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From poor relief to universal rights - On the development of Swedish old-age care 1900–1950

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Introduction

Around 1900 it was common in Sweden that old people in need of maintenance or care were looked after by their children. This arrangement was based on law and tradition. Old people who had no relatives or money of their own could be looked after by the municipal poor relief (Trydegård, 2000). It was unclear whether poor old people had any entitlement at all to support from poor relief, as the individual had no right of appeal. Moreover, the poor relief authorities acted as masters and guardians for the recipients of support, and there was no direct state control of the activities (Edebalk, 1991). The abuses in poor relief were obvious. Half a century later it was decided that all old people should be entitled to a pension and old-age care. Old people were removed from the poor relief system and given a proper place of their own in “the people’s home”, as the Swedish welfare state was called.

This paper examines the development from poor relief to a universal social policy for the aged. This development can be described and analysed from a number of different theoretical perspectives (see e.g. Berge, 1999; Heclo, 1974; Orloff, 1993; Palme 1990; Salminen, 1993). The development of social policy in Sweden is often related to industrialization and the growing political resources of the labour movement. However, it is scarcely possible to understand the development of social-policy measures for the elderly in the first half of the twentieth century without considering the countryside as well. In 1900 the vast majority of the population lived in rural areas. There was a great deal of migration to the towns, but as late as 1930 there were still slightly more people in the countryside than in urban areas. Around the middle of the 1930s there was heavy migration from the countryside, which meant that its importance for the design of social policy was reduced (SOU 1938:15). In this survey I shall use the agrarian sector as the main background factor. The countryside created what were perceived as “social problems”, and it was also a political factor. Changes in the agrarian sector are closely linked to the economic, political, and social changes that took place in Sweden.

The issue of the aged around 1900

In the wake of industrialization and subsequent radical changes to society, the issue of the aged had appeared on the political agenda in many countries around 1900 (Orloff, 1993). In Sweden the question of pensions was first raised by a parliamentary motion in 1884 (Elmér, 1960). This in turn was inspired by the workers’ insurance that was being introduced in Germany. No positive result, however, was reached before the turn of the century.

Around 1900 almost 80 per cent of the Swedish population lived in the countryside. In total there were more than 2,400 municipalities, most of them very small. Swedish poor relief was a municipal concern, and the municipalities had great freedom to organize their poor relief. Various abuses in poor relief began to attract growing attention around the turn of the century. Admittedly, the issue of poor relief had been debated ever since the 1884 motion. Social insurance was intended to reduce the dependence of individuals on poor relief and cut municipal expenses. This financial aspect was very important. Sweden (alongside Norway) had the highest proportion of old people among roughly comparable countries, and the share of the elderly (65+) had increased dramatically, from 4.8 per cent in 1850 to 8.4 per cent in 1900. Factors behind this development included reduced infant mortality at the start of the nineteenth century and emigration at the end of the century. By comparison with other countries, the Swedish age structure was unique, and Sweden had roughly twice as large a proportion of old people as, for example, Britain and Germany. Poor relief was financed with local taxes, and for many small rural municipalities the expenses for poor relief were a heavy burden. This contributed to the unsatisfactory state of municipal poor relief.

For the poor who were in need of care, four forms of support could be offered, especially in the countryside: boarding out (which showed its worst sides when the old person was no longer able to take part in the day-to-day work), auctioning out (whereby those who requested the lowest payment from the

municipality, often other poor people, became “care providers”), ambulatory care (whereby the recipients of care had to move from one farm to another), and institutional care (poorhouses and workhouses in which different kinds of inmates were mixed: the old and feeble, the chronically ill, mentally ill, orphans, alcoholics, etc.). There was a distinct tendency in the forms of support: institutions were growing in importance.

Despite the inadequacy of the care of the aged, there was faint political interest in reforming poor relief. There were occasional parliamentary motions dealing with various abuses, such as auctioning out and the uneven municipal burden of poor relief (Edebalk, 1991). The motions called for partial reforms, but without result.

Around 1900 there were a number of organizations and movements pursuing different social issues. Two important examples are the trade union movement and the temperance movement. There was no comparable organization for the issue of poor relief. Just after the turn of the century the issue was taken over by the “Poor Relief People” (Lundquist, 1997). This group included some leading figures in the Central Association for Social Work (Centralförbundet för Socialt Arbete, CSA). In 1904 the CSA received a large private donation which was to be used for an inquiry into the poor-relief issue. The CSA set up a committee which devoted two intensive years to the study of poor relief in Sweden. Before a definitive proposal for reform was presented, the committee arranged a congress about poor relief in Stockholm in October 1906.

The poor relief congress of 1906

The poor relief congress assembled no fewer than 936 delegates (Palmstierna, 1907). This congress was the starting signal for a major offensive on social policy in Sweden. The pension issue was on the agenda, of course. The congress declared that an appropriate pension system should be introduced in Sweden. A great deal of time was devoted to poor relief, and the congress made a powerful statement in favour of a complete reform of the system.

The inquiry by the Poor Relief People starting in 1904 resulted in a report on desirable reforms of Swedish poor relief, presented in 1907. Here, as in lectures and statements at the congress, their ideology of social policy is seen clearly (see also Lundqvist, 1997). Abolishing poverty was viewed as being ultimately a matter of fostering the people. This meant, for example, that a standard benefit without the obligation to do something in return was not to be a part of social policy. From this it followed that social insurance, one aim of which was to reduce the expenses of poor relief, was to be designed strictly as a form of insurance. For old people in poor relief, a reform was supposed to entail that the individual was clearly entitled to poor relief. In addition, ambulatory care and auctioning out were to be prohibited. It was suggested that the right to act as legal guardian of recipients of poor relief should be eliminated and a state poor relief inspector was to be appointed. Institutional care was to be given a thorough boost and the mixing of different clienteles was to cease. It was suggested that this take place by making the county councils responsible for providing institutional care for the mentally ill and chronically ill (Edebalk, 1991).

The poor relief congress represented a powerful opinion on social policy that included a reform of the system of maintenance and care for the elderly. In accordance with the demands of the congress, two government inquiries were set up in 1907. One committee was to examine a reform of legislation on poor relief. Three of eight members of this committee represented the Poor Relief People. The other committee was to investigate old-age insurance.

The general pension insurance of 1913

The committee on old-age insurance presented its report at the end of 1912 (Ålderdomsförsäkringskommittén, 1912) and after speedy treatment by the government and parliament, a decision was taken in May 1913 by a virtually unanimous parliament (Proposition 1913:126).

The general pension insurance essentially comprised the entire population. A pension was to be paid to anyone incapable of working on account of invalidity or having reached the age of 67. The insurance consisted of two parts:

1. A contribution pension, financed by national insurance contributions corresponding to taxable income. The size of the pension was related to the value of the contributions paid.
2. A tax-financed, means-tested supplementary pension, to be paid to those with little or no contribution pension. The aim of the supplementary pension was the quick removal of invalids and old people from poor relief.

How can we understand why the solution was a universal pension and why the chosen model was a contribution pension? In the discussions and suggestions that had been in the air since the 1880s we can distinguish some alternative main models (Edebalk, 2000). Two of these can be regarded as unrealistic. One was a state-subsidized voluntary insurance, similar to that found in countries like Belgium, France, and Italy. Experience had shown that a voluntary insurance was very limited in scope and that it was scarcely those in greatest need who insured themselves. A pension insurance therefore had to be compulsory. The other model was a universal, tax-financed flat-rate pension. It was not financially possible to provide such a pension of a reasonable size, and there was no such model in any country at this time. Two main alternatives which can be regarded as realistic were discussed:

1. The German model, introduced in 1889, was a part of Bismarck's workers' insurance. The insurance comprised workers and was financed (with some state support) through employers' and employees' contributions. The contributions were related to wages, and the pension corresponded to the value of the contributions paid. The German model was thus an insurance.
2. The Danish model from 1891 was a benefit system with standard disbursements which did not have the character of poor relief. The system was administered by the municipalities and was financed half-and-half by the state and the municipalities. Pensions were paid to "deserving" old people after a means test. A variant of the Danish model was introduced in Britain in 1908, where pensions were tax-financed and means-tested.

There are many examples of forces that may have driven the emergence of social insurance. During the thirty years that had passed since 1884 Sweden had undergone rapid economic development. Industrial growth was vigorous, especially from the 1890s onwards. Industrial workers were organized in trade unions and politically active in the labour movement, demanding social rights instead of the humiliation of municipal poor relief. Economic development was accompanied by social and political changes, and 1911 saw the introduction of general suffrage for men. This brief outline of development may help to explain the fact that a pension system was introduced, but it does not tell us why the chosen model was a universal contribution pension as opposed to one of the alternatives mentioned above.

As regards factors affecting early decisions on social policy, it is common to refer to Sweden's agrarian structure (see e.g. Baldwin, 1990; Elmér 1960). Swedish farmers had a strong political influence; according to a study of the second chamber of parliament in 1912, some 67 per cent of the members lived in the countryside and 45 per cent were farmers (Sköld & Halvarson, 1966). The farmers had an interest in reducing the burden of poor relief on rural municipalities, but they were also unwilling to pay employers' contributions for their employees' pensions. Another important factor here is that the Social Democratic Party wanted to extend its electoral base and appeal to ordinary rural people. Many old people in the countryside would not be embraced by a Bismarck model. Rural interests therefore could not advocate the German solution. As for the possibility of financing old-age pensions, there were other crucial differences between Sweden and Germany. Bismarck had first tried to introduce a tax-financed workers' insurance in Germany (Toft, 1996), but the politically strong member states (Länder) refused to accept this. The only possibility then was to oblige employers and workers to pay contributions. Unlike Germany, Sweden had a relatively strong central government, where the farmers had a great political influence.

A Danish or British model could be possible, however, since this was means-tested and thus comprised all poor people. We must go one step further to understand why the alternative of a universal contribution pension was selected instead of these models.

A factor of probable importance was the special demographic situation in Sweden. Demographic development in combination with industrialization and urbanization, as we have seen, created serious financial problems for many rural municipalities. This led to demands for state measures to level out or reduce the burden of poor relief, which raised the issue of municipal tax equalization (Andersson, 1995). It proved difficult, however, to achieve a parliamentary decision on this. National pension insurance, on the other hand, was viewed as a possibility for alleviating and levelling out the burden of poor relief.

Another factor to bear in mind is the possibility to finance any pension system. All other things being equal, a national pension insurance in Sweden would be much more expensive than in other countries because of the demographic situation. A Danish or British model, purely financed by taxes, could therefore not be accepted.

A new potential method of finance came with income tax. As Sweden developed economically, incomes became subject to taxation. In 1902 a progressive state income tax was introduced. With it came the declaration of income. This made it possible to determine income and hence taxes and employees' contributions based on income. This way of financing pensions had not been possible in previous discussions of pensions. The new employees' contributions can thus be viewed as an "earmarked" tax and as part of the tax policy. This allowed a certain levelling out of poor relief expenses between municipalities. It was thus an early form of inter-municipal tax equalization.

The opinion of the Poor Relief People about the design of a pension system had been clearly expressed at the 1906 congress. Pensions were to be a form of insurance, and of the various models under consideration it was the German one that satisfied this condition. When the committee on old-age insurance presented its report in 1912, the Poor Relief People started a vigorous campaign against it (Edebalk, 1996). The campaign was mainly aimed against the supplementary pension, which was contrary to their ideology of fostering the people. The means-tested supplementary pension, in their opinion, would reduce the will to work and save. They also vehemently objected to the suggestion that "undeserving" people should receive a pension. This group included work-shy people, parents who failed to provide for their families, and others guilty of asocial behaviour.

The general pension insurance led to a cut in poor relief. The reform was calculated to free about 80,000 old people from poor relief (Ålderdomsförsäkringskommittén, 1912).

The care of the aged and the reform of poor relief in 1918

The Poor Relief Committee submitted its report in 1915. The committee essentially formulated its proposals in accordance with the demands of the Poor Relief People (Fattigvårdslagstiftningskommitténs betänkanden, 1915). The final decision by parliament in 1918 largely followed the committee's proposal (Proposition 1918:135). The reform extended the scope of compulsory poor relief, it introduced the right of appeal, and it abolished the right of poor-relief authorities to act as masters and guardians of recipients with legal capacity. A post as state inspector of poor relief was to be established, and ambulatory care and auctioning out were prohibited. One of the most important aims of the reform was to improve institutional care. It was now declared that each municipality was to have an old people's home and that this should be achieved within ten years. Municipalities were also given the option of running an old people's home together with other municipalities.

Municipal old-age care was thus to consist of old people's homes. These were to exist for what could be called "normally ageing" individuals. The Poor Relief People had therefore demanded that the state should expand mental health care and that the county councils should become the responsible authorities in the care of chronically ill people. The question of the county councils' responsibility was part of the 1918 reform, but it was only half a victory. The county councils were to pay part of the costs but were not obliged to run nursing homes.

The reform of poor relief was not a controversial political issue. The system was generally considered to be in need of reform. It was the Poor Relief People who had propelled the initiative, and now old people's homes were to be built all over the country.

The situation around 1920

Even before the poor relief congress in 1906, but especially after it, two ideologies of social policy had emerged. According to one of these, represented chiefly by the Poor Relief People, a more humane system of poor relief was supposed to be an important part of social policy. Individual needs for support were to determine the measures provided, and social benefits had to be designed as insurance.

According to the other ideology, poor relief was to be more or less eliminated. Some of the inspiration came from the Webbs' "Minority Report" (Webb & Webb, 1909). This new ideology had an overwhelming victory in the pension struggle of 1913. Although the general pension insurance had its defects and the rates were low, the course was clearly staked out. It was explicitly stated that improvements would come (Elmér, 1960). The triumph of social insurance is also evident from a decision to introduce an insurance against occupational injuries in 1916, and the appointment of a new committee to inquire into social insurance in 1915. This was to make proposals for a general sickness insurance and unemployment insurance (Socialförsäkringskommittén, 1919). However, this inquiry did not lead to any immediate positive effects, chiefly because of the serious deflation crisis that broke out at the start of the 1920s, with subsequent high unemployment.

The significance of the agrarian sector for the reforms in elderly policy is striking. The introduction of social insurance is often ascribed to industrialization and its social consequences for the emerging working class. Industrialization is of course an underlying factor in the Swedish development. In the German social insurance of the 1880s the first component to be introduced was sickness insurance, which became the foundation; it was followed by insurance against occupational injury and pension insurance. This can be regarded as a logical build-up. In Sweden the construction of the social insurance system began "from behind", first with pension insurance instead of sickness insurance. The oddity of this approach is that the pension insurance included an invalidity insurance (an early retirement pension). Before this kind of insurance is introduced there should really be a general sickness insurance to cover shorter periods of illness. The institutions of sickness insurance can then help to prevent and alleviate processes that lead to more chronic states of illness, and also refer people with occupational injuries and chronic illnesses to insurance against industrial injuries and invalidity. The construction of the system in reverse can be ascribed to the significance of the agrarian sector. It was chiefly in the countryside that the problems existed, besides which, to a large extent, that was where the voters and members of parliament lived.

The 1910s saw the establishment of two principles that were to be essential for future Swedish social policy. The first principle was universalism. The general pension insurance incorporated a completely new outlook on social rights. Social policy was not to be geared solely to the poor but to all citizens.

The other principle was municipal responsibility for old-age care. When the matter was being treated by parliament in 1918, however, some doubt was expressed as to whether the small and financially weak municipalities would succeed in reforming their old-age care (Protokoll FK 1918:32 and AK 1918:52). The fact that the municipalities were accepted as responsible authorities can be interpreted from different perspectives. The farmers, of course, wanted to maintain municipal self-government. The main argument was that the people in charge of the municipalities knew the inhabitants and did not need troublesome inquiries to determine whether help was needed. Municipal responsibility was also believed to be an incentive to cost efficiency in poor relief.

The pension issue 1920–1948

A recession at the start of the 1920s led to a depression that became particularly serious for Sweden in that the international slump coincided with a domestic policy of deflation. The situation was at its worst

in the winter of 1922, when unemployment exceeded 30 per cent according to trade union statistics (Ohlsson & Olofsson, 1998). Even when the depression lifted, unemployment remained high for the rest of the 1920s. In accordance with the contemporary demand for a balanced state budget, economic policy was constantly characterized by calls for cutbacks.

Decades were to pass before the contribution pension of 1913 was to have an acceptable effect in terms of social policy. The pensions that were paid out therefore essentially came from the means-tested supplementary pension. Amounts were low, and above all in the towns the old-age pensioners were forced to supplement their pension with poor relief. In 1928 the Social Democrats proposed a motion for an inquiry into the pension issue (Motion FK 1928:169). The primary reason was that poor relief was regarded as an “undignified” form of assistance for pensioners. A committee was set up to inquire into the matter, and its report (SOU 1934:18) served in large measure as a foundation for pension reforms in 1935 and 1937.

What was new about the 1935 pension reform was that the contribution part (what may be called the insurance component) was toned down and came to be called a folkpension, indicating its universal character. A new principal was that the supplementary pension was to be graded according to the local cost of living, that is, with higher pensions in the towns and lower in the countryside. Opposition to this in parliament mainly came from the farmers (Hedlo, 1974). This grading was therefore not introduced, but the Social Democratic minister of social affairs, Gustav Möller, promised to return with a new proposal for cost-of-living indexing. This happened the following year (Proposition 1936:182). Once again the bill was defeated, the government resigned, and in the subsequent election campaign the agitation in favour of cost-of-living indexing for pensions played a prominent role. After a Social Democratic election victory in 1936, parliament passed an act to introduce cost-of-living indexing for pensions in 1937 (Proposition 1937:15). The result was a considerable improvement for urban pensioners. Despite this, about 30 per cent of pensioners annually received poor relief in the period 1939–47 (Elmér, 1960). The proportion of pensioners who also received poor relief was roughly twice as high in the towns as in the countryside.

The discussions of social policy in the 1920s were to a large extent influenced by the severe unemployment and the demands for economies that prevailed even after the deflation crisis had been overcome. Then came the great depression at the very start of the 1930s. In connection with this and after a Social Democratic election victory in 1932 there was a revision of social policy, with investments in employment policy, a social housing policy, minor reforms to social insurance, and so on. Developments in social policy in the 1930s were not quantitatively impressive, but social policy became more diversified. This affected poor relief, and its position within the total social-policy system became a burning topic. At the start of 1938 the Social Care Committee was set up with a broadly based mandate to inquire into social policy.

In 1945 the Social Care Committee presented its report on pensions (SOU 1945:46). Three alternatives were presented. What they had in common was that pensions were to be financed by taxes and the level was to be so high that pensioners would not need any supplement from poor relief. In the first two alternatives the pension was to be subject to a means test, while according to the third alternative it would be a flat-rate pension, the same for everybody. A flat-rate pension was also a feature of the Beveridge Plan in Britain (Beveridge, 1942), which attracted a great deal of attention in Sweden (Olsson, 1990). The main argument for means-tested pensions was to save money for the state. The flat-rate pension was more expensive for the state but would be much easier to administer. In addition, a flat-rate pension would not have a negative effect on the incentive to work and save.

An interesting debate followed the publication of the report (Elmér, 1960). It was about the principles of whether everyone, including well-off people, should receive the pension, as this would entail higher expenses for the state. The minister of social affairs, Gustav Möller, was a firm advocate of flat-rate pensions and a leading representative of the principle of payment that is usually called Citizen's Rights. Other leading Social Democratic members of the government were initially negative, chiefly the finance minister. Möller's line prevailed in the government, but only after both the Conservatives and the Agrarian Party had decided in favour of the flat-rate pension. In 1946 a virtually unanimous parliament passed the new law on the state pension (Proposition 1946:220). There were various supplements to the

pension, including a means-tested housing supplement linked to a local cost-of-living index. The 1946 pension reform was the world's first universal social insurance based on Citizen's Rights (Kohl, 1993).

The care of the aged 1920–48

The construction of the new old people's homes began sluggishly. The severe deflation crisis in the early 1920s and high unemployment during the rest of the decade created a serious economic situation for the municipalities. Parliament decided to grant a general reprieve of a couple of years for the completion of old people's homes, and by the start of the 1930s every municipality had its own old people's home or a share in one. According to a study conducted in 1938, there were 1,410 old people's homes in Sweden outside the three biggest cities, 1,302 of these in the countryside. The majority of the old people's homes were small (SOU 1940:22).

In quantitative terms, then, the 1918 reform had been a success. A serious problem, however, was the mixture of clientele. An important condition when the reform was decided was that the care of the mentally ill and chronically ill would be expanded. This did not happen, largely because of the strained economic situation between the wars. The problems of care for the chronically ill were moreover due to the fact that there was no principal with the specific responsibility, as the municipalities had in the case of old people's homes. And in mental care, where the state was the responsible authority, the shortage of places was dire. The 1938 study stated that only two thirds of the residents in old people's homes belonged to the intended target group. Fourteen per cent of the residents were in need of mental care, about five per cent were chronically ill and in need of some other form of care, and a slightly larger share were permanently bedridden. A smaller group of care recipients were designated as "intractable or disturbing to others".

The fact that many old people's homes were small exacerbated the problem. Small homes did not have the same potential to set up separate departments. The small homes, and hence the small municipalities, had other serious deficiencies as well. It was difficult, not to say impossible, to recruit competent staff, especially in areas undergoing depopulation, and there was hardly any question of providing "care". Working conditions did not attract staff. The superintendent had to be available around the clock, in principle, and in the small homes it could be a problem to give staff relief or holidays or to find temporary replacements.

Old people's homes were a part of the poor relief system and were thus supposed to look after old people without means. More well-to-do people thus had no access to public old-age care in principle; they were considered capable of finding their own private solutions (e.g. employing domestic servants or living with their children). The possibility of using private solutions, however, decreased in the inter-war years, partly as a result of migration from the countryside. Old people with a good economy but in need of care began to move into old people's homes and paid for their keep there. About 17 per cent of the residents of old people's homes belonged to this category at the start of the Second World War (SOU 1946:52).

The ongoing urbanization in the inter-war years exacerbated the problems of the old people's homes. At the start of the century the majority of the population lived in the countryside; in 1940 the rural population was in minority. One effect of this was that the number of small municipalities increased, and by 1940 almost half of the municipalities in the country had fewer than 1,000 inhabitants (SOU 1942:56). The Social Care Committee thought that the most rational thing would be a new municipal division so that each municipality would have at least 3,000–4,000 inhabitants. This was assumed to correspond to an old people's home with at least 25 places. The minister of social affairs, Gustav Möller, quickly set up a new committee which published a report on a new municipal division in 1945 (SOU 1945:38). Parliament voted in favour of this the following year, and the new municipal division was to apply from 1952. This was an important precondition for a future reform of old-age care. Another important condition was the decision by parliament in 1946 to introduce an old-age pension.

In 1946 the Social Care Committee published a report on old people's homes (SOU 1946:52). A reform was required as a result of the broadening of other forms of care. The expansion of care for the mentally ill, the mentally handicapped, and the chronically ill would of course take some considerable time. It was therefore urgent that the government should draw up the guidelines at once. Through the

new old-age pension, in principle no pensioner would receive support in the old sense of poor relief. The old people's homes should therefore, according to the committee, cease to be homes for the poor and instead be open to all old people in need of care, regardless of their private economy.

In the proposed old people's homes, the majority of the rooms were to be single rooms. It would also be possible to bring one's own furniture. Another important aspect of quality concerned the size of the old people's homes. The number of places was not to be under 25. This would make working conditions more attractive and positive for staff recruitment.

According to the Social Care Committee, there was a latent need for care in old people's homes. A large expansion programme was planned in view of the growing number of old people. To stimulate the expansion, a state grant was therefore to subsidize building costs. The need for places was estimated at roughly ten per cent of people aged over 65, or more than 70,000 places. This would mean almost tripling the existing number of places in old people's homes.

On the basis of the committee's report, the minister of social affairs presented a bill to parliament in 1947 (Proposition 1947:243). The new guidelines were adopted by a unanimous parliament. The implementation of the guidelines would eliminate the poor-relief character of old people's homes. The quality was to be so high that the homes would be attractive to everyone and the quantity sufficient to provide places for all those in need of care. The fee played an important role. By paying a fee (admittedly a low one) the old person could be regarded as a "guest" in roughly the same sense as in a boarding house.

The Poor Relief People had been active in achieving the 1918 poor-relief reform. Behind the 1947 guidelines we find the successors and ideological heirs of the Poor Relief People, what we can call the "Social Care Establishment" (Edebalk, 1991). These people occupied posts and represented organizations that can be linked to the CSA. Like the Poor Relief People they were stubborn and committed, moulding opinion and vigorously promoting their cause. Yet another similarity to the Poor Relief People was that they were socially well-established urban people, who wanted to improve conditions for the old, especially in the countryside. They were decidedly paternalistic, "knowing" what old people needed and "knowing" that they would appreciate the new old people's homes.

Old people and the welfare state

The decisions by parliament in 1946 (old-age pension) and 1947 (old people's homes) were in line with the prevailing ideology of social policy in Sweden. All citizens were to be embraced, and the measures were to be the same for everyone, regardless of their economic circumstances. Essentially the measures were all to be financed through general taxes.

The idea of universality in 1913 was based on Sweden's agrarian structure. It is just as obvious that the tax-financed flat-rate pension that came into force in 1948 particularly favoured the rural population as regards income redistribution. The attractiveness of tax-financed flat-rate pensions to rural interests is also evident from experiences abroad (see e.g. Kangas, 1989). The old-age pension in Sweden, however, also appealed to more urban interests, such as the trade unions and employers' organizations. What they liked was the relationship to occupational pensions (Harrysson, 2000). A flat-rate pension, unlike a means-tested pension, would be paid irrespective of company-financed pensions and would be easier to coordinate with occupational pensions.

Old-age care was synonymous with old people's homes. This was obvious to the Poor Relief People and the Social Care Establishment. Once the process was under way – and here the 1906 poor-relief congress can be viewed as a starting date – no alternative to old people's homes could be envisaged in old-age care. Poor old people then had substandard housing, if they had a home at all, and non-institutional old-age care included ambulatory care, boarding out, and auctioning. The ideology of old people's homes lived on in people's minds. This is clear from the 1946 report, the comments by the consulted bodies, and the treatment in parliament. The old people's home was so taken for granted that no reasons needed to be stated in favour of it. If they were stated, the reasons involved raising the quality of old people's homes, for example, by eliminating the mixture of clienteles and getting rid of the small homes.

One may wonder why the guidelines of 1947 only comprised old people's homes and not home help for the aged. There was no explicit discussion of home help. It does not take much imagination, however, to understand why this was the case. There was a strong foundation for old people's homes in agrarian Sweden. Depopulation of the countryside was rapid between the wars, and especially fast from the middle of the 1930s. The effect was a surplus of old people and a deficit of women in the countryside. Yet it was not just that most old people lived in the countryside; many homes there were hopelessly old-fashioned, lacking running water, sewage, and electricity (SOU 1945:23). In these conditions it would surely have been impossible to recruit people to home help. Distances were large (and car ownership was not yet widespread), and there would have been a great deal of practical work in substandard homes. Huge numbers of staff would be needed. The cohorts of young people from the 1930s who were expected to enter the labour market were small; this was a consequence of very low birth rates in the 1920s and 1930s. With the good state of the labour market prevailing after the Second World War, competition was hard for the newcomers to the job market. Home help for old people would not be able to compete with jobs in the towns. Home help was therefore not discussed at all.

With the old people's homes of 1947 it was different. They were to have modern, well-equipped premises, and would be relatively large compared to the old ones. Consequently, they could offer an attractive working environment and attractive schedules. This would facilitate recruitment. The new old people's homes would thus be better both for the old people and for the staff, and relatively few carers would be able to help relatively many old people.

The social policy pursued in the years immediately after the Second World War can be called "People's Home policy". Social policy was to be universal, with undifferentiated measures. Old people would all receive the same pension regardless of their economic situation, and the new old people's homes would satisfy the needs for care. It is not the reforms from the mid-1940s that are the most important reason for Sweden's reputation as a model state in the field of welfare policy (Olsson, 1990), for it was not until the 1950s that social policy became more differentiated. That was when what is normally called the "welfare state" was developed.

In 1959 the old-age pension gave the incentive for a compulsory general supplementary pension (ATP) based on the income replacement principle. It is significant that rural interests instead wanted to see a rise in the old-age pension plus voluntary supplements. This compulsory supplementary pension is an example of the development towards the income replacement system in social insurance.

In old-age care the years around 1950 saw an ideological conflict between the author Ivar Lo-Johansson and the Social Care Establishment (Gaunt, 1995; Jönsson, 2001). This was the first time that old-age care was the subject of an open debate. The result was a victory for Lo-Johansson's idea of "home-care instead of care-home". Home help began to be developed in the towns, starting in 1950. Home help was based on other circumstances than those the Social Care Establishment proceeded from. Better and more modern housing, especially in built-up areas, made it possible for old people to stay on in their own homes, and could provide a reasonable work environment for the staff. And how could home helpers now be recruited at the start of the 1950s? The answer essentially lay in more modern and more easily tended homes and progress in domestic technology. This gave the conditions whereby housewives could spend part of their day working in old-age care, revealing a large concealed labour reserve. Home help expanded vigorously, and unlike the old people's home it did not have the taint of poor relief.

Social policy is, of course, not static. During the period treated here the ideas of the People's Home became a reality. For old people the design of the policies had an agrarian basis. The growing importance of urban considerations and interests is evident, for example, from the conflict about the indexing of pensions according to the local cost of living in the 1930s (see e.g. Åmark, 2005). The tension between urban and agrarian, between expansion and recession, was sharpened. It is in this tension that the social policy of the 1940s was enacted. In the 1950s urban interests increasingly dominated the design of social policy. The definitive breakthrough of home help for old people and the income replacement principle illustrates this.

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