

# The history of basic pension in Sweden 1913-1946

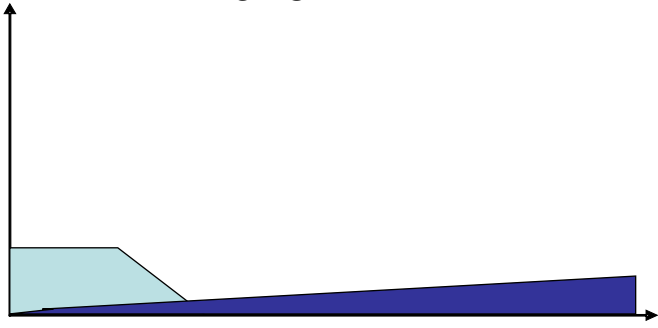
Petter Odmark  
Swedish National Insurance Agency

Lima 30/11

1913

Fully funded universal insurance

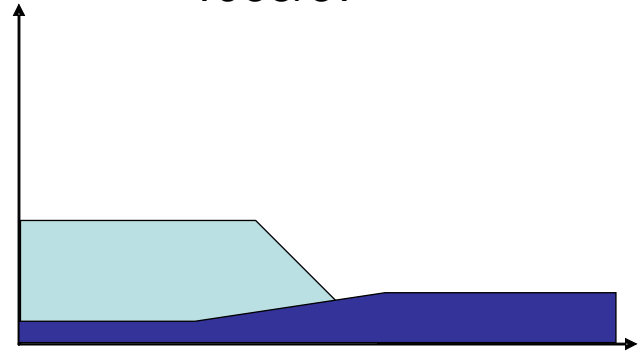
Means-tested Supplements (for disabled)



1935/37

Pay-as-you-go universal "insurance"

Means-tested Supplements



1946

Universal basic pension



# Reform why and how?

Breakdown of traditional support structures led to 30 years of debate which led to reform in 1913

The primary aim was to free the elderly from dependence on "poor relief" and to free the municipalities from the burden to support the elderly

Swedens agrarian structure decided the chosen solution

# 1913 (1915/1921)

Aim

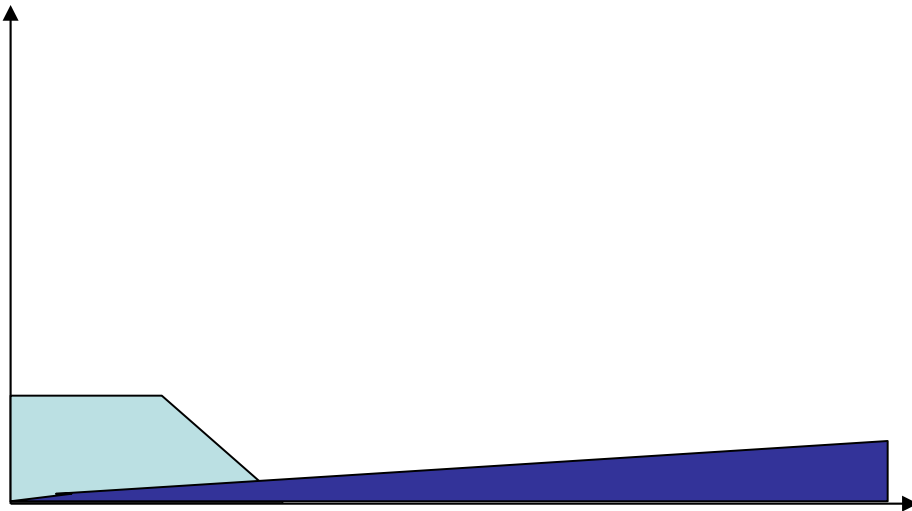
Get rid of poor-relief for the elderly

Solution

Universal insurance with supplements

Outcome

Some relief but not enough  
ca 30% still on poor relief in 1928

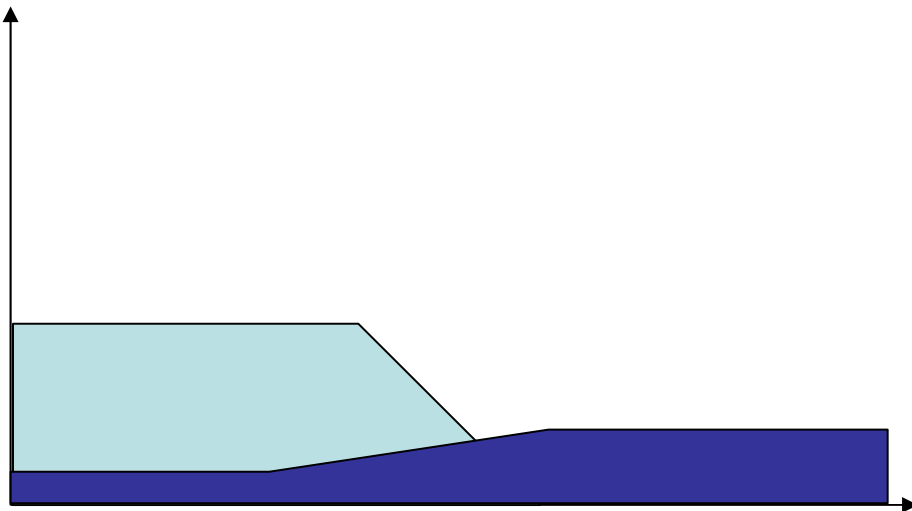


# 1935/1937

Aim Get rid of poor-relief for the elderly

Solution Universal "insurance" with better supplements

Outcome More relief but still not enough  
ca 15-20% still on poor relief in 1945



# 1946

Aim	Get rid of poor-relief for the elderly
Solution	Universal uniform basic pension
Outcome	Finally there (almost) only 7% still on poor relief in 1950



## Analytical dimensions

Universal  $\longleftrightarrow$  Partial  
(sector, means-tested)

Funded  $\longleftrightarrow$  Pay-as-you-go

Basic welfare  $\longleftrightarrow$  Income related

All have been present

But the heritage of 1913 was universalism