

## Book Reviews

John Lapidus (2019), *The Quest for a Divided Welfare State: Sweden in the Era of Privatization*, Basingstoke: Palgrave Macmillan, £69.99, pp. 244, hbk.

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Although it is still too early to draw strong conclusions from the experiences of the Covid-pandemic, one thing seems pretty sure: the virus did not weaken the case for public health care. Crises are in this sense good for welfare states. As recent experiences have shown, all states did not always handle the situation that well but there was, generally speaking, still widespread popular support and demand for their efforts to protect the health of the entire population. This was certainly the case in Sweden. One can add a recent report from the opinion survey institute SOM at University of Gothenburg with a title that neatly sums up its result: Strong Public Support for the Traditional Swedish Welfare State during Restructuring and Marketization (SOM 2020:41). It is good to remember this while reading the book under review.

John Lapidus, economic historian from Gothenburg, has written a survey of the emergence of private health care insurance and the general trends towards increased privatization in the Swedish welfare system. The book is an expanded translation of his *Vårdstölden* (2019), “Stealing Health Care” subtitled “How the private welfare steals from the public”, with references added through the chapters. Lapidus, who has published several pieces in the press on this topic in recent years, has not written your standard scholarly study: that is, a book with discussion of theory and method, rich empirical data, systematic comparisons etc. Instead, the book is better described as his personal contribution to an ongoing political debate. The author is passionate and polemical, he refers to interviews and personal experiences as well as the literature to underpin his claims and he is not afraid to quickly disqualify arguments that contradict his own political preferences as “newspeak”.

Lapidus’ key argument is that the trademark of the Swedish welfare state – tax-financed universal welfare provision – is in the process of being eroded. Changes have been gradual, largely invisible and promoted by all the major parties, except by the socialist Left, and they run against what people actually want. This slightly conspiratorial view, which basically states that the electorate cannot recognize its own best interests, is underpinned by insights from historical institutionalists on layering, drift and conversion. The book’s political history, where neo-liberalism and Third Way social democracy are identified as the ideological movers behind the changes, adds little new. Much more interesting, and certainly worth a full study, is the focus on the development of the private providers, the emergence of what has been called the welfare industrial complex, and the interplay between them and the state. Sweden stands out in comparison with its neighbouring social democratic welfare states as it has a number of large corporations – and, less controversial, numerous small businesses – active in areas like education, health, care for elderly and other services. Their main sources of income are taxes and there are no limits set on the owners’ dividend, and this has made “profits in welfare” a

recurrent theme in Swedish politics where the Social Democrats are divided and undecided in practice, despite a principally critical stand on profits, whereas the parties in the centre and to the right defend the marketized freedom of choice. Lapidus sketches how public investments, changes in taxation and the school voucher system (where parents are provided with educational vouchers that can be used at municipally operated or privately operated schools) have created this growing sector.

His premium example is a lesser-known change which has been under way since the 1990s: the emergence of private health insurance, a system which now has almost 680 000 members who are insured through their employers. This insurance promises access to treatment via private providers within a few weeks, whereas the public health care promises – but does not always deliver – the same care within six months. Many private providers have two queues: one for patients in the public system and a fast track for those privately insured. This means that insurance clients get preferential treatment, and this aspect has at the time of writing – early autumn 2020 – received some critical public attention and a governmental commission of inquiry has been instructed to come up with legislation to stop VIP lane access to health care. Private health insurance should not interfere with the public health system, declared the Social Democratic government. Although this might mean that Lapidus is exaggerating the gravity of the changes, he still manages to make a convincing case that the shift to private health care tends to be self-reinforcing – the continued increase in the number of private providers – schools, hospitals, health centres, retirement homes and home care providers – make up a structural change in the Swedish welfare system. And since the private players provide attractive services, they can accrue prestige, pay better wages and attract more qualified employees. The private welfare providers and their organisations have also emerged as vociferous and influential political actors.

The best line of argument in Lapidus' book centres on the interplay between funding and provision. He discusses how tax breaks introduced to subsidize the consumption of private welfare services contribute to the growing half-private sector that makes up the expanding hidden welfare state. And he notes how some private providers act as free-riders and depend on the welfare infrastructure built by the state and paid for by taxes. In Lapidus' view, this makes privatized welfare costly for the taxpayers and politically dangerous as it undermines the public system's legitimacy. But he fails to show that the ongoing privatization has decreased the support for public welfare systems and the willingness to pay taxes. Instead, surveys, as the one mentioned above, show the opposite. He might be right that the welfare state's legitimacy eventually will be undermined, but he does not provide data to substantiate the claim.

The text would have benefitted from some serious editing to remove the many repetitions and reduce the author's tendentious language, such as the labelling of the Swedish Centre and Liberal parties as "right-wing" throughout the text and calling all those who support private welfare "advocates of the divided welfare state". Some of them are certainly arguing for structural changes based on ideological convictions; others are most likely primarily defending their own business interests within the current system. Lapidus treats them as one uniform enemy. This does not make his sketchy and coloured road map uninformative and uninteresting. Sweden does not have a divided welfare state in the American sense, but its welfare system has over the last thirty years changed in multiple ways: these important changes deserve broader and deeper analyses.

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