The aging of the population presents a significant challenge for all industrialized nations. Past increases and expected future increases in the older sector of the population put pressure on both the pension systems and the systems for providing medical care and social services. The increasing number of people over the age of 80 will especially increase the demand on these systems.

Sweden has been early in the demographic transition. The number of people aged 80 years and older has increased more than three fold since 1960. Sweden has also become the first country to reach the 5% mark: One in every 20 people is over 80 years old. Sweden has thus already experienced an aging of the population that will affect other countries later. As elsewhere, neither the pension system nor the care systems in Sweden were constructed for this capacity (Thorslund and Parker 1997).

To what extent will the Swedish welfare state be able to adjust to the changes in population structure? Considering the changed economic circumstances, both internally and related to the European Union (EU), the changing social norms, and the shifting trends in ideological fashion, can Sweden make the necessary adjustments? Can the system adapt without sacrificing the basic values and principles that have characterized the welfare state?

In this chapter we describe and analyze some of the developments in Sweden's care systems and the challenges facing the Swedish welfare state. Although the structures and strategies vary between countries, the developments in Sweden and the current public debate reflect some of the challenges facing the attempts of all industrial nations to provide welfare for their citizens.
THE SCANDINAVIAN WELFARE STATES

The Scandinavian welfare states have served as archetypes for equitable provision of welfare benefits. They provide a wide range of social services of high quality. The features normally emphasized are universality, comprehensive programs, income redistribution, high taxes and state-based structures of finance, provision, and regulation. Another trait, more rarely acknowledged, is that local government activities represent a significantly higher share of public consumption and thus play a more important role in welfare provision than in other industrial countries (OECD 1996).

Sweden has repeatedly been referred to as a “modern” or “advanced” welfare state (Esping-Andersen 1985; 1996a). This implies not only the visible and basically instrumental features above, but a political ambition that reaches beyond the mere “Bismarckian” functions of welfare, i.e. the level of intervention required for societal order and an optimized economy. In a modern welfare state principles such as equality, democracy, and the protection of anyone in need, are regarded as central. The objective is to compensate for needs and inequalities that originate from vulnerable phases in the life course or from unfavorable positions on the market. The principle of universality implies that services are provided on the basis of need, regardless of age, income, or place of residence. These principles are relevant to all parts of the Swedish welfare system, i.e. not only to income-maintenance programs, but also to the social service sector (Anttonen and Sipilä 1996). In the latter respect, Swedish welfare has also been described as being responsive to the interests of women.

Another salient feature of Swedish welfare policy – or perhaps, Swedish welfare ideology – is the idea of social welfare as a matter of individual resources. This perspective has also dominated the bulk of welfare research. In the dominating tradition, welfare has frequently been defined as “...the disposition of resources in terms of money, property, knowledge, mental and physical energy, social relations, security, etc., by which the individual is able to deliberately control his or her life conditions” (Johansson 1970, 25, our translation). The focus on resources offers a somewhat broader perspective than a mere acknowledgement of the degree of decommodification of labor power (Esping-Andersen 1990), which has been a recurrent theme in welfare research during the last decade. Focusing on resources is more in line with the concept of “personal autonomy,” which has been suggested to replace the concept of decommodification (Orloff 1993; O’Connor 1993).

Even though there have been signs of ideological changes in Swedish social policy (Eliasson Lappalainen and Nilsson Motevasel 1997), for the most part there has been political consensus concerning the basic values and goals of the welfare state both in Sweden and in Norway (Daatland 1997). Debate and discourse have centered on the means used to reach these goals. Recent adaptations to the economic situation have led to less universal programs and less comprehensive solutions. One central question is then, to what extent do these transitions threaten the fundamental values of Swedish social policy (Thorslund, Bergmark, and Parker 1997)?