## Abstract

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The purpose of this study is to discuss the development of Swedish welfare policies in connection with changes in the production system.

A model developed from the distinction between the social and industrial division of labour, and the notions of variable capital, social variable capital, constant capital, social constant capital and social expenses, is used to explain the rise and decline of an egalitarian welfare policy.

The most important political prerequisites for this policy – socialist reform proposals formulated in the 1920s and changing political conditions of strength due to the Allied victory in the Second World War – are taken for granted.

The formulation of egalitarian principles, primarily rooted in economic conditions, was based on a compromise between the main interests; labour and capital. These are described through an examination of the development of the unitary school system. The consensus between labour and capital in the 1950s and 1960s took its point of departure in their mutual interest of higher growth in productivity, which necessitated a better educated labour force.

Theoretically, the egalitarian welfare policy development is related to growing industrial division of labour and rapid increase in both variable and social variable capital – due to enhanced industrial need for social constant capital on a growing employment base.

Correspondingly, the break-up of consensus and implementation of selective welfare principles had its roots in declining industrial division of labour, rapidly rising social constant capital on a shrinking employment base and rising social expenses.

The present welfare policy raises questions concerning the spread of labour efficiency prerequisites, as part of an ongoing discussion among researchers about the social integration in Sweden.

Key words: the Swedish model, welfare policy, social and industrial division of labour, growth in productivity, educational expansion, variable capital, social variable capital, constant capital, social constant capital, social expenses.