a process which occurs in the household, through domestic work, and in the state, through welfare state programs such as education and health (Caffentzis, 1999).

Writing in the 1960s, Juliet Mitchell argued that the family, the sphere of life ascribed to women, was a cultural creation, and that until there was a revolution in production, women would remain marginal in economic, social, and political roles (1966). Indeed, women’s physiology and biology have been used as reasons to exclude them from the labour market, and to relegate them to the sphere of the ‘domestic’; women’s role in reproduction, the bearing and rearing of children, as well as maintaining the home, has been used to keep them out of the sphere of ‘production’ (Mitchell, 1966). As such, women’s role as domestic labourers and caregivers takes on the appearance of an “arrangement of destiny” (Seccombe, 1974: 20). However, women have not refrained from performing work, only specific types of work – those types which are deemed ‘productive’ or to have ‘exchange-value’ (Mitchell, 1966). As such, it is clear how throughout history, women’s biological reproductive function has been used to create a construct which places women in the role of ‘caregiver’ and ‘nurturer’ and men in the role of ‘breadwinner.’ These are not ‘natural’ roles or work that is inherent to either gender, but rather a social construct which helps to sustain a patriarchal system, supported by the capitalist economic system.

This sexual division of labour also places value only on certain types of work. As such, work performed in the market is valued, and compensated with a wage, while work produced in the home is not valued, and is not compensated with a wage. Margaret Benston argues that women’s household labour constitutes a huge amount of socially necessary production, but it is not compensated because it is not seen to have “exchange-value,” which means it is outside of trade and the market place (1969). There is much debate amongst feminist scholars over whether unpaid domestic labour is productive or not, whether it has ‘use-value’ or ‘exchange-value.’

Joan Landes argues that domestic labour is oriented toward the fulfillment of human needs and, as such, not toward the production of surplus value (or exchange-value) (1980). Margaret Coulson, Branka Magas and Hilary Wainwright argue that

domestic labour does not contribute to the value of the reproduction of labour power and it does not realize its own value when labour power is sold on the market; as such, it is unproductive labour (1975). Seccombe argues that the sexual division of labour has removed women from any direct relation with capital, divorcing domestic workers from the means of production and the means of exchange; as such, the law of value does not apply to domestic labour and it is deemed unproductive labour (1974). The fact that domestic labour is not conducted in direct relation with capital and does not produce surplus value means that it is unproductive (Seccombe, 1974). Maria Mies argues that because social reproductive work is viewed as unproductive, it has been socially and historically devalued (1986). Thus, one can see how deeming domestic labour as unproductive helps to perpetuate the notion that it is of no monetary value and is not 'skilled' labour.

Due to the fact that women's domestic and care work in the home is unpaid, many feminists in the 1970s began a campaign to receive "wages for housework." The wages for housework campaign consisted of the valuing of women's unpaid work in the home through paying women wages to do such work. This campaign raised many questions, including who would pay these wages – the capitalists/the market or the state? And, what is the value of housework? However, many feminists disagreed with this strategy, as it would not challenge the relations of production and it would simply reproduce the sexual division of labour, keeping women in the private sphere of the home, and men in the economic sphere of the paid labour force (Landes, 1980). The wages for housework campaign would not alter the relations of social reproduction – it would still be women's job to do social reproductive work, but they would now be paid for it.

The debate within feminist political economy over commodification versus decommodification revolves around an important aspect of women's lives, which is that in many ways women are seeking to be commodified, to be economically independent within the paid labour force. Commodification is when "our well-being [comes] to depend on our relation to the cash nexus" (Esping-Andersen, 1990: 35). The commodification of labour means that, as people, our survival depends on selling our labour power in the market. The obvious problems with the commodification of labour (alienation, economic dependence upon the market) have led many to argue for decommodification. Those arguing for decommodification seek to de-link one's ability to survive from the market. Decommodification, however, does not mean the complete elimination of labour as a commodity but, rather, the degree to which individuals can uphold an acceptable standard of living independent of selling their labour in the market (Esping-Andersen, 1990).

However, since women have been marginalized from the realm of the market for so long, the debate revolves around whether decommodification is actually beneficial for women. Many feminist political economists are arguing for women's need to enter the labour market as a step in the direction towards gender equality, and thus, removing reliance on the market from one's life (e.g. decommodification) is not necessarily a benefit to women. Seccombe argues that a housewife's exclusion from the wage transaction results in her total material dependence upon her husband (1974). Thus, one can see why women might be more interested in commodification first, rather than decommodification.

For centuries, the sexual division of labour was maintained through the male breadwinner model and the male wage, which was anticipated to be adequate to support a family. The prevailing view was that the male wage allowed the husband/father to “pay for” the labour done by his wife and to support his children (Benston, 1969). However, this was never true, in the sense that such a wage was never sufficient to support a family if women had not been providing unpaid domestic and care work to supplement it (Bruegel, 1998). Bruegel argues that the idea of the ‘family wage’ (or the ‘male wage’) served to legitimize men’s absence in care work (1998). And, even when domestic or care work enters the sphere of the market, when such services are commodified, this work is still not valued as ‘skilled’ labour and, thus, remains undervalued and is compensated with a low-wage. As Coulson, Magas and Wainwright argue, women’s role as domestic labourers has followed them into the sphere of industry, and has reproduced the sexual division of labour within that sphere, by depressing wages and narrowing the occupation range available to women (1975).

Indeed, more and more women are entering and remaining in the labour force for longer periods of time than ever before. One strategy that is pursued by a great number of women is that of working part-time in order to balance their paid and unpaid work responsibilities. Picchio argues that the separation between women doing unpaid work in the household and those who sell their labour in the waged market is increasingly blurred, since those women who work in the waged market also perform a great deal of unpaid work, and since women often enter and exit the wage labour market a number of times during the course of their lives in order to balance their dual-roles as mothers and workers (1997). Women are now split between time spent in ‘production,’ in the paid labour market, and time spent in ‘social reproduction,’ performing domestic and care work.

This social construct not only divides women and men into roles as ‘reproducers’ and ‘producers,’ respectively, but also tries to ensure that neither gender takes on both roles. As such, women are solely responsible for domestic labour and caregiving work, while men are solely responsible for work outside of the home, in the paid labour market (Benston, 1969). Over time, this system has been challenged by the fact that more and more women have entered the paid labour force. This challenges the fundamental principle of the social construct, which places women in the home to perform domestic and care work. Women’s increasing economic independence and roles as ‘producer’s challenge the sexual division of labour which has been entrenched within the patriarchal and capitalist systems for centuries. However, while more and more women are entering the labour force, there has not been a parallel development of more men taking up domestic and care responsibilities. Thus, the result is that women are now responsible for both paid and unpaid work. As Benston argues, women who work outside of the home have a double work-load, as they remain responsible for household labour even when they enter the realm of the paid labour force (1969).

Current threats to social programs on a global scale have led to a crisis in social reproduction, where cuts to funding for social programs and women’s limited access to resources through the increasing commodification of resources, particularly significant for women in the Third World, have led to a crisis situation. Picchio argues that the crisis in social reproduction is due to three factors: decreasing access to the means of subsistence; a withdrawal of collective responsibility for social reproduction; and a

historical change in gender power relations within the family (1997). The current crisis has demonstrated that the domestic sector cannot be seen as a bottomless well; this is of particular importance in the context of the reregulation of the relationship between the public and private sectors through privatization and cutbacks in public expenditure (Elson, 1998). The offloading of public services onto the private sector means an offloading of paid work onto the sphere of women's unpaid domestic and care work. As will be discussed later, cuts to spending for childcare in Sweden demonstrates a move toward privatizing this service, both through the private provision of services and the provision of such services, unpaid, by women in the home. Within the broader society, there is no conception that women cannot handle ever increasing amounts of unpaid work (in addition to ever increasing amounts of paid work), as this is viewed as a 'natural' vocation for women, and a 'labour of love.'

There are various prescriptions for what is necessary to achieve substantive gender equality, and many revolve around reorganizing social reproduction. Benston lists three prerequisites for women's liberation - equal access to jobs outside the home, the conversion of unpaid domestic work into work to be done in the public economy, and a complete breakdown of the present nuclear family (1969). Her focus on social reproduction illustrates how women can never achieve true equality if it is assumed that they are responsible for domestic and care work. Secombe argues that only when women have opportunities to work outside of the home, and to be instrumentally involved in their community, does confrontation with their husbands around the domestic division of labour become progressive (1974). Thus, he too is arguing for women's access to the public sphere of jobs and community life, while also arguing for a reevaluation of who is performing domestic work.

Johanna Brenner argues that caregiving must become a social responsibility in order to break with the current sexual division of labour; she also argues that to make social reproduction a collective responsibility would require a socialist economic system, where a substantial redistribution of wealth could take place (2000). Thus, the reorganization of social reproduction could not occur within a capitalist economic system. Diane Elson argues for a feminist political economy which includes domestic, as well as economic and political systems (1998). Picchio argues that true equality cannot be achieved without directly dealing with the problem of the structure of the process of social reproduction and its link with production (1997). She also argues that it is not simply a question of transferring unpaid work to paid-service work, but of setting social norms and responsibilities (Picchio, 1997).

Irene Bruegel argues that a more equitable future will be achieved only when there is a basic entitlement income (or social wage) to cover the costs of social reproduction, accompanied by the redistribution of paid work (1998). O'Connor, Orloff & Shaver argue for policies such as childcare and maternity and care leave to facilitate participation in the paid workforce for those with caring responsibilities; they argue that equality can only be achieved through "a more equal sharing of paid work and caring between men and women" (1999: 107). It is clear that there must be a reorganization of social reproduction if we are ever to achieve gender equality. Many have argued that an initial step requires the state to step in and to provide publicly provided childcare, education, health, maternity and parental leave programs, while others argue for a

socialist revolution in order to achieve any substantive and sustainable reorganization of social reproduction.

In terms of the Swedish case, the Swedish welfare state has provided such services, publicly, for decades. Current threats to this system have meant that some changes have occurred, but the state is still responsible for the vast majority of these services. The public provision of services such as childcare, health, and education have altered the relations of social reproduction in Sweden. And, while women are still responsible for the majority of such work, significant steps have been made in the direction of equality over the past three decades. As such, the fight to reverse any losses which have taken place, and then to continue to extend and expand the Swedish welfare state is an important strategy toward achieving substantive gender equality in Sweden. We will now turn to those changes which have taken place in the Swedish welfare state, and how they are affecting women.

Concern with falling birthrates as women entered the paid labour force was clearly an important factor in the development and expansion of the public childcare program in Sweden. The number of childcare places in Sweden increased rapidly from the late 1960s onward (Curtin, 1999). This was partly the result of lobbying by key women in the trade-union and political spheres, as well as the state's own agenda to foster an environment where women could work outside of the home while still having children. In Sweden the municipalities have traditionally been responsible for the majority of publicly provided childcare. This responsibility increased dramatically with the expansion of public childcare services in the 1970s and 1980s. This increase was, in part, a response to a 1975 plan adopted by the Swedish congress to address the problems of working mothers (Kelber, 1994). The social democratic welfare state provides maximum public responsibility for childcare, as well as generous and well-funded parental leave insurance (O'Connor, Orloff & Shaver, 1999).

During the 1980s, after their return to power, the Social Democrats promised a day care spot for all children over eighteen months; they also banned all private for-profit day care centers and regulated other non-public day care centers (Mahon, 1999). Sweden's public childcare system was financed by the state, the municipality, and minimal parental fees, which were based on income and the number of siblings in a family (Daniels, 1992). These childcare policies helped women to enter the paid labour force in greater numbers, thus decreasing their economic dependence upon men. They also made it easier for women to continue working after their parental leave benefits ended (Sundstrom & Stafford, 1992).

However, beginning in the 1980s, the state had to deal with private initiatives for for-profit childcare. One such example is the SAF and the Swedish Federation of Industries' proposal for a private day-care company, *Pysslingen*; in response, the SAP passed the *Lex Pysslingen* legislation, which banned all private for-profit day care, and regulated the growth of other non-public forms (Daune-Richard & Mahon, 2001). The SAP's⁶ concern regarding private for-profit childcare was that it would turn municipal

⁶ While the Social Democrats emphasized social justice with reference to access to and delivery of childcare services, the Conservative and Moderate parties had always emphasized 'choice' and were supportive of different types of childcare services, including private for-profit childcare. The Liberal Party often differed from the Conservatives and Moderates on details, but grew to support the idea of 'choice' and alternative forms of childcare (Daune-Richard & Mahon, 2001).

institutions into ghettos for children of the low-paid or children with special needs (Daune-Richard & Mahon, 2001), thus breaking with the universal principle of the Swedish welfare state. However, when the SAP was defeated in the 1991 election, the ruling coalition abolished *Lex Pysslingen*, and the Social Democrats did not re-instate it when they returned to office in 1994, as their primary concern remained Sweden's economic crisis. The consequences have been that private for-profit childcare centers are now allowed in Sweden, although they must follow the same rules as public centers in order to receive municipal subsidies (Daune-Richard & Mahon, 2001). This is a clear instance of reregulation, not deregulation, since the state still retains control over regulation of childcare, although now through private for-profit, as well as publicly provided services. Since the early 1990s, the popularity of private childcare has

increased. In 1991 only 2.5 per cent of the total childcare workforce was employed in private childcare; by 1997, this percentage had risen to 9.2 (Daune-Richard & Mahon, 2001). This increase in the popularity of private, publicly funded, childcare services has meant that about 10 per cent of all spaces in childcare centers are now privately provided (Jenson & Sineau, 2001b).

In addition, public childcare funding has been cut over the past decade. Conservative Prime Minister Carl Bildt (1991-1994) actually rolled national subsidies for childcare into a general block grant to municipalities, while publicly stating his government's commitment to provide childcare places for all children of working parents (Daune-Richard & Mahon, 2001). When the SAP returned to office in 1994 they did nothing to immediately improve this situation as their focus was on the economic crisis of the early 1990s. However, once the economic situation improved, the SAP increased the transfers to municipalities to restore the standard of childcare (Daune-Richard & Mahon, 2001) through a program called the "Persson funds" (Mahon, 2000). Yet, the proportion of childcare paid for by the central government is declining, and municipalities are being forced to find solutions with fewer resources available to them. This means that some parents, particularly mothers, are left with little or no choice due to lack of access or affordability, which means that the principle of universalism has been called into question.

Closely tied to publicly provided childcare is the generous paid parental leave system in Sweden. This parental leave system allows mothers and fathers to take time off from work, while being compensated, to take care of small or newborn children. The SAP adopted parental leave at its 1972 congress, and it was introduced in Sweden in 1974, replacing the old maternity leave, which focused solely on mothers (Daune-Richard & Mahon, 2001). In 1978 parental leave was extended to nine months, with the last three paid at a flat rate; alternatively, the additional three months could be used to reduce the workday for one parent (Daune-Richard & Mahon, 2001). Also in 1978, legislation made it illegal to deny parental leave until a child is eighteen months old, or to refuse the reduction of a parent's workday to six hours until the youngest child is eight years old (Daune-Richard & Mahon, 2001). At its peak, Sweden's parental leave policy offered both parents the option of sixty-four weeks at 90 per cent pay for the first year and a flat rate for the remaining twelve weeks (Williams Walsh, 1997). Parents could use these benefits in different ways up until the child's eighth birthday, with options such as working part-time for an extended period of time, as stated earlier.

During the 1976 election campaign, the SAP made a commitment to introduce a 'father's month' of parental leave if elected; however, the SAP was defeated (Daune-Richard & Mahon, 2001). The father's month was eventually introduced in the bill *Shared Power – Shared Responsibility* in 1991 by the Liberals, in the conservative coalition of 1991-1994 (Daune-Richard & Mahon, 2001). The late-1980s and early-1990s also saw an increase in the number of fathers taking leave and the length of leave being taken. For example, in 1980, 29.6 per cent of fathers with children under the age of two took parental leave of an average of 45 days; by 1992, 48.3 per cent of fathers took an average of 63 days (Daune-Richard & Mahon, 2001). However, as Esping-Andersen points out, those fathers taking advantage of parental leave are generally those married to highly educated women or those working within the public sector (2002b). And, even then, the male share of the total leave remains modest, even if it is on the rise (Esping-Andersen, 2002b). However, recently the state has reduced the replacement percentage from 90 to 80 per cent (Clayton & Pontusson, 1998), making it even more onerous for the higher-waged parent (generally the father) to take advantage of the leave. This means that more women will be taking advantage of the majority of the leave, which has real consequences for the sexual division of labour, particularly in relation to childcare, in Sweden.

Another area of the Swedish welfare state which has been reregulated and whose reregulation has had a very negative impact on women is the pension system. Sweden's unprecedented old-age pension, or income-security system has been completely overhauled in the past decade, due to the problem of sustaining post-war pension commitments (Esping-Andersen, 2002a). Prior to the changes, Sweden had a three-tier pension system – (1) the folkpension (FP), which was a basic flat-rate, universally provided pension to all those 65 years of age or older; (2) a national supplementary pension, or ATP, which was determined by one's pre-retirement income; and (3) a national supplementary occupational pension (Olsen, 1999). This comprehensive system provided, in total, approximately 75 per cent of one's gross pre-retirement income (Olsen, 1999). The generous old age security system in Sweden minimized poverty of the aged (Esping-Andersen, 2002a), which was an important part of the Swedish welfare state's attempt to minimize overall poverty. The Swedish pension system was considered one of the best in the world, until it was overhauled in the late 1990s. Luckily the maturity of the system, like the entire welfare state system, made radical privatization virtually impossible (Andersen, 2001). However, Esping-Andersen argues that an adequate retirement guarantee must be a part of any social model (2002a), and this appears to be faltering in Sweden.

The new pension system eliminates much of the equality and universality of the previous system. The FP is no longer universally received; only those whose ATP benefits are minimal to none now receive the folkpension (Olsen, 1999). In addition, the ATP has been changed so that now employers and employees make equal contributions, thus favoring those who have a long, steady record of employment (Olsen, 1999). Also, ATP benefits will be based on lifetime earnings rather than the best fifteen out of thirty years, as was the previous practice (Andersen, 2001). The impact this new system will have on women is clear. The National Insurance Board conducted a study of the new system and concluded that women who work fewer than forty years would be losers in the new system (Andersen, 2001).

This relates to Esping-Andersen's 'life course framework' in his new work on the welfare state; he argues that a new vision of the welfare state must contain such a framework in order to understand how welfare conditions at one stage in the life cycle can, and often do, directly affect events earlier and later in life (2002a). In that same work, John Myles argues that men and women face different life course risks due to their sex and their relations to one another (2002). This, of course, means that women are disproportionately affected by reforms that reduce or reorganize public sector benefits, since they typically have lower lifetime earnings (Myles, 2002). However, as Myles points out, it is not enough to focus on gender equality in retirement if gender equality is not present over the course of one's working life (2002). Because many women enter the labour force later in life and are more likely to have interruptions in their record of employment for parental leave duties, women workers will be at a disadvantage in this new system which favours a stereotypical view of "worker" which is implicitly male. In addition, recent increases in women's levels of unemployment will also harm them in the future.

The combination of external and internal factors which have come together to challenge the Swedish Model have led to a very specific reregulation of the Swedish welfare state. And, while the welfare state still exists, there have been major cuts and privatization of services in recent years. However, it is clear that the changes which have taken place in Sweden have not been to the same extent or degree as in other nations, reflecting the strength of policy feedback. Social democratic values, including a valuing of the welfare state and of full employment (including women's employment), are so entrenched in Swedish political culture, that it has been difficult to eradicate them. The challenges facing Sweden affect women in very specific ways, as we have seen throughout this paper; and it is they who will bear the brunt of this reregulation, if it is not resisted and overturned in the long-term. However, the focus of organizing in Sweden, including feminist organizing, remains on the state and, as such, there is hope that resistance and reversal of losses can take place.

Bibliography

- Andersen, Karen M. "The Politics of Retrenchment in a Social Democratic Welfare State: Reform of Swedish Pensions and Unemployment Insurance." Comparative Political Studies 34.9 (2001): 1063-91.
- Aylott, Nicholas. Swedish Social Democracy and European Integration: The People's Home on the Market. Aldershot: Ashgate, 1999.
- Bakker, Isabella. "Deconstructing Macro-economics Through a Feminist Lens." Women and Canadian Public Policy. Ed. Janine Brodie. Toronto: Harcourt Brace, 1996. 31-56.
- Beneria, Lourdes and Amy Lind. "Engendering International Trade: Concepts, Policy, and Action." GSD Working Paper Series No. 5 (1995, July): 1-23.
- Benston, Margaret. "The Political Economy of Women's Liberation." Monthly Review 21 (1969): 13-27.
- Bergman, Solveig. "Women in New Social Movements." Equal Democracies? Gender and Politics in the Nordic Countries. Eds. Christina Bergqvist et al. Oslo: Scandinavia University Press, 1999. 97-117.
- Brenner, Johanna. Women and the Politics of Class. New York: Monthly Review Press, 2000.
- Briskin, Linda. "Mapping Women's Organizing in Sweden and Canada: Some Thematic Considerations." Women's Organizing and Public Policy in Canada and Sweden. Eds. Linda Briskin and Mona Eliasson. Montreal/Kingston: McGill-Queen's University Press, 1999. 3-47.
- Brodie, Janine. "Canadian Women, Changing State Forms, and Public Policy." Women and Canadian Public Policy. Ed. Janine Brodie. Toronto: Harcourt Brace, 1996. 1-28.
- Bruegel, Irene. "The restructuring of the family wage system, wage relations and Gender." The Dynamics of Wage Relations in the New Europe. Eds. Linda Clarke, Peter de Gijssel and Jorn Janssen. Boston: Kluwer Academic Publishers, 1998. 214-228.
- Burness, Catriona. A Swedish Exclusive? the 'Support Stockings' and Increasing Women's Parliamentary Representation in Sweden. Orebro: Orebro Universitet, 1999.

- Caffentzis, C. George. "On the Notion of a Crisis of Social Reproduction." Women, Development and Labor Reproduction: Struggles and Movements. Eds. Mariarosa Dalla Costa and Giovanna F. Dalla Costa. Trenton: Africa World Press, 1999. 152-187.
- Castles, Francis and Deborah Mitchell. "Worlds of Welfare and Families of Nations." Families of Nations: Patterns of Public Policy in Western Democracies. Ed. Francis Castles. Dartmouth: Dartmouth University Press, 1993. 93-128
- Castles, Francis. "Reflections on the methodology of comparative type construction: three worlds or real worlds?" Acta Politica 36.3 (2001): 140-154.
- Clayton, Richard and Jonas Pontusson. "Welfare-State Retrenchment Revisited: Entitlement Cuts, Public Sector Restructuring, and Inegalitarian Trends in Advanced Capitalist Societies." World Politics 51 (1998): 67-98.
- Clement, Wallace. "Exploring the Limits of Social Democracy: Regime Change in Sweden." Studies in Political Economy 44 (1994): 95-123.
- Clement, Wallace and Rianne Mahon. "Swedish and Canadian Perspectives on the Swedish Model." Swedish Social Democracy: A Model in Transition. Eds. Wallace Clement and Rianne Mahon. Toronto: Canadian Scholars' Press Inc., 1994. 1-12.
- Coulson, Margaret, Branka Magas and Hilary Wainwright. "'The Housewife and Her Labour Under Capitalism' – a Critique." New Left Review 89 (1975): 59-71.
- Cox, Robert W. "A Perspective on Globalization." Globalization: Critical Reflections. Ed. James Mittelman. Boulder: Lynne Rienner Publishers, 1997. 21-30.
- Curtin, Jennifer. Women and Trade Unions: A Comparative Perspective. Aldershot: Ashgate Publishing Limited, 1999.
- Daniels, Nancy. "Who's Minding the Kids? Scandinavia's New Forms of Subsidized Childcare." Scandinavian Review (1992 Autumn): 39-44.
- Daune-Richard, Anne-Marie and Rianne Mahon. "Sweden: Model in Crisis." Who Cares? Women's Work, Childcare, and Welfare State Redesign. Eds. Jane Jenson and Mariette Sineau. Toronto: University of Toronto Press, 2001. 146-176.
- Eduards, Maud L. "Women's Participation and Equal Opportunities Policies." Social Change in Sweden No. 41. New York: Swedish Information Service, 1989.
- Elson, Diane. "The Economic, the Political and the Domestic: Businesses, States and Households in the Organization of Production." New Political Economy 3.2 (1998): 189-207.

- Esping-Andersen, Gosta. The Three Worlds of Welfare Capitalism. Princeton: Princeton University Press, 1990.
- . Welfare States in Transition: National Adaptations in Global Economies. London: Sage, 1996.
- . "Towards the Good Society, Once Again?" Why We Need a New Welfare State. Eds. Gosta Esping-Andersen et al. Oxford: Oxford University Press, 2002a. 1-25.
- . "A New Gender Contract." Why We Need a New Welfare State. Eds. Gosta Esping-Andersen et al. Oxford: Oxford University Press, 2002b. 68-95.
- Gstohl, Sieglinde. Reluctant Europeans: Norway, Sweden, and Switzerland in the Process of Integration. Boulder: Lynne Rienner Publishers, 2002.
- Held, David et al. Global Transformations: Politics, Economics, and Culture. Stanford: Stanford University Press, 1999.
- Hemerijck, Anton. "The Self-Transformation of the European Social Model(s)." Why We Need a New Welfare State. Eds. Gosta Esping-Andersen et al. Oxford: Oxford University Press, 2002. 173-213.
- Hirst, Paul and Grahame Thompson. Globalization in Question: The International Economy and the Possibilities for Governance. Malden: Polity Press, 1999.
- Huber, Evelyne and John D. Stephens. "Internationalization and the social democratic model: crisis and future projects." Comparative Political Studies 31.3 (1998): 1-30.
- Jenson, Jane and Mariette Sineau. "New Contexts, New Policies." Who Cares? Women's Work, Childcare, and Welfare State Redesign. Eds. Jane Jenson and Mariette Sineau. Toronto: University of Toronto Press, 2001a. 19-55.
- . "Comparing Childcare Programs: Commonalities and Variety." Who Cares? Women's Work, Childcare, and Welfare State Redesign. Eds. Jane Jenson and Mariette Sineau. Toronto: University of Toronto Press, 2001b. 214-239.
- Kelber, Mim. Women and Government: New Ways to Political Power. Connecticut: Praeger Publishers, 1994.
- Korpi, Walter. "Faces of Inequality: Gender, Class and Patterns of Inequalities in Different Types of Welfare States." Social Politics 7.2 (2000): 127-191.

- Korpi, Walter and J. Palme. "The Paradox of Redistribution and Strategies of Equality: Welfare State Institutions, Inequality, and Poverty in the Western Countries." American Sociological Review 63.5 (1998): 661-687.
- Landes, Joan. "Wages for Housework: Political and Theoretical Considerations." The Politics of Housework. Ed. Ellen Malos. London: Allison & Busby Ltd., 1980. 262-274.
- Lewis, Jane. "Gender and the development of welfare regimes." Journal of European Social Policy 2.3 (1992): 159-73.
- Lindahl, Rutger. "Swedish Public Opinion and the EU." Sweden and the European Union Evaluated. Ed. Lee Miles. London: Continuum, 2000. 97-124.
- Mahon, Rianne. "'Both Wage Earner and Mother': Women's Organizing and Childcare Policy in Sweden and Canada." Women's Organizing and Public Policy in Canada and Sweden. Eds. Linda Briskin and Mona Eliasson. Montreal/Kingston: McGill-Queen's University Press, 1999. 238-279.
- . "Swedish Social Democracy: Death of a Model?" Studies in Political Economy 63 (2000): 27-59.
- Mies, Maria. Patriarchy and Accumulation on a World Scale: Women in the International Division of Labour. Atlantic Highlands: Zed Books Ltd., 1986.
- Mitchell, Juliet. "Women: the Longest Revolution." New Left Review 40 (1966): 11-37.
- Myles, John. "Decline or Impasse?: The Current State of the Welfare State." Swedish Social Democracy: A Model in Transition. Eds. Wallace Clement and Rianne Mahon. Toronto: Canadian Scholars' Press Inc., 1994. 137-166.
- Myles, John. "A New Social Contract for the Elderly?" Why We Need a New Welfare State. Eds. Gosta Esping-Andersen et al. Oxford: Oxford University Press, 2002. 130-172.
- O'Connor, Julia S., Ann Shola Orloff and Sheila Shaver. States, markets, families: gender, liberalism, and social policy in Australia, Canada, Great Britain, and the United States. New York: Cambridge University Press, 1999.
- Olsen, Gregg M. "Half Empty or Half Full? The Swedish Welfare State in Transition." Canadian Review of Sociology and Anthropology 36.2 (1999): 241-57.
- . The Politics of the Welfare State: Canada, Sweden and the US. Don Mills: Oxford University Press, 2002.

- Panitch, Leo. "Reflections on Strategy for Labour." Socialist Register 2001: Working Classes/Global Realities. Eds. Leo Panitch and Colin Leys. Halifax: Fernwood Publishing, 2001. 367-392.
- . "'The State in a Changing World': Social-Democratizing Global Capitalism?" Monthly Review 50.5 (1998): 11-22.
- . "Globalization and the State." Socialist Register 1994: Between Globalism and Nationalism. Eds. Ralph Miliband and Leo Panitch. Halifax: Fernwood Publishing, 1994. 60-93.
- Picchio, Antonella. "Wages as a reflection of socially embedded production and reproduction processes." Paper presented at the International Symposium on Wage Dynamics in the New Europe. Maastricht, 1997.
- Pierson, Paul. "The New Politics of the Welfare State." World Politics 48.2 (1996):143-179.
- . The New Politics of the Welfare State. New York: Oxford University Press, 2001.
- Pontusson, Jonas. "Radicalization and Retreat in Swedish Social Democracy." New Left Review 165 (1987): 5-33.
- Rosenberg, Justin. The Follies of Globalization Theory: Polemic Essays. London: Verso, 2000.
- Ruin, Olof. "The Europeanization of Swedish Politics." Sweden and the European Union Evaluated. Ed. Lee Miles. London: Continuum, 2000. 51-65.
- Ryner, Magus. "Neoliberal Globalization and the Crisis of Swedish Social Democracy." Economic and Industrial Democracy 20 (1999): 39-79.
- Secombe, Wally. "The Housewife and Her Labour Under Capitalism." New Left Review 83 (1974): 3-24.
- Sundstrom, Marianne and Frank P. Stafford. "Female labour force participation, fertility, and public policy in Sweden." European Journal of Population 8 (1992): 199-215.
- Turner, Bengt and Christine M.E. Whitehead. "Reducing Housing Subsidy: Swedish Housing Policy in an International Context." Urban Studies 39.2 (2002): 1-19.
- UN Secretary-General. 1999 World Survey on the Role of Women in Development: Globalization, Gender and Work. 1999.
www.un.org/womenwatch/daw/followup/a54227.pdf

Vogel, Steven K. Freer Markets, More Rules: Regulatory Reform in Advanced Industrial Countries. Ithaca: Cornell University Press, 1996.

Williams Walsh, Mary. "Where Women's Work is Job No. 1." Los Angeles Times 28 September 1996. Annual Editions Comparative Politics 97/98. 15th ed. Ed. Christian Soe. Connecticut: Dushkin/McGraw-Hill, 1997. 115-117.

Winkler, Celia. Single Mothers and the State: The Politics of Care in Sweden and the United States. Boston: Rowman and Littlefield Publishers, Inc, 2002.