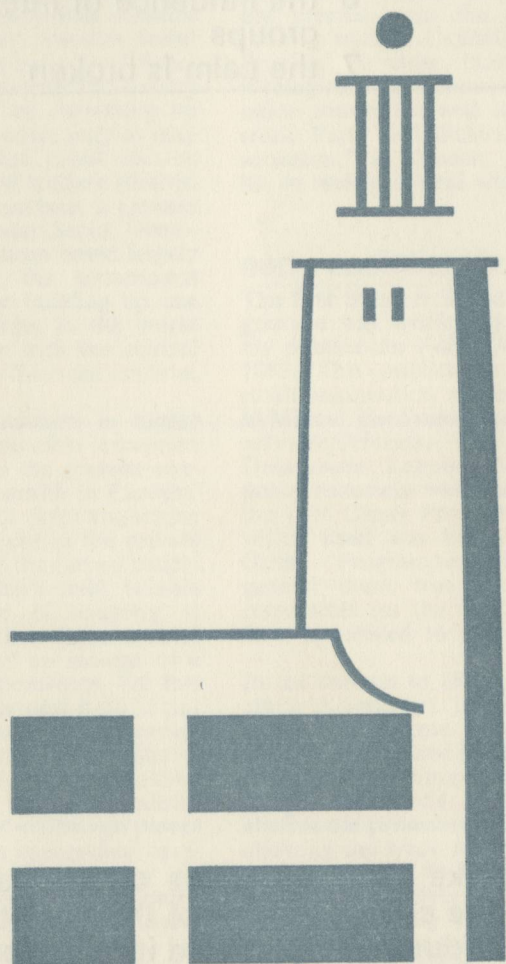


Sweden: the myth of socialism

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contents	1	the early days	1
	2	the years of change	8
	3	socialist debates of the 'twenties	11
	4	the depression years	18
	5	the SDP today	25
	6	the influence of interest groups	30
	7	the calm is broken	33

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1. the early days

Much is written of Swedish "socialism." The Social Democratic Party, which has held political power continuously since 1932 (with the exception of a three month period in 1936), prides itself on the party's "pragmatic" approach to politics. Dogmatic socialism has been totally rejected; old "isms" are viewed as meaningless; and "realistic" political programmes take precedence over ideology. Nevertheless, the Social Democratic Party does consider itself to be a socialist party. Swedish Social Democrats define "pragmatic" or "functional" socialism as meaning that society regulates the functions of ownership by laws concerning what owners may or may not do. Such a definition could also be used to describe a liberal welfare (that is, capitalist) state. On the surface, it appears that Swedish politics under Social Democratic governments has been based largely on a tacit agreement; the government would concentrate upon building up one of the best welfare states in the world but would not interfere with the control over industry of private financial empires.

Sweden's economic structure is highly capitalistic. With the possible exception of Belgium, Sweden has the greatest concentration of inherited wealth in Europe: 17 owner groups control firms employing a fifth of all wage earners in the private sector, and 5 per cent of the richest people have a third of Sweden's total taxable fortune; 94 per cent of industry is privately owned. Less than 6 per cent of all persons in receipt of an income own shares in Swedish corporations. Of this figure, slightly over 7 per cent hold 65 per cent of the total personal share ownership; two thirds of this share value is held by 0.2 per cent of the population. One may safely state that the business community's freedom of action and power positions have not been encroached upon in "welfare Sweden." Businessmen remain completely free to invest as much as they like, in what they like and to locate plants where they like, subject only to the market forces under which they work.

The welfare state in Sweden has brought about no levelling out or equalisation of income. Since the mid-fifties the gaps in income between different groups of

earners have tended to widen. The image of the modern welfare state as "levelled out" and "classless" is exaggerated; the history of Sweden's welfare state refutes such images emphatically. In an economy where 80 per cent of the earners take home only half of the income, it would be absurd to suggest that income equalisation had progressed very far in Sweden. 40 years of socialist led government have not created even the beginnings of a socialist society. Capitalism is thriving in Sweden. A close examination of the ideological development of the trade union movement and the Social Democratic Party will illustrate the "myth of socialism" in Sweden, showing both to be, in reality, liberal welfare movements.

early socialist thought

The first Swedish Social Democratic programme was written by August Palm in his publication *Folkviljan*, in November 1882. This publication represented the small organisation which Palm established in Malmö, the *Svenska socialdemokratiska arbetareförbundet* (the Swedish Social Democratic Labour Union). This first policy statement was basically founded on the 1876 Gimle Programme of Denmark, which itself was based on the German Gotha Programme of 1875. Palm's general thesis was that the worker is responsible for the wealth in society and, thus, is entitled to the profit or surplus.

In the autumn of 1885, the Social Democratic Association in Stockholm worked out a programme which, in February 1886, was published in *Social Demokraten*. Among other things it declared that the Social Democratic Party's goal was to abolish the present method of production, allowing the work resources (the existing private capital) to become the common property of society. It was argued that this was the only way to guarantee the worker full recompense for his work. *Social Demokraten* introduced other points into the programme. Among these was the belief that all profits should be redistributed among the workers, and that the state should control production with the resources of production owned by the state.

Eleven years later, at the fourth party congress, the Swedish Social Democratic Party adopted its own programme, which had as its base the Erfurt programme of 1891. This was largely the work of Axel Danielsson and approximately half of it was devoted to party ideology. Danielsson stated that the Social Democrats differed from other political parties in that they wanted to reform completely the economic organisation of bourgeois society, and realise the social liberation of the working class. If the Social Democrats possessed public power, it was argued, the party could *gradually* transfer to public ownership all the means of production.

To understand the ideological development of the young Social Democratic Party it is necessary to know the essential features of the movement's character. First and foremost, **the movement was for a long time quantitatively insignificant**; when the party was founded in 1889, membership did not exceed 3,000. During the following years the rise was slow; in 1892, it was 5,600; in 1895, over 10,000. It was around the turn of the century when growth advanced more rapidly. Hjalmar Branting was the party's first representative in the Riksdag, elected in 1896, but it was another six years before any other Social Democrat was elected. During the late 'nineties and early 1900s, the Social Democratic Party was transformed from a movement, which comprised a small portion of the country's workers and craftsmen, into an important political party which was representative of a large proportion of the working class.

Five men who dominated the party's debates and discussions over theory and ideology were: Hjalmar Branting, F. Sterky, F. V. Thorsson, Axel Danielsson and August Palm. For a long time they were in charge of the party's main publications: Branting headed *Social Demokratien*, in Stockholm, (with the exception of a period from 1892 to 1896); Danielsson was in charge of *Arbetet*, in Malmö, from 1887 to 1899; and Sterky ran *Ny Tid*, in Göteborg, from 1892 to 1898. August Palm, who introduced the idea of social democracy to Sweden, edited *Folkviljan* for several years. The socialist

theoreticians of Sweden were not original, relying heavily on ideas from continental Europe, especially from Germany. Most Swedish socialists used as their foundation the writings of Karl Marx.

Almost from the beginning of the Swedish socialist movement, there was a strong interest in bringing about social reform within the existing state framework. This, to a certain extent, resulted from the influence of Lassalle. In October 1886, Branting gave a speech on the subject of "why the workers movement must be socialist." In this speech Branting was most critical of the "Manchester Liberals" and the capitalist economic system. "It is the modern working class's large historical task to prepare for the transition to a socialist society . . . Even if the liberal programme of universal suffrage, a republic, only direct taxes, and social reforms such as a shorter working day and state insurance for all, were realised, it would be insufficient. The main problems, the unequal distribution of wealth, mass poverty and unemployment would still remain. Liberalism leads to formal but not real freedom for the worker." The party debate over whether the transition to a socialist state would be by revolution or evolution was, during the late 'nineties, decided in favour of the latter. The Social Democrats wanted to become the political organisation of the working class, using their numbers to gain political power and control; and then to transfer control of the means of production to the working class. The early Social Democrats also constantly spoke of the need for equalisation of incomes, so that no one had larger opportunities than others because of economic wealth or social position. Different classes would thereby disappear.

In Sweden, during the 'nineties, there was a revision of, or a movement away from pure Marxist theory. This was due, partly, to experiences and developments within Sweden itself, but more to the influence of the German critics of Marx; especially the criticism of Bernstein. From the late 1880s to around 1897, Axel Danielsson used the Marxist dialectic and logic as the basis for his writings. By 1897, he had begun to write of the value

of social politics and to question Marxist dialectics. Branting had used Marx's writings as the basis for his views since his speech of 1886. Then, in a series of articles in 1895, he expressed certain reservations about Marx's prognosis. The growing strength of the working class and Branting's growing belief that this power could be used to bring about fundamental changes in society (he was elected to the Riksdag with Liberal support in 1896) was a main factor in his revision of Marxist thought. He came to rely heavily upon Bernstein's criticisms of pure Marxist theory. He began to stress the point that there was not, nor could there be, one simple formula for transforming society into a socialist state. By the late 'nineties any idea of inevitable social cataclysm disappeared and the emphasis began to be placed on social reformism.

Some of Branting's speeches in the Riksdag during the latter part of the 'nineties gave the first signs of the revisionist lines the Social Democrats would take; in these he stressed that the Social Democrats would be a parliamentary party. During this period Branting came to think that state control of the essentials, such as banks, communications and mines, would be sufficient. Class warfare could be avoided by working class victories at the polls and the passing of social welfare measures. The Social Democrats and the working class could use welfare reforms as a first step towards social equality.

For a short time, at the beginning of the 'nineties there was an anarchist movement which made some impact in Sweden. The main spokesman for this movement was Hinke Bergegren, who in a weekly publication *Under Röd Flagg* (March to June 1891) and at a number of meetings in 1890 and 1891, developed the movement's ideas. Hinke Bergegren called for a change in the tactics of the Social Democrats. He was highly critical of the growing tendency to work for social welfare reforms within the system and the view that such reforms would lead to a socialist state; he rather viewed such reforms as a means of strengthening the capitalist state and weakening the workers' movement. Bergegren stated his case at

the 1891 party congress, but was opposed by Danielsson, Sterky and Branting. A resolution was eventually passed by the congress declaring that the Social Democratic Party condemned the undemocratic policies of the anarchist movement. This resolution was passed, however, by only 28 votes to 11, with 12 abstentions and one absent. The minority voted for a resolution calling for the abolition of the class society and wage system, stating that all who work towards this goal must be supported whether they call themselves anarchists or another name. The anarchists were not expelled from the party, but the 1891 congress was the last time an anarchist movement played an important rôle in the party's development. From 1885 to 1900 the ideological debate saw a continuous trend towards reformism. The Social Democrats became less dogmatic, and began to question, as well as place reservations on strict dialectics. The demands and means were modified, but the goal (society owning the means of production) remained the same.

the formation of LO

The first trade union in Sweden was the union of typographers, founded in Stockholm in 1846. In reality this organisation functioned more as a guild than a trade union during its first 25 years, but it was an interest group which was easily transformed into a trade union. The bookbinders of Stockholm formed a trade union in 1872; but it was not until the 1880s that the trade union movement began to exert itself, mainly due to the fact that industrialisation came later to Sweden. During the 1880s several trade unions were formed, mainly in southern Sweden where the influence of the Danish trade union movement was felt, and in central Sweden around the Stockholm region. A more dramatic stimulus for trade union organisation came on 26 May, 1879, when a large scale strike broke out at saw mills in the Sundsvall district; 4,000 unorganised workers participated in this stoppage. An economic depression had hit Sweden and the employers wanted to reduce wages by 15 to 20 per cent. As the workers were not supported by any

type of organisation, the strike was a failure. Several workers were arrested, convicted and sentenced by a tribunal held by the county governor. King Oscar II announced in a telegram to the workers that patience must have a limit, and promptly dispatched two regiments of foot soldiers and six gunboats to the Sundsvall area so that the workers would know the king's word was not an empty threat. This is of significance as it was the first time that military force was used.

In Stockholm, two years later, unskilled workers, stone blasters and excavators, stopped work when they were refused higher wages. They persuaded building workers to join them, increasing the number of strikers to around 2,000. This display of solidarity was successful, for the unskilled workers were offered an increase of 25 per cent. In connection with this strike, Dr. Anton Nyström, who was to play a leading rôle in the developing trade union movement, published a proclamation proposing that workers should create a representative association, but little came of Nyström's idea. The first strike which was led by a trade union was in Stockholm's tin industry, in 1883. The workers' demand was for an increased wage coupled with shorter working hours. The first industrial lockout occurred in Göteborg in 1886. A strike began, not out of a demand for higher wages, but over the dismissal of several workers under the pretense that they were surplus labour. The union was demanding that these workers be rehired and that the number of working hours be lowered for all workers. Five employers united and declared that under no circumstances would they negotiate with a trade union. The lockout affected about 700 workers.

Attempts to work out a programme for trade union activity and organisation were begun in the 1880s and were led in the first instance by Dr. Nyström and August Palm (many of the men active in the Social Democratic Party also played important rôles in the development of the trade union movement). In 1883, at the initiative of the Stockholm Woodworkers' Union, the various trade unions of Stockholm agreed to form a trade union central

committee. One of the aims of these newly created "trades councils" was to unite workers from different occupations, so as to be able to form a strong labour party which could hasten the introduction of reforms necessary if social development was to be rational and ordered. One of the major reforms demanded was universal adult male suffrage.

In September 1885, a new manifesto was issued which widened the gap between the Social Democratic and Liberal elements. This programme, which was adopted in 1886, was divided into two parts: economic and political, and was a break from earlier policies which sought to cooperate with employers. The new demand was for all the profit from labour to be distributed among those who did the work. The aim of the trade union movement would be to protect the workers against the oppression and despotism of employers, and to acquire step by step full human and civil rights for all citizens. However, in examining the specific economic and political goals outlined in the manifesto, one finds that trade union demands, in reality, remained reformist. For example, a few of the economic demands were for a maximum ten hour day, obligatory accident, illness, and old age insurance to be paid by the state and employers, and an arbitration process for labour conflicts. Politically, the trade union was demanding full franchise for all (men and women), a unicameral legislature, referenda, religious freedom and separation of church from the state and from the schools. This programme also called for the collection of dues to be used in support of striking workers.

When this programme was accepted, the committee consisted of 34 member organisations. A year later the number had sunk to 16. The union of typographers withdrew in 1886, declaring that the central committee did not want to hear speeches or proposals on such demands as "the profit from labour being distributed evenly among the workers." In short, the committee did not put forth any socialist programme. Other trade unions (such as the machine workers union) withdrew, objecting to the growing influence of the

Social Democrats; and the union of bookbinders stated that under no circumstances should the central committee join in solidarity with the Social Democrats. Rather the committee should dis-associate itself completely from the Social Democrats' ruthless and violent manner. Indeed, throughout the 'nineties one of the primary concerns of the trade union movement was its relationship with the Social Democratic Party. Social Democrats such as editor Fredrik Sterky, wrote that the trade union movement must serve as a foundation for the socialist movement in Sweden, even though non-socialists must be allowed to be members. As such, it seemed natural to several leading Social Democrats that the trade union movement should be directly tied to the party.

In July 1897, twelve trade unions met in Stockholm to discuss the future organisation of the trade union movement. This was followed by a trade union congress held in August 1898. The congress was made up of 268 representatives from 24 national trade unions, 13 local trade unions and 19 co-operating organisations. Altogether the congress represented more than 50,000 organised workers. The dominating themes of the congress were: one, the question of the trade union movement's relations with the Social Democratic Party and, two, the foundation of some type of central institution to improve and maintain co-operation between the different organisations. Over 70 speeches were made on the first question. Social Democrats such as Sterky and party secretary K. M. Ziesnitz argued that for the trade union movement to become a politically influential organisation, it must tie itself to the Social Democratic Party. Ziesnitz stated that he had little respect for a trade union whose only concern was to raise the hourly wage. He believed it should join the Social Democrats' effort to create a socialist society. However, several trade unionists, including Eduard Wiberg (representative for the union of typographers) stated that they were opposed to any proposal which would make it obligatory for a trade union member to join the Social Democrats. In the final vote the congress decided in favour of formal ties between the trade unions and the Social Demo-

cratic Party. Thus, the trade unions, as members of the central organisation, had to promise to make their members join in a collective affiliation to the party within three years. This decision lasted only until 1900; and one of its results was that many of the national and local trade unions refused to associate themselves with the newly created organisation, Landsorganisationen (LO).

The man elected as chairman of LO was the Social Democratic editor, Frederik Sterky. The vice-chairman was Herman Lindqvist. Sterky was not at the congress as a trade union representative, but as the Social Democratic Party's representative from Hälsingborgs. He was not a worker or even a trade union member; coming from a conservative family, who were part owners of a large Stockholm brewery. Sterky had broken with this conservatism and become a socialist activist. However, the important fact remains that the first chairman of LO was not a trade unionist, but a Social Democratic Party representative. From the examination of the Social Democratic Party one can see that by 1898 it had become a moderate reformist party, working within the existing economic and political framework. Thus, from the very beginning of the trade union movement the moderates were in control. Sterky died in January 1900. Despite his background he had been a popular trade union leader. As an intellectual (he translated Sidney and Beatrice Webb's work on the British trade union movement) he had been instrumental in developing in trade unions social and political goals similar to those of the Social Democrats. Herman Lindqvist, was chosen as the new chairman, a post he held for 20 years. Unlike Sterky, Lindqvist came from a poor family and began as a carpenter. He helped to form a trade union in his home town and was chosen as the union secretary. In 1889 he moved to Stockholm and became involved with the woodworkers' union.

Labour conflicts between 1898 and 1900 caused LO leaders to question the wisdom of the 1898 decision to be directly affiliated to the Social Democratic Party. One factor not to be underestimated, is that employers viewed this amalgamation nega-

tively. The employers' contention was that the trade union movement was more concerned with socialism than furthering workers' interests through co-operation within a national trade union confederation (which would, of course, operate within the existing political and economic framework). This led to a re-opening of the debate on ties between the LO and the Social Democrats, which culminated in a reversal of the 1898 decision. After the 1900 congress, LO was not directly affiliated to the Social Democratic Party; and, the decision of 1898 allowing the executive of the Social Democratic Party to name two members of the executive board of LO was rescinded. In 1906, another formal link with the party was broken when LO voted against recognition of the Social Democratic Party's labour communes, a district body which included local trade unions and, as such, were represented at LO congresses. In 1909, the LO voted to repeal the Branting resolution of 1900. (This stated that the trade union movement must tie itself to the socialist programme of the Social Democratic Party, thus playing an active rôle in the political development of the Swedish labour movement). This brought to an end any formal links between the Social Democratic Party and LO. However, they did continue an unwritten policy of close co-operation. Lindqvist considered the Social Democratic Party to be the natural ally of LO, and eventually became a Social Democratic member of the Riksdag in the early 1900s and later social minister in the Branting government of 1921 to 1923.

politics at the turn of the century

The period between the end of the 'nineties and the first world war saw the Social Democratic Party's big breakthrough regarding membership and parliamentary power. The number of party members rose from 10,000 in 1895, to 67,000 in 1905, and 86,000 in 1915. In the lower chamber the Social Democratic Party had 4 representatives in 1902, 13 in 1905, 34 in 1908, 64 in 1911, 73 in the spring election of 1914, and 87 in the autumn election of that year. This last election saw the Social Democrats become the largest party in the

lower chamber, a position they have held ever since. A constitutional reform of 1907-09 gave the vote to most of the working class, which accounts for the large increase in the numbers of representatives elected in 1911 and 1914. These victories meant that the Social Democratic Party had become the spokesman for the masses of industrial workers as well as for a growing proportion of poor agricultural workers.

During this period the leadership of the Social Democratic Party became more stabilised and, for long periods, the same men were found on the party's board, in the Riksdag, and at the party congresses. Members of the Riksdag, party editors, and trade union leaders came to dominate the party, although the movement was not without internal opposition. The Social Democratic Youth Federation was formed in 1903, it included a strong anarchist group whose activities were curtailed by the expulsion of its leaders from the party in 1905 and 1908. The radicalism of the young Social Democrats played a significant rôle in the 1917 formation of the Vänstersocialistiska Partiet (the Left Socialist Party). During this period also, questions of socialism took a back seat to problems of the day. Of the Social Democratic Youth Federation's five congresses between 1905 and 1914, not one of the larger debates dealt with economic or social questions or, more importantly, the question of socialism. The same is generally true of the Social Democratic Party congresses. Religious, republican and prohibition issues took precedence over questions of social welfare and socialism.

The strength of the party meant, to many Social Democrats, that they must concern themselves with day to day problems, present issues, and, as a result, be less concerned with ideology. It was now believed that socialism would come when the time was ripe, and that the ripening process was much longer than was first believed. Bringing about socialism was far more difficult than dealing with constitutional questions and questions of defence. Social Democratic leaders began to place greater emphasis on the possibility of being a socialist without being a Marxist.

For six years Branting was the only Social Democrat in the Riksdag. As the party grew he was, obviously, the dominating figure, even if he did have to deal with a growing opposition at party congresses. He believed in full participation in the parliamentary system rather than obstruction in the Riksdag. Many observers came to regard the Social Democratic Party as a radical reforming party, a step to the left of the Liberals, which at that time was the most left wing of the bourgeois parties. Co-operation with the Liberal Party was a natural consequence for the leaders of the Social Democrats. The Liberals were receptive to most of the workers' demands and were the leaders of the struggle for a more democratic society, through universal suffrage and the passage of welfare legislation. There was also some agreement between the two parties on the issues of defence and prohibition. In fact, during most of the period from the early 1900s to the 1920s there was a more or less open and systematic co-operation between the two parties. The Social Democrats did, however, oppose anti-union legislation passed under Staaff's Liberal government, as well as their handling of the 1905 strike.

As could be expected this co-operation brought with it a moderation of Social Democratic ideology. There were numerous attempts by left wing Social Democrats to set down specific long term goals in order to sharpen the difference between the bourgeois parties (including the Liberals) and the Social Democrats. Such a programme would show the Liberals to be reformers only, while the Social Democrats were concerned with fundamental changes in the structure of society. One of the main reasons for such reasoning was that if this were not done the Liberal Party might gain the votes of a number of the working class. Thus, the left wing Social Democrats felt they must demonstrate to the workers that it was the Social Democratic Party who represented their interests, not the Liberal Party. From 1914 to 1920 was a period of fragmentation; the existing inner conflicts sharpened and led to a split in the party in 1917. The division, with the Social Democratic Youth Federation playing a

significant rôle, led to the formation of the Vänstersocialistiska Partiet, which was strongly influenced by the Russian revolution. The 1917 election gave the Social Democrats 86 seats and 11 to the Vänstersocialistiska Partiet. From then until 1920, Sweden was governed by a coalition government of Liberals and Social Democrats, under the Liberal leader, Edén.

From 1914 to 1920 several Social Democratic and Vänstersocialistiska Partiet members of the Riksdag demanded the nationalisation of certain sectors of industry, but none of these motions led to any widespread interest. In 1917, the Vänstersocialistiska Partiet proposed that a debate be held to discuss in what way the state could, by taking over certain natural resources, industries, means of communication, and private banks, increase state income and, thereby, increase the possibilities for economic security for all people. This led to criticisms of the Social Democrats for participating in a coalition government with the Liberal Party. In 1914, the Social Democrats viewed the so called "war socialism" as a step towards socialism, but their attitude soon changed. In 1915, in an article in *Social Demokraten*, Per Albin Hansson wrote that war socialism had nothing at all to do with socialism. "Call it nationalisation, a takeover by local government, state capitalism, or what you will. This does not alter the fact that it is an appeasement of socialist principles." Two years later *Social Demokraten* suggested that war socialism was without doubt an attempt to save capitalism. The thesis of such arguments was that when the government plans production and the capitalist draws the profit, the activity cannot be called socialism or the road to socialism. At the war's end private owner's rights had not been abolished; there had been no expropriation. For the most part only distribution and consumption were controlled during the war, not production. There was very close co-operation between Hammarskjöld's coalition government and the economic élite of Sweden; quite obviously the Conservative led coalition had no intention of introducing measures which would lead to the downfall of the capitalist system.

2. the years of change

In 1902, a general strike occurred. Its purpose was political; to achieve universal suffrage. There had been a debate in both LO and the Social Democratic Party over the use of a general strike for political purposes, with Hjalmar Branting, the leader of the party, in favour of such a strike and LO chairman Lindqvist opposed. Branting's faction was victorious. About 120,000 workers throughout Sweden participated in the strike (approximately 42,000 in Stockholm, 13,000 in Malmö and 12,000 in Göteborg). The workers of AB Separator of Stockholm decided on 12 May to participate in the strike. John Bernström, the director of the firm, declaring that he had no sympathy for the workers' demands, instituted a lockout. When pressure was applied against Bernström, ten other large companies came to the support of AB Separator, stating that they were joining the lockout as of 16 June. The lockout proved effective and the strikers were defeated. A postscript to the 1902 "political" strike was the formation of Svenska arbetsgivareföreningen, SAF, (the Swedish employers' confederation), the intention being formally to unite employers in a strong central organisation which could effectively counter the growing strength of organised labour.

In 1903, metal trade workers began to call for their employers to accept a collective agreement, with a fixed minimum wage. The employers initially rejected this demand in its entirety. Later, however, both sides agreed to the setting up of a committee to work out procedures for negotiation. The committee consisted of a neutral chairman, two representatives of industry and two trade union representatives. No agreement resulted from the committee's report, so the employers instituted a lockout. Worker proposals for new attempts to reach an agreement were rejected by the employers until November 1904. Another lockout in the same industry occurred on 2 June, 1905, affecting 18,120 workers throughout Sweden. The workers were well organised and the strike had been well planned. A major demand was the collective agreement proposal. Bernström was proven to be greatly mistaken in his prediction that the workers could only survive a six week strike, and

the employers were being hurt financially. King Oscar was deeply worried that the conflict might turn into class warfare and thus asked two newspaper editors to serve as mediators in the conflict; Adolf Hallgren of *Stockholms Tidningen* and Karl Hildebrand of *Stockholms Dagsblad*. Nothing came of the king's proposal, however, and the crisis worsened. Eventually the director of the general export association of Sweden, John Hammar, called for the employers in the metal trade industry to begin new negotiations in an effort to bring the conflict to an end. Hammar foresaw the possibility that the employers would be defeated and was concerned over the effect this would have on Swedish exports. The government also declared that it was seriously concerned over the strike. Thus, with pressure coming from all sides, and their own position worsening, the employers agreed to negotiate. A committee was named by the government, again consisting of two representatives from the employers' side, two representing the workers, and an impartial chairman. The latest lockout had lasted 135 days.

What was occurring, in fact, was that the employers' organisation and the trade union organisation were being mutually accepted as representatives for their respective members. During the latter part of 1906, when an agreement was reached settling the lengthy conflict, the employers had acknowledged the right of trade unions to represent their members in negotiations concerning wages and working conditions. The agreement was not, however, one sided. The trade unions also recognised the right of the employers to employ and dismiss workers and to lead and distribute work. This accounts for the rapid growth in the membership of the Swedish trade union movement at this time. The employers, by recognising the right of trade unions to negotiate for their members, were behaving like "intelligent conservatives." Employers saw the growing strength of trade unions and, while opposing the union movement and its demands, foresaw the benefits of having LO work within the existing framework of society. Employers felt they had the strength effectively to combat and control the labour movement. As such, the only

piece of anti-union legislation passed by parliament was an 1898 law stating, in effect, that a person could be arrested for trying to stop strike breakers working.

A significant factor during these early years was the almost total absence of any serious ideological debate within the Swedish trade union movement. The few discussions on socialism which did occur, centred upon whether the trade union movement should directly tie itself to the socialist Social Democratic Party. Such discussions were led by men such as Sterky, Branting and Lindqvist, all committed to the policy of reform politics. The Swedish labour movement was built on the general theory that strong organisation is the first and foremost premise for a real change in society. The presence of a thorough ideological programme was felt to be of secondary interest. In its early years the movement was primarily concerned with increased wages, shorter working hours, universal suffrage and welfare measures to give the worker some security in case of illness, accident or old age. What was conspicuously absent was the demand for public ownership or control of the means of production.

Within the leadership of the trade union movement the belief was that, following several concessions to the employers during 1908, large scale strikes and labour conflict would be curtailed. Several important industrial groups had bound themselves to preserve labour peace; for example, in the metal trade industry the agreement was for five years. However, the idea that a period of labour peace was at hand was premature. The small labour conflicts that characterised 1908 continued the following year. Ten small conflicts occurred, which brought about a large clash between the employers organisation and LO, threatening the normal functioning of society. The primary conflicts served as a catalyst for other labour clashes which directly affected more than 300,000 workers. Lockouts were used with frequency and without hesitation in the primary conflicts. The workers were beginning to demand that LO pursue a more aggressive policy against the employers. Thus, at a special LO meeting held on 19

and 20 July, 1909, plans for a general strike were prepared. LO decided that if SAF proceeded with its planned industry wide lockouts on 26 July, they would call a general strike on 4 August, 1909.

A general strike did begin on that date, and approximately 300,000 out of the 334,000 workers employed in the industries involved in the conflict participated; financing the strike was eased for a short period by financial support from unions in Germany, England, Denmark, Norway, America and France. This of course strengthened LO's hand and was a cause of concern to the employers and the Swedish government, which, fearing civil strife, increased the strength of the police and military. The lockouts and strike resulted in a loss of 11,071,400 working days. If one divides the number of lost working days by the number of workers (300,000) who at some point participated in the strike, the average number of working days lost per worker was 37. The loss to the employers was 25 million kronor. While the strike had been well planned and organised, the result was a bitter defeat for LO and the trade union movement. One result was a significant drop in the number of workers belonging to LO. In 1907, a year of stable economic conditions, membership reached 186,226. In 1908, an economic depression hit Sweden leaving many workers unemployed and the trade union movement on the defensive, as employers increasingly resorted to the lockout, and LO membership dropped. By 1909, the year of the general strike, the figure had dropped to 108,079. This trend continued in 1910 and 1911, when there was a membership of 79,926.

Once again there was no call for public ownership or control over the means of production following the 1909 strike. LO's political programme remained one of welfare reform and increased democratisation of the existing political system through universal suffrage. LO was not a socialist movement demanding the creation of a socialist society, and the leaders of the strike were men like Herman Lindqvist, Hjalmar Branting and other moderate Social Democrats. The bitterness which resulted from the events of

1908 and 1909, came to a head at LO's congress in 1909. The major concern of those present was a reorganisation of the trade union movement. It was generally accepted that LO had been ineffective because of the unity and superior organisation of SAF. The employers had, from the outset, built up a strong centralised organisation. A small syndicalist faction did call for reorganisation along the lines of revolutionary syndicalism, but with little support. The 1909 congress did result in a reorganisation of LO, but the central leadership remained practically powerless.

The years of the first world war were difficult ones for the trade union movement in Sweden. While Sweden was not a direct participant in the war, the economic repercussions of the 1914 to 1918 conflict were felt. The number of labour conflicts dropped; partly because several trade unions had bound themselves by long term agreements. One of the largest problems of the war years was the rapidly rising cost of living, especially rising food costs. The employers were not willing to increase wages to meet rising living costs and as food prices and rents rose sharply, the workers' dissatisfaction became more and more evident. Outside political events also came to play a significant rôle in Sweden during the last years of the war. The major event was the success of the Bolshevik revolution in Russia in 1917. The Swedish Social Democratic Party was split during the war years with the left wing of the party forming a new political party (Vänstersocialistiska). This new party became a member of the communist international and called for a socialist republic ruled by workers, farmers and soldiers to be established in Sweden. It also advocated worker control over industry, public control over natural resources, an eight hour working day, full franchise for men and women over 20, a new constitution and a unicameral legislative body. The revolution, which would bring socialism to Sweden, was to begin with a general strike.

However, the chairman of LO, Herman Lindqvist, while supporting constitutional reform, an eight hour working day and full franchise, opposed the other demands.

The main reason for his stance was the possibility of the Social Democratic Party and trade union movement agreeing to a post-war coalition government with the Liberal Party. Thus, socialist demands, according to Lindqvist, were of no immediate interest. In the late autumn of 1919, workers within the trade union movement began to criticise the LO chairman. The growing dissatisfaction with Lindqvist's leadership increased with the publicity given to the fact that he was one of the founders of a company created to import German fuel; it was already known that Lindqvist was one of the partners in Svenska Pianofabriken. Furthermore, the chairman of the Swedish trade union movement was involved in a company called AB Samköp which was regarded as a competitor to the co-operative company Kooperativt Förbundet. Such information illustrates the close relationship the leader of the trade union movement had with the business community. Such business activities would naturally serve to moderate one's views regarding radical changes in the *status quo*. Several unions had begun to pass resolutions demanding Lindqvist's resignation. Hence, at a special meeting of LO's representative assembly he submitted his resignation because of "special circumstances." He felt he was the object of political persecution. The party's executive committee then entered the debate, partly because Lindqvist was a member of that committee, and partly because he was the party's candidate for the post of speaker of the lower chamber, a position he had held since 1918. The executive committee issued a statement through the party chairman Hjalmar Branting and party secretary Gustav Möller, supporting Lindqvist and protesting against "the systematic attempts of political opponents to scandalise a person whose lifework ought to demonstrate his personal integrity." Lindqvist's prestige within the Social Democratic Party was not affected by the events of 1919 and 1920, and when the Social Democrats formed their second government in October 1921, Branting chose Lindqvist for the post of social minister. He remained speaker of the lower chamber until 1927, when he stepped down for reasons of health.

3. socialist debates of the 'twenties

Following the first world war, the Social Democratic Party revised its programme and increased its propaganda against the capitalist system. One of the reasons for this move was more democratisation of the political system following the war, in the form of increased franchise rights and a new system for electing members to the upper chamber of the Riksdag. This resulted in the Social Democrats becoming the largest party in both chambers. The Social Democratic Party's goals were widened and deepened. The goal was no longer to win preparatory successes, and through reforms to create a better position for the working class. The goal now became the creation of a socialist society.

One of the most important contributions to this debate was an article in *Tiden* in 1918, by Gustav Möller, called *Den Sociala Revolutionen*. Möller criticises the revolutionary method of bringing socialism to Sweden, emphasising the democratic principles of socialism. He also stated that poverty could not be abolished through an equalisation of income within a capitalist society, for such a division of income would by itself lead merely to an insignificant rise in the standard of living of the masses.

Möller stated that the revolutionary way could not be accepted because it would lead to a lowering of production for a long period; among other things, through a shortage of experienced technicians and administrators. Successful nationalisation would, in the first place, lead to a rationalisation of enterprises whereby waste and unnecessary competition would disappear. Socialism would principally bring about a planned economy. Further socialisation could be brought about gradually. One would begin with monopoly industries and certain natural resources, such as mines and forest, eventually proceeding to banks and insurance companies. He went on to state that the notion that the only way to create a socialist state was through nationalisation, that is, a huge state bureaucracy, was a Conservative's view of socialism. That, with certain exceptions, such as railroads, post office and telegraph, other means, such as co-operatives, could be used to reach the socialist goal.

During 1919, several articles were published on guild socialism, a concept borrowed from Great Britain. One of the most active proponents of this concept was Ernst Wigforss. The idea behind guild socialism was a plan whereby the factories and branches of industry would build autonomous organisations, administered by a council with representatives from society, workers and consumers. Alongside nationalisation would come economic or industrial democracy. To Wigforss, industrial democracy meant that the company or branch of industry would be led by representatives of different groups, especially the workers and the consumers.

In Möller's pamphlet *Socialiseringsproblemen*, which was the only pamphlet put out on this subject by the Social Democrats for the 1920 lower chamber elections, he stated again that expropriation and revolution was not the way to remove the factory owner or private owning group. This was to be accomplished through tax laws. In the first instance, Möller called for socialisation of trusts and the most important raw materials, such as wood, iron and water power. Then a state bank should be established to operate alongside private ones, as rapid nationalisation of all banks was dangerous. Along with this would come industrial democracy. This, according to Möller, would consist of an industrial council with representatives for capitalists who would still own industry, industrial workers, representatives of society and the consumers. Such industrial democracy would ripen the working class for economic leadership and ripen production for public control. The 1920 Social Democratic Party programme called for the nationalisation of certain areas of the economy in addition to a more general planned economy. In the 1921 election campaign the Social Democrats criticised both the Högern (Conservative) Party and the Vänstersocialistiska Partiet as undemocratic; the latter because its ideas were close to those of the Bolsheviks in Russia. As the campaign went on, Branting moderated his speeches and explanations of socialisation, finally stating that one could begin by socialising 20 to 30 per cent of certain more important industries, thus giving the

public sector a leverage over all production. The election saw Högern and Böndeforbundet (Agrarian) parties gain strength, while Social Democratic representation in the lower chamber shrank from 86 to 75. This caused the Social Democrats further to question their ideas on nationalisation.

When the Social Democrats came to power in their own right in 1920, there was already a number of different forms of government activity within production. State and community enterprises, corporations with the state as collaborator and supervisor (for example, in tobacco production and the liquor trade), mixed state and private enterprises (such as Grängsbergsbolaget). Again it must be emphasised that such activity was not designed to lead to a socialist state. The intention was for the government to aid and assist private enterprise, not replace it. To be more specific, the state had been active in the large iron mining operations (LKAB) since the early 1900s; this was at the initiative of the Conservative government because of the central importance these natural resources had for the entire economy. A commercial bank had been purchased by a bourgeois government, because it was in severe financial difficulties; and a wine and liquor retailing monopoly had been established for reasons of public morality (there was a strong prohibition movement in Sweden).

In the years following the 1920 election, when there was large scale unemployment (163,000 out of work in January 1922) the Social Democrats were clearly on the defensive. They explained that the crisis was due to a failure of the capitalist system, but simultaneously stressed that it was an international crisis and that an isolated socialist Sweden would not offer a way out of the crisis. The Social Democrats blamed high prices (and the Conservatives high wages) for the crisis. In the 1921 election campaign the Social Democrats were still on the defensive. Möller formulated their election programme, stressing the point that socialism and political democracy would come through industrial democracy. Several Social Democrats stated that a socialist society would be built up through a series

of political reforms. The second Branting government (which lasted from 13 October, 1921 until 19 April, 1923) was the least important of all the Social Democratic governments in terms of ideological development. In a speech in the Riksdag in 1922, the leader of the Liberal Party stated that the Social Democratic government was to a large degree conservative.

In the 1924 election campaign the Social Democrats played down nationalisation and, as a result, were criticised by the bourgeois political parties for not clarifying their position on the issue. However, international and defence questions dominated the election. The Social Democrats won only five additional seats in the lower chamber, but Branting was able to form his third government. In January 1925, Rickard Sandler became prime minister; Branting died one month later and the party leadership soon fell to Per Albin Hansson. In a debate in 1925, the leader of the Högern Party claimed that tactical reasons prevented the Social Democrats from pressing forward with nationalisation proposals. The Liberal Party leader stated that the Social Democrats no longer saw nationalisation as the road to public welfare. The Social Democrats avoided answering such remarks directly. In 1925, defence questions were again in the foreground. In the 1926 Riksdag the Social Democrats took the initiative in proposing several social welfare reforms, but again, these were only reforms within the capitalistic framework.

From 1920 to 1926, the Social Democrats held governmental power for approximately four years. These were minority governments, because, although the Social Democrats were the largest party, they were not able to find a permanent coalition partner and the bourgeois parties were unable to form a coalition government. During their first period in office the Social Democrats did not push forward with a radical programme. Rather, they sought to create proposals which could be used to build a basis for co-operation with one or more bourgeois parties, thus gaining an effective majority in the Riksdag. The second and third Social Democratic governments

fell, primarily over the question of how to deal with unemployment. The three Social Democratic governments between 1920 and 1926 are seen as strengthening moderate tendencies within the party. The great expectations and the radical plans of 1920 disappeared. The generation of young politicians who ten years earlier represented the more doctrinaire socialists slipped into more "practical ideas" and the administrative tradition.

In a debate in 1925, Sandler argued that Swedish socialism was not to be influenced by Marx or any other theoretical system. Marx was not, according to Sandler, of great value to a Social Democrat who worked with "constructive ideas." In short, the Social Democrats now "realised" the difficulty and impracticality of rapid change. Now the Social Democrats began to use the word socialism to describe "worthwhile change." Lindström stated in 1927 that "each step which brings about a higher degree of co-operation can be said to be a step in the direction of socialism." The subject of industrial democracy now disappeared from Social Democratic propaganda, in part, due to a lack of enthusiasm from the trade unions (industrial democracy had been propagated as a method to change completely the position of the worker) but, also, because employers were opposed; for different reasons.

After the fall of the Social Democrats in 1926, they were out of power for more than six years. During these six years social democracy came, even more, to mean social reform. Expropriation or a rapid change to socialism through a series of legislative changes was ruled out. In the 1928 campaign a more radical line was taken. One part of the election programme called for public ownership of major natural resources, and an updated estate tax, more influence in factories, and the organisation of a state bank. One of those taking this line was Ernst Wigforss. Per Albin Hansson and Rickard Sandler took a more moderate or "cautious" line. The 1928 election was a defeat for the Social Democrats. The party lost 14 seats in the lower chamber, of which most went to the Höger Party.

As a result of that defeat, the Social Democratic election manifesto at the 1930 landsting (county) elections was a retreat from the "radical" positions of 1928.

LO : victory for reform

The Social Democratic Party's election victories in the first half of the 'twenties led to rising expectations among trade unionists. However, the economic crisis of the period led to falling prices and reductions in wages. Numerous strikes and lockouts occurred over the reduction in wages, which ranged from 15 to 53 per cent. There were demands for a general strike in 1921, but LO's representative committee opposed and discouraged the idea. The primary reason for the demand for a general strike was rising unemployment among trade unionists (the figure reaching nearly 35 per cent by early 1922).

Sweden's coalition government had, on 10 August, 1914, created a committee to examine ways to combat the rise in unemployment, which was feared at the outbreak of the first world war. The committee eventually proposed that striking workers be given a deadline to return to work. If they refused to meet the deadline other unemployed (that is, strike-breakers) would be brought in by the employers. Also, it was decided that the strikers who refused to meet the deadline would become ineligible for any form of unemployment compensation. The committee's proposals were not enforced to any great extent until the employers began to tie the proposal to their wage reducing offensive in the early 'twenties. The Social Democratic minority government during this period tried to resist this action by introducing new legislation to deal with labour conflicts and the unemployment problem. Both the second and third Social Democratic governments fell over their failure to get their unemployment proposals passed by the Riksdag.

Within the worker movement the greatest irritant was, of course, the lockout. When large scale lockouts occurred, Sweden's young Communist Party wanted the workers to seize the initiative, using their

strength and political power to gain increases in wages in line with the cost of living increases. The initiative in this case meant a general strike, to be declared by LO and fully supported by the Social Democratic Party. This would then lead to a political power struggle between the Social Democrats and other socialist parties and the bourgeois opposition. The Social Democrats were to remain as a minority government until the next election, at which time the socialist parties would soundly defeat the employer supported bourgeois parties. The syndicalist movement also expressed its opposition to the lockout, but opposed the use of a general strike. The worker was to remain at the factory, following the techniques used in the factory occupation in Italy during September 1920. The question of the use of the general strike was taken up by a special LO representative committee held on 18 March, 1925. The chairman of LO, Arvid Thorberg, supported by the committee members, decided that the trade union movement could best represent the worker by maintaining a defensive posture. Only one Communist Party member was on LO's representative committee and even he accepted the idea that the trade union movement would benefit most by a cautious policy.

During the 'twenties attempts were made to radicalise the Swedish trade union movement, primarily through the Communist Party press. The view of the communist press was that LO was reformist and far too eager to compromise with bourgeois interests. Even though there was an active press campaign, it was not before 1926 that an organised communist opposition came to the fore within the trade union movement. It was on 23 and 24 January, 1926 that the metal workers' union in Göteborg called a conference, which later became known as the "Enhetskonferensen". Its 136 participants represented 166 trade union and syndicalist branches. The main resolution passed by the conference called for the worker to: establish 100 per cent membership in trade unions; increase unity nationally and internationally; fight against fascism and strike breakers; safeguard the interests of the unemployed; introduce an

effective work time law for all workers; organise young workers, who are used to keep down wages for older workers; and improve young workers' wages. The Göteborg conference also chose a unity committee of 19, representing different factions of socialist thought. This committee called a second conference in Stockholm on 26 and 27 January 1929.

At the second conference there were 267 participants, representing 477 trade unions. The small syndicalist movement was also in attendance. At this conference the participants confirmed the line which had been taken by the unity committee between 1926 and 1929; to accept Moscow's leadership and tie themselves to the communist international. This meant that the conference criticised and condemned LO for its reformism and willingness to co-operate with bourgeois interests. LO had, since 1926, issued statements condemning the Göteborg conference and unity committee for its attempts to divide the Swedish labour movement. On 23 and 24 April, 1929, LO's representative committee decided to publish a circular stating LO's views on the January Stockholm conference. It stated that the new organisation was tied to the third international and this was under Russia's influence, and that the new organisation was in danger of splitting the workers and trade union movement. Circular 638 went on to declare that unions and workers must make a choice between LO and the new organisation, stating that there was no place in LO for such an organisation. This served to weaken the new movement; for, although there were many unions who wanted the movement to become more aggressive and radical, few of them wanted to end their ties to LO. One result of LO's success was that the Swedish Communist Party leader, Karl Kilborn, withdrew from the communist international, an act which divided his party. LO was clearly the victor in this struggle.

During 1927 and 1928, proposals were made in the Riksdag to introduce legislation concerned with collective bargaining and the creation of a labour court. At the centre of the proposed collective bargaining legislation was the introduc-

tion of an absolute obligation of peace during the terms of agreement. The trade union movement vigorously opposed the proposed legislation and called for workers to demonstrate their opposition. On 22 May, 1928 approximately 365,000 workers did so. However, despite the opposition, the government succeeded in getting the legislation through the Riksdag. Proposals for the abolition of the new laws were raised at LO congresses throughout the 'thirties but the official LO position was one of moderation, co-operating with the new legislation in part to assure that the laws were not manipulated by the employers. As time passed, LO came to accept binding agreements and the labour court ; defending what (in 1928) had been viewed as blatantly anti-labour legislation. They came to realise that the labour court would not destroy or weaken a trade union movement based upon welfare reformism.

The year 1931 is of importance to the Swedish trade union movement as it was the first, and last, time that workers were shot to death in Sweden. This occurred on 14 May, 1931, in Adalen. Four workers who were demonstrating and a young girl who was observing the event were killed and five others were seriously wounded. The strike had begun when the company, AB Langrörs, attempted to lower workers' wages. One major event which greatly increased bitterness among the strikers was the introduction of strike breakers, and the fact that the military had been called in, at the request of the employers, to protect them. The leader of the peaceful demonstration was Axel Nordström, a Communist Party member, who was later sentenced to 32 months in prison for his part in the Adalen affair.

The Social Democratic Party and LO vociferously condemned the massacre and the use of the military in labour conflicts. It was emphasised that the demonstration had been peaceful. LO and the Social Democrats also pleaded with the government to withdraw the military and appoint an impartial commission, including workers' organisations, to look into the Adalen shootings. A primary reason the government should take such action was,

according to LO and the Social Democrats, the danger that the Communist Party would use the events of Adalen to heighten unrest ; this would only lead to new and larger bloody conflicts. Protest demonstrations occurred all over Sweden following the events of 14 May ; at least 100,000 workers and sympathisers demonstrated in Stockholm the next day. The Communist Party and syndicalists immediately called for a general strike. LO opposed a general strike and had its position strengthened when the strike breakers were withdrawn and the government set up a commission of inquiry. It was largely due to this action that the Communist Party was unable to take advantage of the situation. Following the 1932 Riksdag election the Social Democrats formed a government and have been in power ever since. Political events thus worked to the advantage of LO and to the disadvantage of the communists.

By 1931, Sweden had felt the full impact of the world wide economic depression. Export industries had been the first to feel its effects. By September 1931, Sweden had gone off the gold standard and unemployment among trade union members had reached 26.5 per cent. The suicide of Ivar Kreuger, in March 1932, threw thousands of Swedish workers into the ranks of the unemployed as Kreuger's Swedish business and industrial interests collapsed. By the end of 1932, the proportion of unemployed union members had climbed to 31 per cent and it reached its peak in March 1933, when there were 186,600 out of work. The communists and syndicalists declared that the time was ripe for revolutionary action and strongly opposed the reformist Social Democratic Party politics and LO's compromise with bourgeois interests. The plan of revolutionary action called for a general strike, to be followed by worker occupation of the factories. However, trade unionists voted to reject such action, preferring to follow LO's peaceful tactics. The most interesting form of co-operation and compromise, widely used in the first half of the 'thirties, concerned the lowering of wages. For example, in January 1932, employers in the metal industry recommended lowering time wages by 8

per cent. The trade unions answered by threatening to strike. At this point a special commission was appointed to work out a compromise acceptable to both sides. The result was a lowering of hourly and other wages by 4 per cent.

A strike broke out in the building industry on 1 April, 1933, which lasted for over a year. This strike was crucial, for construction was a key industry in the Social Democratic government's attempt to lower unemployment; for if the government were to succeed in increasing production in the cement, stone, iron, glass and wood industries, it was crucial to have a rapidly expanding building programme. A lengthy strike in the building industry could have ruined the government's whole economic strategy. LO did not want to pursue any policy, such as prolonged strikes, which would lead to a failure of the Social Democrats' economic policies, which in turn might lead to the collapse of their government.

Employers within the building industry had proposed lowering hourly wages by 15 to 20 per cent; coupled with other proposals this would have meant total reductions of between 30 and 35 per cent. The building workers immediately announced plans for a strike. On 15 August, 1933, the government's commission made public its proposals: hourly wages were to be reduced by 6 to 10 per cent. When this proposal came to naught, the Hansson government called for both employers and union representatives of the building industry to attend a conference on 20 September, 1933. Such action by the government was most uncommon in Sweden, and both the trade unions and employers were hesitant to accept such direct interference. The government answered by stating that this was an unusual situation and not the beginning of any new policy.

The workers, with pressure from LO, accepted the proposals; but the employers refused, so an immediate solution was not forthcoming. Finally, on 2 February, 1934, the two sides were presented with proposals acceptable to the employers. A representative of the employers' confederation declared that if the new

proposals were not accepted by the trade unions a lockout would begin on 6 February, affecting approximately 200,000 LO members. In answer to SAF's threatened lockout LO chairman Edvard Johanson asked: "Was it possible for the government to allow a new large conflict in the economic sector? . . . The trade union movement was obliged to think of tomorrow. State interference to prevent a large lockout would place the trade union movement in an enviable position. However, we must remember that the future may bring a bourgeois government to power. The leaders of LO, therefore, hope that the trade unions will realise it is necessary to accept the proposal."

Thus, LO's representative committee recommended the acceptance of the latest proposals: proposals which amounted to a defeat for the trade unions involved. An agreement ending the year long conflict was signed on 14 February, 1934. Referring to the settlement Prime Minister Per Albin Hansson declared: ". . . The solution will give employment to all workers directly affected by the conflict. Indirectly . . . the larger reason is that all those who work in industries which supply the building industry with materials will come to benefit by the agreement." The building workers had clearly lost the conflict. However, LO and the Social Democrats have come to use the building workers' conflict as an example of the maturity of the trade union movement in Sweden. The building workers had given in for the sake of everybody else; the sacrifice of placing society first. Had there been a bourgeois government in power during the time of the building industry conflict the trade unions, in all probability, would not have agreed to the settlement they accepted. LO chose to accept defeat rather than endanger a Social Democratic government.

The "society first" theme came to the fore at the LO congress of 1936. The metal workers union stated that the trade union movement must place society first, working in a positive way to benefit all the people, not just one group, and working to create a strong, sound economy. However, their motion also called for in-

creased public control over the economy, increased worker influence over industry, social politics aimed at increasing the standard of living, and the introduction of a socialist wage policy to assist, in the first instance, the lowest paid workers. Thus, the motion did contain a moderate call for a society based upon socialism.

During the last half of the 'thirties there was an extensive discussion on the topic of trade union freedom and democracy. This discussion was, to some extent, the result of government involvement in the building industry conflict. LO eventually concluded that the trade union movement could be more free if agreements were made to formalise the collective bargaining process with the employer, thus avoiding government interference in industrial disputes. Such a collective bargaining process was agreed to in 1938, after two years of negotiations between LO and SAF. The "basic agreement," as it was called, was readily accepted by both employers and trade unions; both parties viewed the agreement as beneficial to their side. It can be argued that it brought stability to Sweden's economy, which in turn has greatly benefitted the Swedish worker. It can be argued with equal validity that the agreement assured the maintenance of and, indeed, the strengthening of Sweden's capitalist economy.

The debate within the Social Democratic Party during the years preceding the great economic crisis did little to clarify the ideological direction of the party. Since the breakthrough of democracy with the introduction of universal suffrage, the Social Democrats had been the strongest party in the Riksdag. They had taken the initiative in a number of important reforms. However, with the possible exception of the election manifesto of 1928, they had never gone outside welfare politics, or "the bourgeois framework" of reform politics. The discussion of industrial democracy had disappeared and the question of nationalisation had been referred to a committee for further study. From the early 'twenties the Social Democratic press had more articles and editorials discussing the points on which Marx was "incorrect." One of the fore-

most of such writers was Engberg who, since 1924, had been editor of *Social Demokraten*. Neither Engberg nor the others saw this moderating process as an abandonment of socialist principles. Per Albin Hansson, especially from 1933 on, spoke of reaching socialism through a social democratic welfare programme.

In 1931 the party committee which had been studying nationalisation issued its report, which was debated within the party's executive council. One of the key proposals was the nationalisation of the timber industry. This proposal met with opposition within the Social Democratic Party itself. The Social Democrat who argued most persuasively in favour of socialisation was Ernst Wigforss, who felt the party had left behind socialist principles and become a liberal reformist party. The reply was invariably that the Social Democrats had not given up their socialist ideology. This debate was not followed by any party decision on nationalisation. Several Social Democrats believed, at this time, that the state should not take over existing industries, but should build new ones to compete with those in private ownership. The economic crisis of the 'thirties served to increase the power and prestige of the Social Democrats and, to some extent, rescue them from their ideological dilemma.

4. the depression years

The number of unemployed in December 1930 had been 32,000. This figure rose to 89,000 in December 1931, and 161,000 in December 1932, to a height of 186,000 in March 1933. There was also an agricultural crisis over sinking prices of meat, milk and butter. The economic crisis heightened debate within the Social Democratic Party. One school of thought saw the crisis as the death of capitalism and believed the crisis would be overcome by a strict application of Marxian theory. Nationalisation and central planning would reorganise and raise production. Government planning and interference were a must. The other school saw the crisis as a result of capitalism, but did not believe that this was the end of the capitalist system. It was believed that the country needed "unemployment politics" combined with positive "crisis politics" aimed at increasing purchasing power, stimulating production and bringing about needed technical and economic improvements. This was not characterised as either socialism or a planned economy.

However, even this placed the Social Democrats clearly in opposition to bourgeois parties who saw the crisis as similar to previous ones, and, consequently, should be solved in exactly the same way.

approach to the crisis

In the autumn of 1931, the Social Democratic Party's executive council created a committee made up of Wigforss, Sköld and Vennerström, for the purpose of working out a line for the Social Democratic approach to the crisis. As a result of this examination a number of motions were moved in the 1932 Riksdag. These proposals would cost twice that of the Liberal government's programme; the money to be raised through loans, increases in direct taxes, and the lowering of the defence budget. Of prime importance was a reorganisation of unemployment politics; the key to which was Wigforss' aim of increasing purchasing power. Thus, the Social Democrats based their manifesto upon a criticism of capitalism, but with a wish to co-operate with the bourgeois parties to end the economic crisis.

In the 1932 Social Democratic election manifesto, Per Albin Hansson placed great importance upon the election programmes of 1928 and 1930. The 1928 Riksdag election saw the Social Democrats lose seats while campaigning on a more radical programme. The 1930 land-sting elections saw large gains being made by the Social Democrats, who based this programme on a far more moderate line. Thus, at the 1932 party congress Hansson warned against radicalism, even though he did not personally participate in the debate over nationalisation; but Wigforss wanted to put the socialisation question in the foreground. He pointed out that the Social Democratic Party had two roots: Marx and economic liberalism. The Marxist part was reformist. Wigforss also stated that there were two ways to reach socialism: nationalisation, that is, public ownership of the means of production; and the planned economy. Nationalisation could occur through a lengthy process of step by step measures, as could a planned economy. It was crucial that this be a parallel process so as to have a socialist planned economy instead of a bourgeois planned economy. However, the leaders of the party decided against placing nationalisation at the centre of the 1932 election manifesto, although agreeing to say more about it in party propaganda. During the 1920 debate over nationalisation, discussion had taken place on which areas of the economy should first be nationalised. The 1932 debate had no such discussion and was much more general and vague than in 1920.

The Social Democratic election campaign of 1932 was, like the party congress, based upon two main themes. first, blaming capitalism for the crisis, stating that this system must be replaced with socialism; and, second, proposing policies which stressed short term crisis help (welfare reform) of the type the Social Democrats had earlier moved in the Riksdag. During the period leading up to the election, Wigforss campaigned for public work programmes as a means to lessen the crisis and increase purchasing power. Möller, Hansson and others stated that democracy and capitalism were not compatible, and that political democracy must be comple-

mented by economic democracy. Socialism was seen as a natural partner of democracy. However, there was a small faction of left wing Social Democrats, led by G. Branting, who sought to put forward concrete proposals for nationalisation during the campaign. The main election debate among the various political parties was on the means to be used in overcoming the crisis. The Social Democrats criticised the bourgeois parties' handling of the situation, stating that the old economics increased, not lessened, the crisis. Social Democrats argued that capitalism was responsible for the crisis, while bourgeois politics had widened and deepened it. In the election the Social Democrats won an additional 14 seats in the lower chamber making a total of 104. The bourgeois parties had a combined total of 118, but could not agree on a coalition; thus, the Social Democrats formed their fourth minority government.

The Social Democrats proposed such a thorough crisis programme in the 1933 Riksdag that, although directly tied to the 1932 proposals, it meant a new phase of Swedish politics. A large amount of money was to be spent on emergency public work programmes. Public expenditure was seen as a way to bring Sweden out of stagnation by stimulating the economy. The party leaders declared, however, that this was no time to sit around and debate how a socialist society was to be created. The Social Democratic government faced problems which must be solved immediately; hence, the party was concerned with short term or "pragmatic" policies.

As the Social Democratic government was a minority government, it had to try and find a basis for co-operation with one of the bourgeois parties in order to get its legislative proposals through the Riksdag. This was done in the famous *kohandeln* (cow trade), an agreement reached on 27 May to enter into co-operation with the Bondeförbundet (Agrarian) Party. This meant, in effect, that the Bondeförbundet would vote for the Social Democrats' unemployment programme and, in turn, the Social Democrats would follow the advice of the Bondeförbundet in dealing with the agricultural crisis. This co-

operation led to a situation where many ideas which were criticised in 1932 by the Social Democrats as bourgeois policies and solutions, were defended or proposed by the Social Democrats in their 1934 election propaganda. Similarly, many proposals put forth in the Social Democrats' election propaganda of 1932, were criticised in 1934. Per Albin Hansson wrote, in 1934, that there was nothing more natural than a coalition between the two largest groups of citizens in Sweden.

The number of unemployed was approximately 164,000 in 1933. By 1934, this figure had dropped to 115,000; in 1935 to 62,000; in 1936 to 36,000; and, in 1937 to 18,000. The Social Democrats' unemployment programme played an important rôle in this recovery and, in the process, also increased the power of the government. It was the study of Marx's under consumption, unemployment and crisis theories that gave the Social Democrats, especially Ernst Wigforss, reason to question the application of the old economics as a solution to the economic crisis; but the theory that formed the foundation for the proposals and solutions put forth by Wigforss and his colleagues was that of John Maynard Keynes.

The most important welfare reform, unemployment insurance, was introduced in 1934. An increase in old age pensions was passed in 1935; but when a new proposal dealing with old age pensions was raised in the 1936 Riksdag, the bourgeois majority voted against it, which led to the fall of the Social Democratic government on 19 June, 1936. The Bondeförbundet (Agrarian) Party then formed a government which lasted only three months. On 28 September, 1936 the Social Democrats and the Bondeförbundet Party formed another coalition government. Per Albin Hansson stated that it was the Social Democrat's aim to work for the common welfare of all society, and this meant co-operating with other parties wherever possible. As a result, all class conflict theories and, indeed, ideology itself, were played down. Society was to be bettered, according to the Social Democratic leaders, through co-operation between different groups and classes. During this

period the Social Democratic press did stress the point that the party's emphasis on a planned economy made them socialist and separated them from bourgeois parties. However, the late 'thirties saw welfare ideology form the basis of the party's programmes. The Social Democrats argued that just because welfare reforms and social politics had been the path followed, did not mean socialism had been abandoned. What this meant, for example, was that nationalisation was not an uncompromising principle, but an alternative to choose or leave alone. State ownership of production in certain cases was acceptable, but not if it would disrupt society and cause friction in the process.

The 1936 election campaign was relatively calm. The Social Democrats' election propaganda was basically to tell of the party's successes in overcoming the economic crisis, as well as promises of a continued welfare politics. No demands for nationalisation were made in the election campaign; it was not even referred to as a future goal. The words "economic politics" replaced the word "socialism" or "nationalisation" in the election propaganda. The Social Democrats emphasised pragmatic programmes and stated they would support the economic system that was most practical at a given time. Nationalisation for the sake of nationalisation was not to be their approach. Even with the Social Democrats playing down socialism and the bourgeois opposition aware of the Social Democrats' non-socialist platform, the bourgeois election propaganda continued to use the word socialism in opposing the Social Democrats, for them socialism could only mean state ownership of the means of production. To the Social Democrats, on the other hand, socialism had come to mean a welfare state, with the use of state power and the public sector to improve everyone's standard of living.

Gunnar Myrdal, who was one of the young Social Democrats from outside the Marxist tradition, declared that socialism meant effective stabilisation in order to strengthen the economy: the regulation of consumption with regard to the needs and demands of the people. To Myrdal there

was nothing doctrinaire or dogmatic about socialism. Thus, in the early history of the Social Democrats, welfare politics was different from socialism. Welfare and social reform was reform within the framework of the existing capitalist system; socialism was a "new" system. By 1936 "welfare reform" had become the party's main goal. The 1936 election was a victory for the Social Democrats; they won 112 seats in the lower chamber. As the other socialist parties won 11, the Social Democrats were left with a larger number of representatives than the combined total of the bourgeois parties. However, Hansson chose to build a coalition with the Bondeförbundet (Agrarian) Party, declaring the need for co-operation between representatives of different ideas, interests, parties and classes. What this meant, in effect, was a total dedication, by the Social Democrats, to welfare politics. Co-operation, in reality, illustrated the party's unwillingness to challenge the capitalist economic structure.

towards a post-war programme

The only period when Marxist theory had a great influence on Swedish Social Democratic thinking, at this time, was during the early years of the economic crisis, culminating in the 1932 party congress. The Social Democrats came to emphasise co-operation and pragmatism over class conflict. During the period of the second world war coalition government the bourgeois parties came to accept more state interference and full employment. For example, Bertil Ohlin, who became leader of the Folkpartiet (Liberal Party) in 1944, favoured social liberalism with state interference in a crisis. Ohlin believed the state must play an active rôle, and that there must be a planned economy. However, this would be a bourgeois planned economy and could not be used as a starting point for socialism. During the 'thirties, the Social Democrats, besides favouring full employment, also favoured a policy of industrial and economic rationalisation. In the discussion on the post-war programme it was decided to have a more ambitious rationalisation plan than was the case in the 'thirties.

This was part of an attempt to initiate an expansionist economic policy against the threatening peace depression. Welfare politics would continue, but the public works programme would be complemented by rationalisation. The planning of this post-war programme began around 1942. The main factor which dominated those working on the manifesto was the fear of such a post-war depression. Depressions and economic stagnation had followed previous wars, thus, the Social Democrats believed the first goal of the government was to prevent mass unemployment during the transition from a war to a peace economy. One of the arguments of the Social Democrats was that the success of the state regulation and state control policies of the wartime coalition government could be continued.

The wartime economy had shown the possibilities for intensive production when manpower and material were placed under public control. Price control and import regulation could, for example, be continued after the war for as long as was necessary. The Social Democrats also called for an increase in the production of consumer goods and a rise in real wages. Wages would be raised, in the first instance to the 1939 level, to compensate for the hard times experienced during the war years. This would happen either through a lowering of prices or an increase in money income.

The post-war programme of the Social Democrats was issued as a 27 point plan in 1944 (*Arbetarrörelsens Efterkrigs Program*). Its short term aim was to prevent a post-war depression, while its long term aim was to try to develop the ideal planned economy. The manifesto also called for a more equal division of income and an increased standard of living, as well as more democracy within industry and a more ambitious programme of rationalisation, which meant that it was necessary to use the means of production as efficiently as possible, and to make the structure of the economy as rational as possible. There was to be an increase in state activity in the area of public utilities, through the establishment of competing public activities, or via nationalisation.

However, nationalisation would in fact occur, only in areas where private industrial activity resulted in mismanagement and monopoly. Otherwise private owners' rights would not be threatened. Thus, the post-war programme was not dogmatic or doctrinaire. Rather it was, according to the Social Democrats, a "pragmatic" one favouring nationalisation only when it could be fully justified. In short, nationalisation must prove itself to be practicable. There were some Social Democrats who argued that once one gives up one's belief in state ownership one begins to work for the strengthening of the capitalist system; but this argument was countered by the moderates, who stated that such "freedom" would allow one to choose between the different forms of production, choosing that which would be the most effective. Thus, if private industry was efficient and succeeded in satisfying the needs of the masses, then there was no need to change. Bourgeois fears that the Social Democrats would socialise all industry proved to be completely unfounded.

The Social Democratic leaders believed that the main goal of the Social Democrats was to assure security for all workers; if this could be done without socialisation, so much the better. They believed that once the Social Democrats rejected dogmatism, state and private industry could co-operate to the benefit of all society. This had been the policy of the Social Democrats' leader, Hansson, and, following the war, he called for a continuation of this policy. No radicalisation of Social Democratic ideology occurred in the post-war period. (The demand for increased state activity and influence was hardly radical.) One might mention, however, the proposal of Alva Myrdal for a guaranteed national minimum income or, as it was sometimes called, nationalisation from the consumer side. At the 17th party congress the 27 point plan was presented as an entirely new party programme. Demands were being made in 1940 by several Social Democrats to have a new official programme, so that the ideas of class warfare and nationalisation could be removed. Instead, the wording should call for the state to be given "control" and "in-

fluence" over the economy, as well as the states' "responsibility" to see that production potential was being fully utilised.

As regards LO, it was not until 43 years after its formation that a special committee was created to formulate an official trade union economic policy. This, in itself, was an indication of the lack of ideology within the trade union movement during this crucial formative period. The ideas put forth by the 1941 committee were well within the limits of the Keynesian economic programme the Social Democratic government had followed during the 'thirties. As such LO's first economic policy posed no threat to Sweden's existing capitalistic economic framework. The committee did state that the public benefit was more important than private profit, but this was an endorsement of Wigforss' economic policy, that the government should intervene in cases of inefficiency among privately owned companies; the committee also called for the creation of works councils to give the workers more influence over the decision making process in industry.

LO did co-operate with the Social Democratic Party in the writing of the post-war 27 point plan, which represented a victory for the welfare reformist approach. No fundamental changes in ownership or control over private industry were called for. An important strike occurred within the metal industry in 1945. The strike, which lasted for five months, was primarily a conflict over wages. Most workers and wage earners found their real income had dropped during the war years. Although this was a bitter struggle, which placed great strains on the trade union movement, it did not lead to a general strike nor to a radicalisation of the trade union movement, for LO and the Social Democrats were united in their post-war policies for economic and social reform. One change which was introduced in 1946, through an agreement between LO and SAF, was the creation of works councils, although it should be clearly understood that these councils have no real power. While proposals may be made about company policy, the employer has the final say. In the end the works councils' major

concerns are production and job security. Indeed, it may well be argued that their main tasks (such as the one which states "to give employees an insight into the economic and technical conditions of operation and into the financial position of the enterprise") serve to strengthen the capitalist economic system. Employers can use them to their advantage, benefiting from an actively interested labour force. In a report on the works councils published in 1961, LO suggested, on the one hand, that they should function not only as bodies for the polite exchange of views, but also as important foci for participating in the formulation of policy for the firm; on the other hand, LO stated that they should retain their status as advisory bodies. Close consultation between the works council and management could, according to LO, be made obligatory before decisions were made in areas which did not directly affect the management of "production, sales, purchases, and accounting." LO was, in effect, agreeing to the employers' right to retain full control and power in "actual" decision making.

The 1944 revision of the party's platform concerned itself primarily with the concept of a planned economy. Demands for more nationalisation were replaced by demands for increased state economic influence. Wigforss now stated that the primary goal of socialist policy was to realise "freedom" for all; if this was to be achieved, the Social Democrats could not be tied to any one precise method. A commission was also created in 1944, to study and make proposals for post-war economic planning; the chairman was Gunnar Myrdal, a Social Democrat, and the commission had over 20 members from varying interest groups and political parties. It was concerned with the ideology of the planned economy, expansionist economic policies and industrial nationalisation. There was strong disagreement over the expansion theory from the bourgeois members, who were older generation men tending to cling to the old economics. The Myrdal commission was significant, however, for its macro-economic approach to the problem. (Myrdal's work was so impressive that he was asked to become the secretary of the United Nations Econ-

omic Commission for Europe, which played a very important part in the reconstruction of the economy of western Europe after the war.) Under the commission the expansion theory came to take a less dogmatic form than in the earlier debate, which had stressed the importance of public works. The bourgeois press accused the Myrdal commission of being nothing more than an executive organ for the Social Democrats' post-war programme. It was true that the commission did, to a large extent, support the 27 point plan. When several of the commission's suggestions were proposed in the Riksdag, the bourgeois press warned against the road to a totally socialised state which begins with "economic democracy and a planned economy."

The Social Democrats, at the end of the second world war, gave up the coalition, as no bourgeois party was willing to go along with its post-war programme. There were some members of the Communist Party who were hoping for a coalition with the Social Democrats. However, the communists believed that nationalisation of the more important sectors of the economy was needed to achieve the goals set out in the Social Democrats' own manifesto. Nevertheless, prime minister Hansson announced that the Social Democrats would form a government alone. The new Social Democratic government did take as its guide the 27 point plan, which was characterised as radical socialism in the bourgeois press. The post-war blue print dominated Swedish politics from its planning stages and the 1944 election to the Riksdag election of 1948.

Ernst Wigforss, writing in the post-war years on Social Democratic ideology, felt that it was the state's responsibility to provide a "social environment" so that private and individual freedom could be increased. To Wigforss, democracy meant freedom for all and this freedom must be divided equally among all citizens. When the people gained power they would not tolerate a few having freedom at the expense of others. Wigforss went on to explain how the trade union movement and the passage of social welfare legislation by the Social Democratic govern-

ment had increased the freedom of the masses. The Social Democrats were succeeding in redistributing the freedom of the factory owners and the economically privileged. Economic privilege had to be abolished if all were to be truly free. Thus, the state would be used to increase freedom for all citizens through larger public influence in the economy and industrial democracy in the work place.

The bourgeois parties were opposed to using the state to increase freedom. From their point of view, increased state activity could only mean less freedom. The bourgeois arguments on "freedom" culminated in the 1948 election when the Social Democrats lost three seats. The Folkpartiet (Liberal) did best in the 1948 election, generally at the expense of the other bourgeois parties. The Social Democratic loss was not enough to cause the fall of the government, but their position weakened; and generally speaking, they were unsuccessful in increasing state influence over the economy in the post-war years.

The major problem of the late 'forties and early 'fifties was inflation. As the problem got worse a large section of public opinion began to call for a return to a freer economy. Consequently, the Social Democrats began to abandon regulations held over from the war, claiming that the state must find other ways of directing the economy. The stabilisation politics of 1948 and 1949 left behind in the autumn of 1950, when the outbreak of the Korean war contributed to rising prices, even in Sweden. The Social Democrats could not reach agreement with the Bondeförbundet (Agrarian) Party to form a coalition in 1948; however, in 1951, these two parties did reach an accord and, as a result, a coalition government was formed on 1 October, 1951. The main task facing the coalition was stabilisation.

A milder "air" had come over the emotional debate about the planned economy. The attempts in 1948 and 1949 to secure stabilisation meant co-operation between the Social Democratic government and the private sector of the economy. This co-operation resulted in the foundation of the *Samarbetsorganet*,

an export and productivity committee, which became an informal forum for the discussion of economic questions between the government, civil service and private industry; finance minister, Per Edvin Sköld, served as chairman of the group, which came to be called the *Tordagsklubben* (Thursday Club). This brought a new era to the relationship between the public and private sectors. One of the leading Social Democrats who came to support this co-operation was Ernst Wigforss, the expansion theory economist. Swedish economic policy was now, beyond question, economic liberalism. Gunnar Hedlund, who led the *Bondeförbundet* Party in the coalition with the Social Democrats at this time, was criticised by the other bourgeois parties for participating in the socialisation of the economy. To this criticism Hedlund replied, "it is a little strange to speak so much of (government) regulation, at a time when one regulation after another is being abolished." By the mid-'fifties almost all the war time regulations had disappeared.

In the 1952 election the prime minister, Tage Erlander, used the slogan "two decades—from unemployment to full employment." With this Erlander was trying to remind the electorate of the Social Democratic victories of the 'thirties rather than the less successful 'forties. By 1952 full employment had been obtained, but the problem of inflation remained, so the Social Democrats continued to be more concerned with day to day politics than with long range ideology. The 1952 election was virtually a victory for the Höger Party, which gained eight seats, while the Social Democrats lost two.

The problem of inflation, according to bourgeois politicians and economists, could be solved by lowering the level of employment; this was quite unacceptable to the Social Democrats. A different approach was offered the Social Democrats by Gösta Rehn, an economist with the *Landsorganisationen*, LO (Swedish trade union confederation). Rehn, as early as 1948 and 1949, began to advise the Social Democrats to diminish excess demand by means of strict financial control, with high company taxes, thus sterilising excess

purchasing power. Rehn argued that it was not only wages which increase during a period of full employment; industrial profits also rise. As profits rise, wage competition becomes intense and prices rise. Economic policy must, therefore, see to it that profits are kept low. Smaller profits would, of course, mean that some private businesses would go out of existence. Unemployment would occur in places; but a new labour market policy would increase the mobility of manpower so that those unemployed would be able, through state subsidies, to move from areas of unemployment to areas where industry could employ them, giving them higher wages and security in the process. The government would introduce policies to assist such people in adjusting to a new environment and would set up schemes for re-training the unemployed in new industrial skills. Such a labour market policy came to be regarded as a step towards socialism, and Rehn's theory was, therefore, adopted by the Social Democrats and put into practice during the 'fifties.

In 1955, the Social Democratic government began to hold regular conferences and meetings with leaders and representatives of private enterprise. The idea behind this policy was similar to that of the *Tordagsklubben*. In 1952 an industrialist left an estate at Harpsund to the state. This was to serve as a place for the Swedish prime minister to hold regular meetings with business leaders. Thus, in this calm and peaceful setting government and business leaders held informal meetings on economic policy. Harpsund democracy, as it came to be called, served to formalise these contacts. One also saw a marked decrease in bourgeois propaganda against socialism, as members of the business community came to realise that a more ambitious planning of society and the economy was necessary for progress. This does not mean that both sides held the same views; rather, it means that the emphasis was on compromise and harmony. Such an approach was actively supported, for the most part, by the Social Democratic press. By 1955, poverty Sweden had become welfare Sweden and was, along with Switzerland, the wealthiest nation in Europe.

5. the SDP today

The parliamentary developments in the 'fifties were characterised by continuing losses for the Social Democrats and victories for the bourgeois parties, especially the Högern Party. They developed a different ideological profile, just as the Social Democrats had done with their expansion theory in the 'thirties, and the Folkpartiet had in the 'forties with social liberalism and a bourgeois planned economy. The 'fifties saw the Högern Party advocating a property owning democracy. The accumulation of private capital was to be encouraged and all people were to be turned into small capitalists. They gave the standard conservative arguments against the welfare state with reference being made to "creeping socialism." The bourgeois parties all believed that since poverty had been all but eliminated in Sweden, the appeal of socialism would rapidly diminish. This belief was based on the assumption that socialism was only relevant in countries with great poverty. A high and rising living standard with security in full employment in a society with economic freedom made socialism irrelevant.

The Social Democratic/Bondeförbundet coalition government broke up on 31 October, 1957. The Bondeförbundet Party wanted to change its image so as to have a wider appeal than agriculture. It wanted to appeal, for example, to small businessmen and the urban middle class. Thus, the party changed its name to Centerpartiet (Centre Party). It was now stressed that private ownership was the basis of their programme. Social Democrats began to demand new policies and a new direction to avert the continuation of the election losses of 1952 and 1956. The post-war programme had remained in the background, with the Social Democrats choosing instead to administer the growing welfare state.

welfare state kills socialism ?

Some Social Democrats felt that the liberal trend meant a power concentration of experts and bureaucrats which would smother freedom for the workers who remained as helpless as in the earlier stages

of capitalism. Some argued that the welfare state would kill socialism. However, the former finance minister Ernst Wigforss stated in 1955 and 1956, that the welfare state need not make socialism irrelevant; to him it was a middle way between capitalism and socialism. A way in which private economic power had been modified by social welfare politics, unemployment politics and union wage politics; but, Wigforss went on to emphasise that a welfare state was not socialism. Socialism meant a classless society. Sweden had remained, to a high degree, a class society and he could not possibly accept this. Equality, to Wigforss, meant a society free from large inherited capital, obstructions to education, a slackening between different types of employment, more co-operation and understanding among people and a lessening of the unilateral decision making powers of factory owners.

Nils Kellgren, an economist with the LO, also believed that the welfare state would mean the death of socialism, and he called for an updating of the party programme. The new programme in Kellgren's view should be based on "productive" full employment, the classless society, and deepened democracy with some more internationalism. Kellgren, together with another economist Hans Hagnell, placed a motion before the 1956 party congress calling for a revision of the party programme. This did not happen, but a policy committee was set up to report to the 1960 congress. In 1956, the prime minister, Tage Erlander, stated that poverty had been one of the principle driving forces behind socialism, but went on to speak of the "dissatisfaction caused by great expectations." Full employment meant that people made greater demands on life. The state must increase its activity in the economic sector as new demands were made for highways, medical services, housing and education. The bourgeois argument that larger state influence in the economic sector threatened freedom was, in Erlander's view, totally unrealistic. He argued that greater individual freedom and personal development could be realised through increased state activity. Thus, a case was made for increasing the state's rôle in the economy.

During the last years of the 'fifties one question came to dominate the political scene and led to deepening conflict. This was the *tjänstepensionsfragan* (ATP, or earnings related graduated pension scheme). The idea of the ATP was to supplement the basic national pension with a pension which was related to the individual's income during the active part of life. A large state fund was to be established from which these pensions would be paid, but, as with the British Labour Party's original scheme, the capital could be used for investment in private industry. What is significant with regards to Social Democratic ideology is the fact that the Social Democrats viewed the ATP as a means of attaining a more socialist society. In reality, the ATP, which would increase security against the lowering of incomes, providing further security against poverty and distress, was a continuation of the Social Democrats' policy of welfare politics. The bourgeois parties saw the ATP as a step towards socialism, whereby the state would strengthen its control over private industry, investment and credit. To the bourgeois parties the ATP was a Social Democratic attempt to socialise the private business sector. The struggle over ATP resulted in a victory for the Social Democrats, thus reversing the setbacks they had received throughout the 'fifties.

In January 1959, Sweden's unemployment (over 70,000) was the highest since the end of the second world war. Thus, the new labour market politics came to the foreground. Productive full employment became the goal; manpower was to be directed to production efficiency. Several trade schools and retraining courses were opened; new types of subsidies and allowances to stimulate worker mobility were initiated; and, the management of investment funds was placed at the labour market board's disposal. The passage of the ATP also increased the opportunities for government influence within the business structure. The 1960 Social Democratic Party congress adopted a new party platform, which was again of a revisionist nature. More state control and influence was needed over industry; more rationalisation of society; and a more equal distribution of income were called for.

In 1961, a group of LO economists issued a pamphlet *Samordnad näringspolitik*, in which the ideas on economic policy of the Social Democrats were set out. This pamphlet became to the 'sixties, what the post-war programme had been to the 'forties. The *Samordnad näringspolitik* manifesto claimed that economic liberalism had never functioned efficiently. Socialism had originated as an economic theory designed to replace, then later to improve the inefficient liberal economy. Thus, the authors argued that it was the task of the Social Democrats to realise socialism. The state was to take a leading rôle in economic policy. No controlled economy was being sought, however. The market forces should themselves point out the direction in which economic development should go. Then, the task of the state would be to remove all obstacles and factors causing sluggishness among the market forces, ease the mobility and adaptation of production factors, and deliberately encourage the most expansionist tendencies. The economy's capital support ought to be arranged in such a way as to increase rationalisation. Gösta Rehn explained that the programme would set out to realise what the market, according to its own claims, ought to, but could not realise. In 1960 both Tage Erlander and the finance minister, Gunnar Sträng, were arguing for a rapid increase of economic influence for the state, in order that people's needs might be met.

The Social Democrats gained seats in the 1960 election, thus breaking with the trend of the 'fifties. The ATP programme was made an election issue, so several Social Democrats saw their party's victory as a victory for a collective versus a liberal organisation of society. However, the 1960 party manifesto continued the Social Democratic trend of moderation on the nationalisation issue. No unconditional demands for nationalisation were made. The manifesto also criticised income differences which involve social or economic privileges and power; although it did accept a wage differentiation based on differences in work, skills, responsibility or initiative. Nevertheless, many Social Democrats, including LO chairman Arne Geijer, stated that no radical change in

the low wage problem could be expected before there was a structural transformation of the economy. Other Social Democrats began to argue that these theories for a planned economy were nothing other than theories for perfectly functioning capitalism.

In the 1960 Riksdag elections the Social Democrats won a total of 114 seats in the lower chamber, one more than the combined bourgeois total. In the 1964 election the Social Democrats lost one seat, but still retained one more than the combined bourgeois opposition. Even with these parliamentary majorities the Social Democrats continued to follow the welfare reform ideology. The local elections in 1966 resulted in the Social Democrats' lowest vote since 1934. The party lost more than one tenth of its voters to the opposing parties compared with the Riksdag election of 1964. The total votes of the bourgeois parties was 49.5 per cent, while the Social Democrats and VPK (Vänsterpartiet kommunisterna) received a combined total of 48.7 per cent. Thus, had the election been a Riksdag election, the bourgeois parties would have gained a majority in the lower chamber. One of the factors contributing to the Social Democratic defeat was that the bourgeois parties were more united than ever before. This was an unexpected defeat for the Social Democrats and raised the possibilities of a bourgeois coalition government in the 1968 Riksdag election.

The ATP controversy, which had dominated the Swedish political debate in the late 'fifties, as well as the 1960 election had, by 1964, ceased to be controversial; all parties came to accept the ATP. With regards to the ideological debate of the mid-'sixties, one can note a lessening of the debate between the Social Democrats and the bourgeois parties over social and economic questions, although the latter continued to call for less state interference and influence in the private sector. Following their 1966 election defeat the Social Democrats proceeded quite cautiously, while searching for a similar issue to the ATP, in order to sharpen the debate between themselves and the bourgeois parties. Such an issue would con-

tinue the Social Democrats' emphasis on social welfare politics. The general issues of the 1968 election campaign were: increased equality in such areas as wages and education (a continuation of the line taken by Tage Erlander in the 1956 campaign); an increase in the state's rôle in the economy; productive full employment and work security; and, increased industrial democratisation.

The 1968 Riksdag election saw the Social Democratic Party gain an absolute majority in the lower chamber, receiving 50.1 per cent of the total vote cast and winning 125 seats in the lower chamber compared with a combined bourgeois total of 105. This was, with the exception of 1940, the most successful election the Social Democrats had had. Just as the Social Democrats had relied heavily on the economic theory of Keynes in the 'thirties, so they relied on the writings of the American economist John K. Galbraith in the 'sixties. Much of their economic policy was based on Galbraith's contention that in wealthy nations the private sector remains too large and the state sector too small. The Social Democrats' economic programme in the 'sixties was, without doubt, liberalism. It was called socialist by both the Social Democrats and the bourgeois parties on the basis of its conclusions concerning the rôle of the state in the economy; the Social Democratic belief being that the state should control the national economy.

In Sweden, as in other West European nations, there was a revitalisation of the left during the 'sixties. The "new left," as it came to be called, displayed a greater belief in basic Marxist theory. Those who held this view criticised the moderation and liberalism of the Social Democrats, claiming that the vital sectors of Sweden's economy must be socialised and, simultaneously, a thorough democratisation of industry must be undertaken. C. H. Hermansson, who in 1964 became the leader of the VPK (Vänsterpartiet kommunisterna), attacked the Social Democrats for not taking action against the growing concentration of capital and wealth in Sweden. The "new left" questioned how the Social Democrats thought they were

servicing the interests of society by supporting the private ownership of industry. The Social Democrats, however, remained firmly within the social welfare political framework, although they did continue to demand an increase of state intervention in the economy and increased industrial democracy. Increased freedom through equality and economic security was a major theme of the Social Democrats in 1969 and 1970.

It was argued in the 1970 election campaign that the state now had powerful instruments it could use to influence the economy. One such instrument was the pension fund, which the Social Democrats claimed gave them a growing democratising influence over an important part of the capital market. Another instrument was the investment bank which gave the government the chance to finance long term industrial investment. The campaign theme of 1970 was that now these instruments of influence had been established the Social Democrats would begin to use them. Two other proposals which some Social Democrats advocated were aimed at giving the state a more influential rôle in the economy. They were: first, to create a state holding company; and, second, to have the state represented on the boards of directors of the large corporations, banks and holding companies. Such action would, according to the Social Democrats, allow the worker and the general public to exert influence over the decisions of private business, and help to create a more just, equal and secure society.

A state holding company, AB Statsföretag was, in fact, created in 1970. It is now Sweden's largest business enterprise, surpassing private giant corporations such as Volvo, SKF and ASEA. AB Statsföretag is a conglomeration of state owned businesses concentrated under the ministry of industry. (Before 1970, state owned industries had been under the jurisdiction of various ministries.) Thus, for the first time, almost all state owned industries are grouped together under a unified management. This new holding company includes financial institutions with total assets of approximately 14,000 million

kronors; compared, for example, with the approximately 28,000 million kronors in total assets of Svenska Handelsbanken, Sweden's largest commercial bank (1969 figures). The Social Democratic Party looks upon AB Statsföretag as a step towards more governmental control and influence over the country's economy. Undoubtedly this conglomerate will have an influential voice; nevertheless, the primary reason for creating AB Statsföretag was, very simply, business efficiency. A reorganisation to increase the efficiency of state owned companies does not, necessarily, bring one closer to a socialist state. The Social Democrats, in this reorganisation, had no intention of weakening the capitalist system. (To illustrate this one need only note the fact that the government, in an effort to allay the fears of the economic élite, chose Gunnar Svärd as its first managing director. During the years that Jarl Hjalmarsson was leader of the Högern Party, Svärd served as a party secretary. He later became director of Förenade Fabriksverken.) Unquestionably, AB Statsföretag was established in an effort to get state owned business under one administrative roof where they could be subjected to business management principles; it should be noted, however, that some state owned operations were not included in AB Statsföretag, such as the railways, post office and telephone service.

The second proposal, of having the state represented on the boards of directors of large corporations, banks and holding companies is also looked upon by the Social Democratic Party as a means of increasing state influence over the economy, that is, as a step towards socialism. In 1971, the Swedish government was represented on the board of directors of Wallenbergs Stockholms Enskilda Bank, by Rune Johansson. Johansson was a member of the Social Democratic Party governing board, a Riksdag member, chairman of the Social Democrat's parliamentary party, and director of Byggproduktion AB (BPA), a trade union owned construction company. Rune Johansson is the present minister of industry, has withdrawn as a member of the bank's board of directors, and has been replaced

by Ingvar Svanberg, the new parliamentary leader of the Social Democrats. Sweden's present minister of industry is a man who has demonstrated his ability to work effectively with, not against, Sweden's economic élite.

The Social Democratic Party's argument that such state representation is a step towards socialism and/or government control over the economy must be questioned. First, Sweden is a multi-party democracy. There is no assurance that the Social Democratic Party will rule Sweden for ever; the possibility exists that an election defeat for the Social Democratic Party could bring a bourgeois coalition to power. If a bourgeois government is formed in the future, state representation on the boards of directors would, unquestionably, increase the power and influence of the political and economic élite and their ability completely to control the country. Certainly such representation will result in a two way process. On the one hand, the Social Democratic government may increase state influence over the economy and private sector; on the other, the economic élite may, through new contacts with the state, increase its influence over the government's economic policies. The increasing contact and interlocking of government and business leaders has not yet, in any way, served to weaken the capitalist economic structure.

Other campaign proposals concentrated upon increased equality. Such suggestions as increased day schools and child supervision, increased adult education, and tax reforms to ease the burden on lower paid workers, are examples of this "equality programme." Increased industrial democracy and a more equal distribution of income were also called for. The 1970 election saw the Social Democrats, and their new prime minister Olof Palme (former prime minister Tage Erlander retired in October 1969), lose their absolute majority. The Social Democrats' share of the total vote dropped from 50.1 per cent in 1968, to 45.3 per cent in 1970; the combined vote for the bourgeois parties was 47.6 per cent. It was the vpk (Vänsterpartiet kommunisterna) who received

4.8 per cent of the vote, an increase of 1.8 per cent over 1968, which allowed the Social Democrats to continue in office with a minority government.

At the Social Democratic Party congress, in October 1972, 19 motions were tabled calling for the nationalisation of Sweden's private banks. However, the executive board of the party never seriously considered the proposal, arguing that the state had increased its influence and control over credit through the growing pension fund, and through four state or co-operative banks: Postbanken, Kreditbanken, Sparbanken and Jordbrukskassa.

The party's executive board also pointed out that state influence was increasing through state representation on the boards of directors of the private banks. In examining the lending capacity of private banks, as compared with state and co-operative banks, one sees that private capital is in a minority. However, the greatest part of credit given by private banks goes to private industry. Credit from state and co-operative banks goes primarily for the construction of housing, hospitals, and other public activity. These banks have almost no influence over investment in the private sector of the economy.

There is no concrete evidence to prove that state representation on the boards of directors of the private banks has, in any way, weakened the position of the private banks *vis à vis* the state; which has, for many years, been represented on the boards of directors of private insurance companies. In reality, those chosen to represent the state on such boards, have had minimal influence. Social Democratic governments have not nominated representatives who would alienate the regular board members; "safe" (that is, acceptable to the company's regular board) representatives are appointed, and the influence wielded by such persons often reflects his or her willingness to "go along" with the rest. There is a very real possibility that a bourgeois coalition will, in the future, win control of the government. The power of Sweden's economic élite will then go completely unchallenged.

6. the influence of interest groups

Business and labour interest organisations, in the 'forties and 'fifties, entered into a few voluntary wage and price freezes at the request of the government. During the second world war, when the coalition government was worried about economic stabilisation, agriculture and business organisations began a price freeze. This action was followed by a labour agreement voluntarily to freeze wages, on condition that the cost of living index be held under a specific level for the duration of the war. The result of this 1942 voluntary agreement was a successful stabilisation of Sweden's economy. The coalition government was, of course, led by the Social Democratic Party, with each of the three major bourgeois parties also represented. Thus, during the second world war, business interests were represented in the government. More importantly, perhaps, business and labour reached voluntary agreements to prevent a situation developing where the government would pass legislation dealing with the labour market. Both labour and business were opposed to government interference in this area.

After the war, inflation became a major problem in Sweden. However, business and labour organisations were more hesitant about reaching a voluntary agreement. Labour's hesitancy was a result of Lo's unwillingness to ask its members to continue to make such sacrifices as they had during the war. Business organisations were, in the post-war years, actively supporting the bourgeois parties' attack upon the Social Democratic Party's tax policies and proposals for a planned economy.

Also, there was no longer a coalition government, and business did not want it to appear that the private sector was supporting the economic policies of the Social Democratic government. Nevertheless, the fact that the government could always threaten business and labour with labour market legislation was the major reason that stabilising agreements were voluntarily reached in 1948 and 1949. These agreements differed from that reached in 1942, in that they took the form of mutually worked out communiqués. The 1942 agreement was a written one.

In the early 'fifties prices rose sharply, primarily as a result of the Korean war, and the government continued to seek voluntary agreements with labour and business. They preferred a voluntary agreement to legislation; and this suited the government, since both business and labour would more loyally support a voluntary policy than a compulsory one. The 'sixties saw the government negotiate less with interest organisations and more with private companies, or groups of companies. One reason for this change was that the situation often called for a financial rescuing act through the government's localisation programme. A more important factor, however, was that the political situation had changed. The political consequence of the supplementary pension question was a strengthening of the Social Democratic Party and, simultaneously, a weakening and division of the bourgeois opposition parties. In these circumstances it became all the more important for the business community to establish better relations with the government, a process which was facilitated by the political liberalisation of the Social Democratic Party. However, the disappearance of voluntary agreements, similar to those of the 'forties and 'fifties, was primarily a result of the strengthened position of the government.

the Thursday Club Torsdagsklubben

In the autumn of 1948, the government had taken the initiative in certain agreements with credit market organisations concerning their economic policies. The attempt to have separate negotiations with various organisations was rejected by business representatives, who instead demanded a general discussion of broad economic policies before separate negotiations took place on specific policies. In this manner, the business community could demonstrate that the government's economic policies did not have the support of business. The government agreed, and negotiations with major business organisations began in the autumn of 1948 and continued into 1949. Early that year, special negotiations were held with business organisations on price controls as well

as on export and production policies. It was during these discussions that the government suggested the establishment of a standing consultative body with the specific aim of seeking contact with business. Business organisations agreed to the suggestion, on the understanding that their participation would not be interpreted as support for the government's economic policies. Hence, the "consultative body" for increasing export and production began its activity in 1949. The meetings were held each Thursday and soon came to be referred to as the Thursday Club. All the major business organisations (including SAF) were represented, as well as Lantbruksförbundet, LO, TCO, and various representatives from the ministries concerned. Specific agreements and negotiations were not made or conducted at these meetings. The discussions were only advisory and informative. Nevertheless, the chairman, Per Edvin Sköld, did take the advice of the Thursday Club into consideration when preparing various economic measures. (Sköld became minister of finance in 1949; business organisations were thought to have considerable influence during his period at the ministry.) The Thursday Club ceased to exist in 1955, partly because Sköld left the government, and partly because the number of representatives present had grown to such an extent that it had become a discussion club without real importance.

In 1957, Tore Browaldh, board chairman of Svenska Handelsbanken, stated that both the trade union movement and private industry were established power factors in Swedish politics and that the state's participation in Sweden's economic life could not be reversed. Consequently, all must seek ways to co-operate. By constructive co-operation with the Social Democratic government, private enterprise could be at the centre of the economic debate and gain influence in the decision process.

Harpsund Democracy

When the Thursday Club ceased to function, both the government and the business community felt it beneficial to find some forum for continued discussions

and negotiations. The new meeting place was Harpsund, an estate donated to the prime minister by a wealthy businessman. The first Harpsund conference was held in 1955, when it was decided that government and business leaders would have an annual conference. During the first year only LO leaders were invited to separate conferences. Following this, however, SAF, SIF, TCO, KF and the export association, as well as LO, began to form an inner circle of organisations regularly visiting Harpsund. Other major organisations were invited when the topic to be discussed specifically concerned them. The business community was represented not only by the top leaders of business organisations, but by leading businessmen as well. The invitations to Harpsund were personal ones from the prime minister.

Harpsund became a symbol for the growing political influence of interest groups through intimate personal contact between government and business leaders. Harpsund conferences have been free discussions for the exchange of information, but it is believed that they were of special importance, for instance, during the 1961 and 1962 discussions on Sweden's ties with the EEC. Harpsund is also thought to have played a significant rôle in discussions between the government and LO, in 1955, concerning the political handling of the supplementary pensions issue. In the spring of 1961, insurance companies received a commitment from the government that it would positively consider the insurance representatives' desire for an increase in tax deductions for insurance. At this point, the Höger Party and Folkpartiet began openly to oppose "Harpsund Democracy," as Folkpartiet leader Bertil Ohlin called it. The business community supported the bourgeois parties' stand, stressing that such conferences were only informative.

Harpsund conferences differed from the Thursday Club in that they dealt with broader issues in an informal atmosphere; the Thursday Club had been far more formal. It is extraordinarily difficult to establish the importance of either the Thursday Club or Harpsund conferences, just as it is difficult to measure the political

influence of various interest groups attending such meetings, for records of the meetings and conferences are not available. One can say with certainty, however, that the Thursday Club discussions led to more concrete results, in part because they dealt with narrower topics. Harpsund represents a more informal type of contact, with the possibility of government and business leaders forming an élite which would easily fit into the power élite framework of C. Wright Mills. Since 1964, no Harpsund conferences have been held; since the government found the criticism over the Harpsund to be both embarrassing and troublesome. Criticism was coming not only from the bourgeois opposition, but from the left wing of the Social Democratic Party as well. The latter, along with the Communist Party, argued that Harpsund Democracy was increasing the political influence of the leaders of the business community and was leading to a more conservative Social Democratic Party.

the economic planning board

Another explanation for ending Harpsund conferences could be that the government had, since the mid-'sixties, yet another forum for continuing negotiations with business; the economic planning board. This board allowed the government to avoid the criticisms it had received over Harpsund. It was set up in the autumn of 1962, partly as a result of LO's demand for a continuous and co-ordinated long term economic plan. The chairman of the board is the minister of finance, with the ministers of trade and domestic affairs participating regularly. A few members are professors of national economics, but most are representatives from interest organisations (the government decides who will be present). Those organisations in regular attendance are LO, TCO, SAF, SIF, the export association, the bank federation, the wholesale and retail associations, KF and the Swedish farmers' association; several of them have economic experts as their representatives. At present, the economic planning board is only advisory. Again, it is most difficult to assess the board's influence on the

decision making process, as there is no public account of its activities; however, it definitely serves as a meeting place, discussion forum and information centre in approximately the same manner as the Thursday Club or Harpsund conferences.

Smaller, more specialised planning boards have been established in the various ministries. For example, an employment committee was formed in 1958 in the ministry of social affairs, under the chairmanship of the minister. This committee was believed to be very influential while its chairman was Torsten Nilsson; but, in 1962, Nilsson became the foreign minister and the committee's importance declined. LO, TCO, SAF and various other business organisations are represented on the employment committee.

A newly created board which plays a larger practical rôle than other similar ones, is the industrial board. This was set up as a result of LO's demand for an active, well planned industrial programme. The board was formed within the ministry of industry, under the chairmanship of the minister, Krister Wickman. Regular participants are LO, TCO, SAF, SIF, KF and the Swedish farmers' association; bank representatives attend when invited by the chairman. SHIO and the wholesale merchants and importers are present only when topics directly related to them are being discussed. The industrial board serves as the centre for all major research on industrial policy, and is believed to be an influential body in the decision making process of the ministry of industry. Certainly such boards give the major interest organisations a greater opportunity to exert more influence on the government's decision making process. It has been argued by left wing Social Democrats, and the bourgeois opposition parties alike, that Harpsund Democracy and the economic planning board could lead to a sort of economic and political élite. The major result of such "informal" and "formal" meetings has been the acceptance of the welfare state by the economic élite of Sweden; and, simultaneously, a greater emphasis on "pragmatic" or "functional" socialism by the leaders of the Social Democrats and LO.

7. the calm is broken

In 1948, due to the increasingly inflationary tendency of the economy, SAF sought an agreement for a wage freeze. This failed, but in 1949 the Social Democratic government pressured LO into accepting a two year wage pause, promising in return price stability, to be attained through price controls and subsidies. In 1951, LO debated the question of rationalisation of industry; this concept was tied to the maintenance of full employment. Thus, for example, when private enterprise was unable to offer full employment the government had to intervene. LO was of the opinion that the least efficient enterprises should be scrapped. Those who became unemployed as a result would be employed by the efficient, expanding industries; with union, government and employer assistance for vocational training and the possible relocation of workers.

The 'fifties and 'sixties were years of peace between LO and SAF. Relatively few major strikes or industrial conflicts occurred during this period. LO was mainly concerned with the development of the labour market policy and a wage solidarity policy. The former debate centred around two approaches: first, to bring jobs to the workers and, second, to help labour move to existing job opportunities. The latter policy, according to LO, was intended to create a fair and rational wage structure. LO believed that if a wage structure could be created which was seen to be just by the majority of employees, it would remove the reason for the senseless wage race, which in turn had an adverse effect upon prices. Clearly LO's concern during the previous 20 years has been to cooperate fully with the representatives of the private sector in strengthening the existing economic system. To be sure LO and its opponents do disagree. Conflicts do occur; but such struggles are carried out within the basic framework of the present society. The leaders of LO have been content to follow the labour market policy of rationalisation, in exchange for high wages. There has always been a small faction of LO members calling for a socialist programme, but the LO leadership has, in the past, used the word socialism as defined by the Social Democratic Party. Ideology must take a back seat to

the primary need for "pragmatic" policies. Demands for radical reform or a change in the very foundation of the existing economic system, conflict with LO's desire to see the Social Democratic Party remain in power.

This period of so called "labour peace" has, in recent years, shown signs of strain. Two cases, the Kiruna strike of 1969 and 1970, and the "luxury strike" of 1971, demonstrate the fragility of Sweden's labour peace. The Kiruna strike (which lasted 56 days) was a wildcat strike in the state owned mine LKAB. The reasons for the strike were a deterioration in worker/management relations, inequalities in working conditions, wages and privileges of workers and staff, dissatisfaction with time and motion studies and piecework systems which resulted in undue pressure and stress. The specific demands concerning the inequalities in working conditions, wages and privileges, were a call to socialise the industry. It illustrates that in these areas, the workers were dissatisfied with the liberal reformism of the LO.

The 1971 strike began with engineers, architects, librarians, social workers and others, totalling 2,500, walking off their negotiations between SACO (the Swedish confederation of professional associations) and the collective bargaining office. One of the main points in the Social Democratic Party's 1970 manifesto was the decision to work towards the socialist goal of income equalisation. The government had been distressed at the findings of a low income study showing that income differentials between the upper and lower classes in Sweden were actually increasing. Thus, faced with serious economic problems such as inflation, the government stated it would give the largest wage increases to the lowest paid—an attempt to decrease differences between incomes. When SACO demanded increases averaging 22.5 per cent the government refused. SACO wanted, by means of salary increases, to restore civil servants to their old position in society, a position which was different from that of salaried employees in the private sector and blue collar workers. Civil servants had certainly not lost all such benefits as the annual

gross income in 1971 of a civil servant averaged 30,000 to 32,000 kronor, as compared with 26,000 to 27,000 kronor in the industrial sector. There were also significant differences in pension plans. Employees in industry retire at 67 and are entitled to pensions of 55 to 60 per cent of their salary at retirement. A civil servant retires at no later than 65, being entitled to an old age pension of 65 per cent of the highest sub-division of their salary grade. (There are three sub-divisions in each salary grade. Even if a civil servant is in the lowest sub-division at retirement, his pension will be based on the highest sub-division of his salary grade.) More important, civil servants have a good chance of finding new jobs after retirement. If they take another job, part of their salary will be deducted to make up for the pension. If they take a job in private industry they will keep their whole pension regardless of how much they earn.

The luxury strike ended with government employees signing a three year wage agreement providing for pay increases totalling 28.5 per cent. What is important is not the terms of agreement; but that the government ran into a well organised and powerful opposition when it tried to work towards the socialist goal of equalisation of incomes. The Social Democrats would face even stronger opposition were they to attempt fundamentally to change the present economic structure. Attempts by LO to obtain equal incomes for indus-

trial workers will be strongly opposed by higher income groups. Ideologically, LO has consistently relied upon the Social Democratic Party for guidance. The first chairman of LO was a Social Democrat, not a trade unionist. The men who followed as chairmen of LO have been Social Democratic members of the Riksdag, as is the present LO chairman, Arne Geijer. He is also a member of the seven man executive committee of the Social Democratic Party. The history of the Social Democratic Party and LO leads one to conclude that "pragmatism" will continue to take precedence over ideology.

An ideological study of the Social Democratic and trade union movements clearly shows that, in reality, both are liberal reform movements. This point can be further illustrated by examining the extent and scope of public ownership in Sweden. Government ownership is primarily limited to a few special sectors, such as iron ore mining, public utilities and transportation, where government owned enterprises account for over half of the produced goods and services. Table I illustrates the distribution of ownership in some of the more important branches of business. Again one must note that very few government enterprises have been established subsequent to 1932. The only major exception is Norrbottens Järnverk, which was founded in 1940, mainly to alleviate unemployment in northern Sweden (see Table II).

TABLE I
SHARE OF OWNERSHIP IN SOME MAJOR BRANCHES OF BUSINESS

type of industry	central government	consumer co-operatives	others (of which more than 99 per cent private)	total
mining	82	0	18	100
metal and engineering	5	1	94	100
stone, clay and glass	1	1	98	100
timber, pulp and paper	3	3	94	100
printing	2	1	97	100
food manufacturing	4	34	62	100
textiles and clothing	0	1	99	100
leather, furs and rubber	0	5	95	100
chemicals	3	1	96	100
total manufacturing industry	5	4	91	100
commercial banks	8	0	92	100

TABLE II
JOINT STOCK CORPORATIONS IN WHICH THE GOVERNMENT HOLDS
MORE THAN 50 PER CENT OF THE SHARE CAPITAL

corporation	field of activity	the govern- ment has held part of the share capital † since	the govern- ment has held the entire share capital † since
LKAB	mining	1907	1957
SARA	restaurants	1915	—
ASSI	forest industry	1927	1941
Norrbottnens Järnverk AB	steel	—	1940
Nya Systemaktiebolaget	liquor distribution	1917	1955
Svenska Tobaksaktiebolaget	tobacco	—	1915
Sveriges Kreditbank	banking	1923	1951
other corporations	—	—	—
† or other form of interest			

Municipal ownership in business is also very limited and restricted mainly to public utilities and housing, and to some extent house building and food processing. Consumer co-operatives are most active in retailing (14 per cent of total employment), food processing (4 per cent) and housing (co-operatives own 14 per cent of housing in Sweden). AB Sveriges Radio (Swedish radio) is entirely privately owned, but the government appoints half of the board of directors and the chairman. This form of organisation has existed since 1925. Since 1967, government plants have produced 45 per cent of the total electricity output in Sweden; plants totally owned by local authorities 13 per cent; and, plants mainly privately owned 42 per cent. Of the 42 per cent that was privately generated, 18 per cent went directly to industrial use, chiefly to the firm owning the plant, while the remaining 24 per cent, partly produced by companies having local authority participation, was sold. The government owns about 93 per cent of the Swedish railroads, measured in mileage, and accounts for about 95 per cent of the traffic volume. The state owned railroads (sj) also run a considerable number of bus lines. In 1967, sj and its subsidiaries owned 20 per cent of the total number of buses and 4 per cent of all trucks engaged in public transportation. The government also owns half the shares, with private interests owning the other half, in AB

Aerotransport (ABA) which in turn owns almost 43 per cent of the Scandinavian airlines system.

Such detailed information helps to complement the point made in the ideological study that, in terms of actual political policies, the Social Democratic Party has never considered nationalisation to be of great importance. Pragmatism, or compromise with the existing economic structure, has always taken precedence over ideology. 40 years of Social Democratic government have left, almost untouched, the concentration of private wealth in Sweden. The economic élite remains in full control of Sweden's highly capitalistic economy.

SOCIAL DEMOCRAT'S POST WAR PROGRAMME OF 27 POINTS

1. Prevention of rise in prices. 2. Industry's efforts to maintain and increase employment are to be co-ordinated under the state's management. 3. Industry's export possibilities must be fully utilised. 4. Housing construction, according to a long term plan, to raise housing standards. 5. Reduced cost of guaranteed quality consumer goods resulting from mass production. 6. Work improvements for agriculture, forestry and the fishing in-

dustry. 7. Public works are to be increased whenever there is reduced employment in private industry. 8. Effective labour exchange and retraining. Improved vocational training and vocational guidance. Make more work for the partially disabled. 9. Increase of real wages and real income from the masses. 10. Equal pay for equal work both between agriculture and other branches of the economy, and between men and women. 11. Security against a fall in income. Unemployment insurance and health insurance are to be made universal. Daily unemployment benefits are to be increased so that they become enough for the maintenance of life. Old age pensions are to be improved. 12. Better industrial hygiene. More effective protection against occupational diseases and accidents at work. 13. Reduced working hours, in the first place, in the more trying occupations. 14. Energetic measures for improving public health. 15. Compensation for child costs, social benefits for the family, relief in housework through day nurseries and nursery schools, social domestic help, labour saving equipment. 16. Equal educational possibilities for all, irrespective of the parental income or place of abode. 17. Equal standards of living and a levelling of class differences. 18. Social planning of investment activity. 19. Foreign trade under public management. Swedish assistance in international economic co-operation. 20. Stabilisation and rationalisation of the construction industry. Neighbourhood slum clearance. Building sites and apartment houses in the cities to be transferred gradually into community property. 21. Rationalisation of agriculture. A land reform which is aimed at changing fragmentary agriculture to completely self sustaining agriculture. 22. Rationalisation of housework with social assistance. 23. Support for production which benefits everyone, or socialisation of areas where private industrial activity results in mismanagement or monopoly. 24. Cartel agreements and similar price arrangements are to be made public. Public accounts of connections between profit, prices and costs. 25. Increased support for technical and economic research. 26. Consumer goods under public quality control. Measures for the dissemination of objective know-

ledge of products. 27. Increased worker influence over production management.

EXCERPTS FROM THE SOCIAL DEMOCRATS' POLITICAL PROGRAMME

Abolition of class barriers. Just distribution of incomes. Equal rights for all, regardless of social status, sex, race or tongue. Equal pay for equal work. Women must be given full equality with men as regards educational and vocational opportunities, work and promotion.

The national economy will be organised with a view to achieving: economic democracy, increased production, full employment, fair distributions of incomes and wealth. The realisation of such an economic system demands: co-ordination of the various forms of economic activity and the direction of the community to ensure that the productive resources are fully and effectively utilised; promotion of new enterprises, public and private, in all important branches of society; subjection of economic power concentrations to democratic control; transfer to public ownership or public control of natural resources, banks and enterprises to the extent necessary to safeguard the citizens' important interests. The formation of capital for the needs of the community and of the economy will be secured through collective and private savings. Banking and credits will be subordinated to the interests of the community and to those of its citizens. A voice in management for employees in private and public enterprises. Democracy in the workshop. A policy for the labour market on rational lines, facilitating the adjustment of the enterprise and of the workers to changes in economic structure and methods of production, as well as providing new employment for all deprived of their job. Free choice of occupations and of training at all ages will be facilitated through training schemes and other help in changing jobs. Better mobility of labour across frontiers. (Taken from the manifesto adopted by the Social Democrat's congress in June 1960).

young fabian group

The Young Fabian Group exists to give socialists not over 30 years of age an opportunity to carry out research, discussion and propaganda. It aims to help its members publish the results of their research, and so make a more effective contribution to the work of the Labour movement. It therefore welcomes all those who have a thoughtful and radical approach to political matters.

The group is autonomous, electing its own committee. It co-operates closely with the Fabian Society which gives financial and clerical help. But the group is responsible for its own policy and activity, subject to the constitutional rule that it can have no declared political policy beyond that implied by its commitment to democratic socialism.

The group publishes pamphlets written by its members, arranges fortnightly meetings in London, and holds day and weekend schools.

Enquiries about membership should be sent to the Secretary, Young Fabian Group, 11 Dartmouth Street, London, SW1H 9BN; telephone 01-930 3077.

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