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In the Shadow of the Swedish Welfare State: Women and the Service Sector

The twentieth-century history of the Swedish welfare state and public-service sector is critical to understanding the changing role of women in Sweden, as the expansion of the country's service production, beginning in the 1960s, has been mainly the result of welfare-state policies. Yet women's self-employment and wage work in the service industry has been neglected as an economic factor in both traditional economic and business history accounts and in historical studies of gender. Some suggestions are made for future explorations of the Swedish service sector as it operates in the shadow of the welfare state.

Two radical developments marked the evolution of the Swedish economy during the twentieth century. First, a long period of growth made Sweden one of the richest countries in the world as measured by the per capita gross domestic product. A second, and related, development has been the emergence and success of the "Swedish model," a welfare state that provides its citizens with public-health, social, child, and elder-care services, as well as education. A vast labor market in public service thus expanded, starting in the 1960s. By the end of the twentieth century, Sweden had one of the highest proportions of women in the workforce in the industrialized world and was considered a role model in its empowerment of women and its record of conferring equal rights on men and women—a striking example of the political possibilities of combining growth and income distribution.¹

However, in the shadow of the successful outcome of this welfare policy, questions remain about the growth of the service sector and about women's contribution to this development. For example, we could ask

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¹ See, for instance, the discussion in Peter H. Lindert, *Growing Public: Social Spending and Economic Growth since the Nineteenth Century*, vol. 2: *Further Evidence* (Cambridge, 2004).

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what role the service sector has played in the Swedish experience. Academic discussion has focused either on aggregate growth and productivity in the public sector or on unpaid and reproductive labor in the family. There is much that is not known about the evolution of the service sector, such as how it changed the relationship between the private and public-service industries, what impact it had on the business structure in the private sector, and how it affected men's and women's career opportunities.

Also largely undocumented are the specifics of Swedish economic development. The rapid expansion of a vast public-service sector radically changed the service industries as a whole. New welfare policies intensified divisions in the labor market as women increasingly worked in a strictly regulated public sector, whereas men stayed in the private market. What happened to the women who made their living in the private sector, especially self-employed women active in areas such as retail, cleaning, and food preparation?

I will attempt to answer these questions by delineating a broad, preliminary picture of the development of the service sector in Sweden. To do so, I will map out some major trends, paying particular attention to women's contributions. Finally, I will discuss the consequences of scholarly neglect of the service industries as their importance to the economy continues to grow.

A Brief History of Women in the Swedish Service Industry

Swedish business and economic historians have concentrated on the success stories of the industrialization period, which lasted roughly from 1870 to 1910. Thus, the early success of a handful of Swedish transnational companies contributed to these scholars' preoccupation with big business.² While the emphasis on major firms and entrepreneurs is understandable, the canonical status attributed to some industrialists and companies has obscured the importance of other changes that have occurred in the business community and in Sweden's domestic economy over the course of the twentieth century.

First, from the 1920s and 1930s onward, new domestic industries

²A few examples of this tradition are the following: Kersti Ullenhag, *AB Åtvidabergs förenade industrier med föregångare* (Uppsala, 1970); Ulla Wikander, *Ivar Kreugers tändsticksmonopol, 1925–1930: Fem fallstudier av marknadskontroll genom statsmonopol* (Uppsala, 1977); Håkan Lindgren, *Corporate Growth: The Swedish Match Industry in Its Global Setting* (Uppsala, 1979); Mats Larsson, *Aktörer, marknader och regleringar: Sveriges finansiella system under 1900-talet* (Uppsala, 1996); Ulf Olsson, *I utvecklingens centrum: Skandinaviska enskilda banken och dess föregångare, 1856–1996* (Stockholm, 1997).

emerged in Sweden.³ Various cooperative organizations and companies in agriculture, retailing, building, and publishing rose to prominence after World War II. These enterprises had different requirements and thus relied on different services than those that had supported the once dominant export-oriented industries prior to the 1920s. Second, the domestic economy developed as a result of political decisions and the expansion of the public sector. Services provided and paid for by the government became a cornerstone of the welfare state, spurring growth in administration. The importance of this sector in building the Swedish welfare economy and in the governance of business endowments has yet to be explored. The topics of small- and medium-sized enterprises (SMEs) and development of domestic business structures, especially in areas outside manufacturing, have received little attention in business history—and, to some extent, in Swedish economic history. Researchers tend to overlook domestic consumption, marketing, and the service sector, concentrating instead on the export market, foreign trade, and manufacturing.⁴ Recently, however, new ways of conceptualizing entrepreneurship are making their way into the field. The growing importance of various neoinstitutional frameworks has led to a more theoretical and systematic examination of regulation, business systems, and actor networks.⁵ However, women's role in business remains a persistent blind spot. The omission of women as economic agents and entrepreneurs from the study of business life in Sweden and the lack of familiarity with the role played by service industries in the evolution of industrial society continue to obscure Swedish business history.

During industrialization, the household-based economic power of the agrarian period was transformed into new economic institutions. Men's position as heads of household gave them an advantage over women during this transition to a modern industrialized society. A man could dispose of property belonging to all members of his household.

³ Jan Jörnmark, "Företag och företagande i Sverige," in *Omvandlingens sekel: Perspektiv på ekonomi och samhälle i 1900-talets Sverige*, eds. Lena Andersson-Skog and Olle Krantz (Lund, 2002), 154–56, 167–71.

⁴ An example of the growing interest in marketing and consumption in Swedish economic history is Kenth Hermansson's *I persuadörernas verkstad: marknadsföring i Sverige, 1920–1965: En studie av ord och handling hos marknadens aktörer* (Uppsala, 2003).

⁵ For example, see Jan Ottosson, *Stabilitet och förändring i personliga nätverk: Gemensamma styrelseledamöter i banker och näringsliv, 1903–1939* (Uppsala, 1993); Karl Grätzer, *Snabbmat i automat: Småföretagandets villkor* (Stockholm, 1998); Hans Sjögren, "Shipping as Gambling: Governance Mechanisms and the 1984 Bankruptcy of Saléninvest," *Scandinavian Economic History Review* 47, no. 4 (1999): 48–64; Daniel Nyberg, *Marknad, företag, ägande: Familjen Bonniers ägarstyrning i Dagens Nyheter, 1953–1988* (Stockholm, 2003); Anders Öberg, *Empirical Studies in Money, Credit and Banking: The Swedish Credit Market in Transition under the Silver and Gold Standards, 1834–1913* (Stockholm, 2003). Another example is Klas Nyberg, *Kommersiell kompetens och industrialisering: Norrköpings ylleindustriella tillväxt på Stockholms bekostnad, 1780–1846* (Uppsala, 1999).

When the stock market was established, buying and selling became the prerogative of men, primarily due to their position as masters of the household.⁶ Legislation, the educational system, and ideological perceptions excluded women from paid employment and prevented them from becoming entrepreneurs in various industries. Until the 1920s, laws and the educational system entrenched older notions of gender, blocking women's ability to act as individuals or capitalists and preventing them from taking part in the new market activities. Even in sectors that were traditionally considered female, such as food preparation, there were few female entrepreneurs or minority owners.⁷ Women's exclusion from entrepreneurship during the period when the modern firm was taking shape ensured that "entrepreneur" emerged as a form of masculine identity.⁸ The modern business world was thus male, and the woman capitalist became an anomaly.⁹

Scholars have replicated gender divisions in their examination of business development. Studies of women's entrepreneurship, for example, often dwell on the degree to which women's business endeavors contribute to society versus the value of their traditional roles as child bearers and caretakers for elderly relatives. Even when the strategies of family firms are explored, the concept of gender as an analytical category is mostly absent.¹⁰ In a comparison of notions of how women's entrepreneurship contributed to the U.S. and Swedish economies in the 1990s, economist Helene Ahl found that, despite their differences, both countries constrained women's entrepreneurship and passed legislation that encouraged women to focus on reproduction and childbearing.¹¹

In contrast to the neglect of women in the economic and business history literature, the field of women's studies, beginning with its emergence in the 1970s, has highlighted women's contribution to the economy and has demonstrated their importance as employees and laborers in all trades and industries. In the field of gender studies, scholars have

⁶ Kerstin Norlander, "Människor kring ett företag: Kön, klass och ekonomiska resurser: Liljeholmens stearinfabrik, 1872–1939," in *Meddelanden från ekonomisk historiska institutionen vid Göteborgs Universitet* 77 (2000).

⁷ Gratzner, *Snabbmat i automat*, 98–104.

⁸ Kerstin Norlander, "Entrepreneurs during the Early Industrialization in Sweden," *Scandinavian Economic History Review* 40 (1992): 1, 89–94; Carin Holmquist and Elisabeth Sundin, *Företagarskan: Om kvinnor och entreprenörskap* (Stockholm, 2002), 32–41. For a general discussion, see, for instance, Judy Wajcman, *Feminism Confronts Technology* (Cambridge, 1991); Cynthia Cockburn, *In the Way of Women: Men's Resistance to Sex Equality in Organizations* (Ithaca, N.Y., 1991).

⁹ Norlander, "Entrepreneurs," 82–100.

¹⁰ Helene J. Ahl, "The Making of the Female Entrepreneur: A Discourse Analysis of Research Texts on Women's Entrepreneurship," *Jönköping International Business School Dissertation Series*, no. 15 (2002).

¹¹ Helene J. Ahl, "Företagandets särskilda nytta," in *Det oavsedda entreprenörskapet*, ed. Daniel Ericsson (Lund, 2004), 108–22.

explored the role of gender in society and in divisions of labor and have investigated female subordination. Women's roles in the family, particularly as mothers, have been emphasized in discussions of female participation in the workforce. As a result, scholars do not usually study women as economic agents in their own right, whereas men are treated as a "genderless" standard. This divide even holds true for studies both of female occupations, such as teaching and nursing, and of the competition with male colleagues that women must undergo when they enter the labor market.¹²

Economic history has viewed women primarily as laborers, either as a part of the agrarian household economy or as wage earners in the expanding factory system. In this scholarship, the idea of women's subordination remains a given. In more recent labor systems, scholars have argued, women and the tasks they performed were considered inferior to men and their assigned jobs. When technological and organizational changes were rapid, new roles could be integrated into the female sphere.¹³ However, gender studies have strengthened the notion that women were dependent and powerless. There are only a few works on the experiences of female capitalists and businesswomen in Sweden's industrialized economy from the nineteenth century onward.¹⁴ The unfortunate outcome is that little attention has been given to the nature and import of women as employers or to the complex relations between gender, class, and race.

Studies of women in the service sector are also scarce, and the few that exist are concerned with the nineteenth century and the early-twentieth-century transformation to an industrialized economy.¹⁵ These studies suggest that the pattern of subordination that originated in family relations and was duplicated in factory work was evident in the service sector as well. Until the mid-1860s, Swedish women's entrepreneurship was restricted by old guild regulations. In businesses that did not fall under guild regulation, such as cafés and restaurants, up to 50

¹² Christina Florin, *Kampen om katedern: Feminiserings- och professionaliseringsprocessen inom den svenska folkskolans lärarkår, 1860–1906* (Umeå, 1987); Agneta Emanuelsson, *Pionjärer i vitt: Professionella och fackliga strategier bland sjuksköterskor och sjukvårdsbiträden, 1851–1939* (Stockholm, 1990).

¹³ Anita Göransson, *Från familj till fabrik: Teknik, arbetsdelning, och skiktning i svenska fabriker, 1830–1877* (Lund, 1988), 269ff; Ulla Wikander, *Kvinnors och mäns arbeten: Gustavsberg, 1880–1980* (Lund, 1988), 219ff.

¹⁴ Most notably Norlander, "Människor kring ett företag"; Tom Pettersson, "The Silent Partners: Women, Capital, and the Development of the Financial System in Nineteenth-Century Sweden," in *Women, Business, and Finance in Nineteenth-Century Europe: Rethinking Separate Spheres*, eds. Robert Beachy, Béatrice Craig, and Alastair Owens (Oxford, 2006).

¹⁵ Lena Sommestad, *Från mejerska till mejerist: En studie av mejeriyrkets maskuliniseringsprocess* (Lund, 1992); Tom Ericsson, "Limited Opportunities? Female Retailing in Nineteenth-Century Sweden," in *Women, Business, and Finance in Nineteenth-Century Europe*.

percent of the owners were widowed women by 1850.¹⁶ If a woman was not supported by a man (husband, father, or brother) she could get permission from the city to sell goods and services. Most of these sellers were married women, indicating a high degree of poverty in their families. These female “hawkers” were allowed to make and sell wares that were not part of the usual trader’s assortment or that constituted only a small portion of items that were subject to competition. In effect, these restrictions placed women in a special, second-class position. In the new commercial legislation that took effect in 1847, regulation of married hawkers was shifted from the commercial corporate body of the city to the women’s husbands or other male relatives. The government therefore ceded power to men, enabling them to wield authority over their wives.¹⁷

Scholars of gender have explored the public-service sector from the perspective of its ideological and political origins or organizational effects, rather than service production per se.¹⁸ Few studies have been undertaken with the goal of demonstrating the process whereby traditional service tasks became codified as professional categories in the public sector. The result is that the service sector in Sweden has not received the attention it deserves as an important topic in its own right.

The Changing Swedish Labor Market: From Industry to Service Production

From the last decades of the nineteenth century, numerous social and economic changes in Sweden restructured the service sector. First, the process of industrialization was closely tied to expanding international markets for natural resources and semiproduced goods. The expansion of export-oriented Swedish industries, such as iron ore, steel, timber, pulp, and paper, played a pivotal role during the industrial breakthrough.¹⁹ At the turn of the twentieth century, international markets also demanded manufactured products, and a handful of major companies soon emerged in Sweden. Some, such as Alfa-Laval and SKF, ex-

¹⁶ Gunnar Quist, *Kvinnofrågan i Sverige, 1809–1946: Studier rörande kvinnors näringsfrihet inom de borgerliga yrkena* (Göteborg, 1960), 216–17.

¹⁷ Christine Bladh, “Månglerskor: Att sälja från korg och bod i Stockholm, 1819–1846,” *Stockholmsmonografier* 109 (1991).

¹⁸ Arnlaug Leira, “The ‘Woman Friendly’ Welfare State? The Case of Norway and Sweden,” in *Women and Social Policies in Europe: Work, Family and the State*, ed. Jane Lewis (Aldershot, 1993); Yvonne Hirdman, *Att lägga livet tillrätta: Studier i svensk folkhemspolitik* (Stockholm, 2000); Malin Junestav, “Arbetslinjer i svensk socialpolitisk debatt och lagstiftning, 1930–2001,” *Uppsala Studies in Economic History* 72 (2004); Lars Magnusson, *Håller den svenska modellen? Arbete och välfärd i en globaliserad värld* (Stockholm, 2006).

¹⁹ Two standard textbooks are by Lars Magnusson, *Sveriges ekonomiska historia* (Stockholm, 2002); and Lennart Schön, *En modern svensk ekonomisk historia* (Stockholm, 2006).

panded as a result of unique inventions, namely, ball bearings and the solid-liquid separator. Others, such as the telephone company LM Ericsson, the electric-engineering company ASEA, and Volvo, the car manufacturer, were successful in adapting existing technological innovations to new markets. After World War II, auto companies such as SAAB and furniture companies such as IKEA made the leap from the Swedish domestic economy to the international market. One critical reason for this successful international expansion was the close relationship between industrialists and emerging domestic, well-integrated financial groups, such as the Svenska Handelsbanken (SHB) and Skandinaviska Enskilda Banken (SEB).

This international expansion led to shifts in the internal labor market. During the golden years of the postwar era, roughly 1945 to 1970, Sweden experienced a remarkable growth rate and an expansion of its industrial production. From the 1940s on, agricultural production was rapidly rationalized and restructured. During this process, many small farms closed down, which had the effect of sharply reducing the number of women and men registered as farmers or agricultural laborers. As a result, a proportion of the labor force shifted from agriculture to other industries; younger women were particularly affected, and many turned to urban areas to look for work in households and offices. Paradoxically, this development resulted in households performing their own domestic services, such as cleaning, rather than paying for them, as they had done during the 1950s and 1960s.

A second trend, which has been described by economic historian Hugo Kylebäck, was a strong move toward centralization and rationalization in wholesale and retail branches between 1930 and 1970.²⁰ This development intensified the pressure on small firms to cope in a new, large-scale business environment, and it hit women in business particularly hard, since most worked in small independent firms with low capital and profits.²¹

A third aspect of the transformation of Swedish society began in the late 1940s, when many service industries, such as primary education, health care, and elder care, migrated from the private market—the household or semiprivate organizations—to the public sector. Providing the whole population equal access to education, health services, and child care was an important part of ideology of the Swedish welfare

²⁰ Hugo Kylebäck, *Varuhandeln i Sverige under 1900-talet* (Göteborg, 2004).

²¹ In a work on the development of commerce and trade in Stockholm, economic historians Sven Gerentz and Jan Ottosson emphasized that a rapid and general decrease in the number of retail establishments and small shops, many owned by women, occurred between 1945 and 1970. Sven Gerentz and Jan Ottosson, *Handel och köpmän I Stockholm under ett sekel* (Stockholm, 1999), 250ff, 315, 325.

state. The Social Democrats were primarily determined to promote their economic policy of exporting manufacturing industries. They tried to stimulate productivity by substituting labor for capital and by negotiating agreements between the central labor unions and the industrial organizations in order to arrive at a general wage policy based on continued rationalization.²² The economist Magnus Henrekson argues that the government's lack of interest in small and medium-sized firms can be interpreted as an ideological feature of the Swedish model. The strong alliance between large-scale, export-oriented industries and the Social Democratic Party led to their shared interest in regulating the economy in a way that favored these bigger businesses.²³

The rapid growth of the Swedish economy came to a halt when several structural crises hit the country during the 1970s. Steel, shipbuilding, and the textile industry, among others, underwent rapid and drastic rationalization, and unemployment grew. These crises led to changes in social and economic policies that affected the service sector and women's relation to it. Swedish welfare-state policies started to change in the late 1980s, when a wave of deregulation swept through the hitherto successful state monopolies in telecommunications and railways, among others. Responsibility in areas such as primary education, health services, elder care, mental health, and care of the disabled began to shift from the central government to the municipalities.²⁴ In addition, the number of women employed as assistant nurses, baby sitters, and similar positions slumped during the early 1990s. A number of regulatory changes in the public sector also opened up market opportunities in some of these sectors, primarily education and child, health, and elder care. Many of the changes in welfare policies coincided with the joint administration of the Liberal and Conservative parties that came to power in 1991 and remained until 1994, even though the essential preparations had occurred during the period of Social Democratic rule.²⁵

These political and economic developments are mirrored in the changes that took place in the labor market. (See Figure 1.) The most

²² For a discussion of this "solidarity wage policy," see P.-A. Edin and Katarina Richardson, *Solidarisk lönepolitik: Lönespridning och löneskillnader mellan män och kvinnor* (Uppsala, 1999); Magnus J. Ryner, *Capitalist Restructuring, Globalisation, and the Third Way: Lessons from the Swedish Model* (London, 2002).

²³ Magnus Henrekson, "Företagaren och den svenska modellen," *Ekonomiska Samfundets Tidskrift* 53, no. 2 (2000): 107–20.

²⁴ Lena Andersson-Skog and Helén Strömberg, "Från patientvård till sjukvårdsproduktion: Den svenska sjukvårdens omvandling efter 1960," in *Från en öm hand till kall elektronik? Om vårddarbetets industrialisering under 1900-talet*, eds. Lena Andersson-Skog and Helén Strömberg (Lund, forthcoming).

²⁵ Mark Blyth, "The Transformation of the Swedish Model: Economic Ideas, Distributional Conflict, and Institutional Change," *World Politics* 54 (Oct. 2001): 1–26; Lars Magnusson, *Håller den svenska modellen? Arbete och välfärd i en globaliserad värld* (Stockholm, 2006).

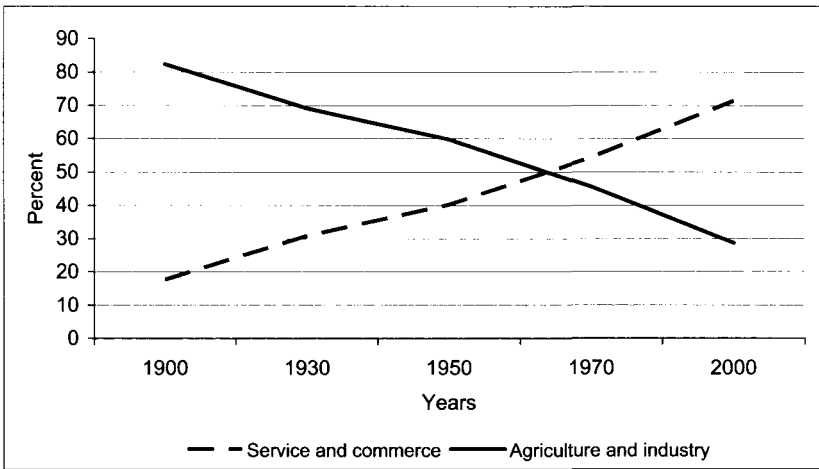


Figure 1. The Swedish workforce in different sectors, 1900–2000, in percent. (Source: *Statistical Yearbook for Sweden, 1900–2000*, Stockholm.)

obvious change was the steady decline in the proportion of the labor force engaged in agriculture and industrial production throughout the century, which was matched by the growth of service and commerce in both private and public sectors.

Employment in the service, retail, and commercial sectors reached 50 percent of the total workforce in the 1960s, and their share accelerated thereafter. The growth of the public sector produced a breakthrough for women in the labor market. In 1950, about 1.5 million women were occupied with unpaid housekeeping, which made housekeeping the largest economic sector for women. In 1975 this number decreased to 500,000 persons, coinciding with the growth of the public sector.²⁶

This transformation of the labor market reflects not only the rise of a more capital-intensive, service-oriented industrial sector with high productivity, but also the simultaneous expansion of the labor market in the service industries, especially in the public sector. As a proportion of the gross domestic product, the public sector doubled between 1960 and 2000.²⁷ From the late 1970s onward, municipalities and counties, rather than the central administration and agencies, became the leading organizers of welfare services. As a result, women's participation in

²⁶ Schön, *En modern svensk ekonomisk historia*, 379–82.

²⁷ Olle Krantz, *Swedish National Historical Accounts, 1800–1990: Aggregated Output Series* (Umeå, 1997).

the labor force also increased rapidly, and in the late 1990s it equaled that of men.²⁸

Gender and the Service Sector

One of the difficulties in using historical census data to determine women's participation in the labor market for much of the twentieth century is the quality of the data.²⁹ The scale of the problem differs from nation to nation. Economist Anita Nyberg has shown that, until 1965, the Swedish census data on labor participation was based on the assumption that a laborer was working full time on a yearly basis and did not do any household work. Married women working in the family business were not included in the official labor statistics if they also performed household tasks, such as cooking, washing, and cleaning for the family. Thus the census reflected and reinforced the paradigm of the male breadwinner. In 1965, a double-breadwinner norm was introduced into data gathering, and a more flexible attitude about who could be included in workforce statistics was adopted. Beginning in 1970, only one hour of paid work per week was required for a worker to be included in official census data.³⁰ The increase in women's labor-market participation from this time on thus partly reflects changes in census-data collection and definitions. Nyberg has estimated that historical censuses have underestimated the number of Swedish women in the workforce by anywhere from 25 percent to 30 percent until the 1960s. This would indicate that 40 percent of married women in Sweden actually participated in the labor force as early as 1930.³¹

Despite its well-known flaws, the census is nevertheless the most reliable source of data on women's self-employment and entrepreneurship. During the first decades of the twentieth century, self-employment became a vital breadwinning strategy for women, and they established a large number of businesses.³² Making a living rather than building a

²⁸ Åsa Löfström, "Sverige—världens mest jämställda land?" in *Omvandlingens sekel: Perspektiv på ekonomi och samhälle i 1900-talets Sverige*, eds. Lena Andersson-Skog and Olle Krantz (Lund, 2002), 142.

²⁹ For a general discussion, see, for instance, Margo Anderson, *The American Census: A Social History* (New Haven, 1988).

³⁰ Anita Nyberg, "Arbetsmarknadsstatistiken—Ideologi eller verklighet?" *Arbetsmarknad & Arbetsliv* (2005).

³¹ Anita Nyberg, *Tekniken—Kvinnornas befriare? Hushållsteknik, köpevaror, gifta kvinnors hushållsarbets tid och förvärsdeltagande under 1930-talet—1980-talet* (Linköping, 1989), 143–66; Anita Nyberg, *SOU 1997: 87: Kvinnor, män och inkomster: Jämställdhet och oberoende* (Stockholm, 1997).

³² In recent years, 80 percent of the female employers are one-woman companies, whereas the corresponding figure for men is 60 percent. Holmquist and Sundin, *Företagerskan; Svenskt näringsliv och näringspolitik, NUTEK* (Stockholm, 1999), 14.

business empire was the rationale of many women and men when they started what economist Eric Dahmén has called “livelihood-companies,” especially in retail and services.³³ Based on the scant data we have, we can estimate that between 1910 and 1930 the number of businesses owned by women outside agriculture grew from 56,000 to 92,000.³⁴ Female visibility in the workforce is connected to the structure of the labor market and women’s position in the family. At times when traditional female tasks are offered in the market, more women are registered as workers or employers. Even so, there is historical evidence to indicate that not all paid work was registered. The extent of this informal employment is still unknown.³⁵ For example, women often were employed by other women on a temporary basis in households: mothers employed daughters, and friends hired each other for odd jobs.³⁶ We probably have underestimated the amount of traditional “women’s work” that was paid for, such as household chores, food preparation, sewing, and cleaning. Nevertheless, at least three major trends in the service industry are clearly apparent.

First, women’s and men’s structural position in the Swedish economy changed as women entered a paid public sector increasingly funded by state agencies and men left public employment for the market. The service-sector labor market grew when the industrial economy matured. Urbanization created a demand for services outside agriculture. During the first half of the twentieth century, service-sector growth in Sweden took place in the private market—in the household, banking and finance, administration and office work, retail, and some areas of transport and distribution. The structure of this sector was small scale, with low capital intensity and often small profits. The demand for these services also was concentrated in densely populated major urban areas in southern Sweden and in regions where manufacturing industries were located.

The state also provided services, although these were limited to a few restricted areas outside the central administration, mostly in the military services and in customs. When a more modern industrialized state emerged around the turn of the twentieth century, among the first public commitments on a nationwide scale, besides the armed forces

³³ Erik Dahmén, *Svensk industriell företagarverksamhet: Kausalanalys av den industriella utvecklingen, 1919–1939*, vols. 1–2 (Stockholm, 1950), 384–85; *SOU* 1945: 63; *Slutbetänkande avgivet av bostadssociala utredningen, del I* (Stockholm, 1945), 153.

³⁴ Elisabeth Sundin, “Osynliggörandet av kvinnor: Exemplet företagerskan,” *Kvinnovetenskaplig Tidskrift* 9 (1988): 1, 3–15.

³⁵ A first attempt has been made by economic historian Olle Krantz to measure the impact of the unpaid household work on the Swedish gross domestic product, in *Historiska nationalräkenskaper för Sverige, del 6, Husligt arbete, 1800–1980* (Lund, 1987).

³⁶ As late as the 1930s, home seamstresses were not registered as part of the labor force. Inger Jonsson, “Arbetssökande kvinnor göre sig icke besvär: Kvinnors arbete på industriorten Ljusne under 1930-talet,” *Historisk tidskrift* 103 (1987): 1, 96–113.

and the postal services, were the construction and operation of a handful of national transportation and communications networks, such as the telegraph and telephone services and the railways.³⁷ Formal education at universities or in vocational training became a prerequisite for civil servants. For women, a state career was limited to secretarial and administrative positions.³⁸

However, the Swedish economic structure changed at an accelerating pace during the twentieth century. At the beginning of the century, employees in the public sector were mainly men—in the armed forces, the central administration, the clergy, the railway, and the telegraph and postal services. The telegraph service was the first to employ women in the 1860s, followed by the telephone service in the 1880s, but the total number of female workers remained relatively small.³⁹

Swedish welfare policy from the beginning of the mid-twentieth century created a demand for more educated service workers, leading to the establishment of professional occupations in education, health, and social work.⁴⁰ By the 1960s, the public sector became the largest employer of women. Between 1975 and 1990, the number of women employed in the public sector increased by 50 percent. By 1990, approximately 75 percent of the employees in the public sector were women. From the 1960s onward, women comprised between 70 percent and 80 percent of the workforce in health care.⁴¹ Nursing, nursing assistance, and teaching in preschool and the elementary grades became predominantly female occupations. Even though men held the lion's share of positions in the public labor market in research, higher education, transport, and communications, they could not compete with women in social and health services.

In the 1990s, however, the expansion halted, and, for the first time since the introduction of the welfare-state model, large groups of women were laid off in the public sector. As the size of this sector was contracting, more women were being promoted to positions as managers and directors during the 1990s. In 2000, 19 percent of the middle managers in the private sector and 56 percent in the public sector were women.⁴² Economist Carin Holmquist has described this reevaluation

³⁷ Lena Andersson-Skog, "Såsom allmänna inrättningar till gagnet, men affärsföretag till namnet": SJ, järnvägspolitiken och den ekonomiska omvandlingen efter 1920," *Umeå Studies in Economic History* 17 (1993).

³⁸ Christina Mårtensson, "Tjänstebefattning som för henne kan vara passande: Uppkomst och utveckling av könsbundna befattningar vid Televerket, 1865–1920," *Meddelanden från Ekonomisk historiska institutionen vid Göteborgs universitet* 75 (1999).

³⁹ Hans Heimbürger, *Svenska telegrafverket*, vol. 2 (Göteborg, 1931).

⁴⁰ Lars Evertsson, *Välfärdspolitik och kvinnoyrken: Organisation, välfärdsstat och professionaliseringens villkor* (Umeå, 2002).

⁴¹ Statistical Yearbook for Sweden.

⁴² *Ibid.*

of “female abilities” as a pattern that occurred during the painful restructuring of the public sector. Women’s ability to be “soft-hearted executors” in implementing cutbacks opened up career possibilities for some.⁴³ This window of opportunity was, however, restricted by a glass ceiling. Most female managers in the public sector remained in organizations that kept them close to the clients they served, as administrative managers in health care, elder care, and elementary and preschools. Very few held higher-rung positions in the central state bureaucracy.⁴⁴

The second trend in the development of the service industry in Sweden concerns the relation of men and women to self-employment. Despite the general expansion of the service sector, measured both as part of the gross domestic product and in employment figures, women experienced a countertrend as their rate of self-employment decreased.

Table 1 demonstrates the different patterns for women and men, as women followed what may be described as a U-curve. Both the number and percentage of self-employed women radically decreased, dropping from 20 percent in 1930 to 12 percent in 1970. Between 1970 and 2000, there was a rapid increase in the number of self-employed women. Men’s self-employment resembles a W-curve. The number of self-employed men fell between 1930 and 1950, followed by a period of expansion that continued until 1970—in contrast to the experience of women. It is reasonable to conclude that this pattern interacted with the rapid growth in most industries during the 1950s and 1960s—the “golden years” following World War II. While the number of female entrepreneurs increased between 1970 and 2000, the number of male entrepreneurs dropped between 1970 and 1990; an uptick reversed the trend during the 1990s, when the number of self-employed men rose by almost 50 percent.

If this general picture and the very broad categories presented in Table 1 are disaggregated, a pattern emerges. The branches most dominated by women were, not surprisingly, closely associated with traditional female service tasks in a handful of business activities, such as personal services, sewing, food preparation, and laundering. In 1930, women owned almost 50 percent of all cafés, hair-dressing salons, and restaurants, as well as 25 percent of grocery shops. Of the total number of entrepreneurs in the textile industry, 17 percent were women.⁴⁵ In the mid-1980s, women were most commonly involved in hairdressing and beauty care, grocery shops, and sewing.⁴⁶ This pattern had only

⁴³ Carin Holmquist, “Den ömma bödeln: Kvinnliga ledare i åtstramningstider,” *SOU* 1997: 83: *Om Makt och kön*.

⁴⁴ Statistics Sweden.

⁴⁵ SOS Population and Housing Census, 1930, 70–75.

⁴⁶ Sundin, “Osynliggörandet av kvinnor,” 7.

Table 1
Self-Employed Women and Men, 1930–2000

<i>Year</i>	<i>Women (N)^a</i>	<i>Percent of Self-Employed</i>	<i>Men (N)^a</i>	<i>Percent of Self-Employed</i>
1930	112	20	450	80
1950	42 ^b	19	183 ^b	81
1970	37	12	320	88
1990	80	29	270	71
2000	105	25	420	75

Sources: SOS, Population and Housing Censuses, 1930, 1950, 1970, 1990; Labor Force Survey, 2000.

^aTotal out of 1,000.

^bAgriculture is not included.

slightly changed by 2000, when new trades, like social care, were expanding. The sectors in which women owned at least 50 percent of the firms were hotels, restaurants, personal care, and general social and personal services.⁴⁷ Still, women were generally concentrated in the same relatively few businesses in which they had been active in 1930. As they had in earlier decades, men dominated certain branches. In 2000, men comprised at least 70 percent of the labor force in research and development, forestry and agriculture, finance and banking maintenance, transport, retail, mining, and building and construction.

Recently, the number of self-employed women has started to grow. In the year 2000, women launched almost 40 percent of new Swedish firms.⁴⁸ Economists Elisabeth Sundin and Carin Holmquist have shown that roughly one-third of all newly established businesses are started in sectors in which the owners have had previous experience.⁴⁹ One important exception, however, is the public sector: the corresponding figure for former employees is only 9 percent.⁵⁰ Since the public sector has dominated the women's labor market in the last two decades, this is an indication that the prospects for women's entrepreneurship may be limited, despite recent developments. The gender pattern differs in other respects as well. When women establish new firms, almost 66 percent are oriented toward a local market, whereas fewer (52 percent) of new male-owned firms are geared to local markets.⁵¹

⁴⁷ Statistics Sweden, Labor Force Survey, 2000. In building and construction, 98 percent of the firms were owned by men.

⁴⁸ Statistics Sweden.

⁴⁹ Holmquist and Sundin, *Företagerskan*.

⁵⁰ *SOU* 1996: 56: *Hälften vore nog—om kvinnor och män på 90-talets arbetsmarknad*.

⁵¹ For a discussion, see Holmquist and Sundin, *Företagerskan*, 12–18.

Table 2
Percentage of Women in Common Swedish Occupations,
1910, 2002

<i>Occupation</i>	<i>1910^a</i>	<i>Occupation</i>	<i>2002^a</i>
Servants	79	Nursing assistants	94
Textile workers, seamstresses	73	Preschool teachers	93
Agriculture and farming	48	Childcare workers	92
Shop assistants	42	Personal assistants, care workers	87
Tradesmen and representatives	24	Office workers	84
Agricultural laborers	12	Cleaners	83
Farm owners	10	Elementary-school teachers	75
Other wage earners	9	Shop assistants	63
Crofters	7	Salespersons	24
Day laborers	3	Computer programmers	21

Source: SOU 2004:43, Den könsuppdelade arbetsmarknaden, appendix.

^a Women as percent of industry.

This indicates that men and women not only are active in different industries but that they also operate in different regional contexts.

The third trend in the Swedish service sector is the persistence of older gender patterns in new surroundings. That the gendered division of labor in early-twentieth-century Sweden has remained largely unchanged at the beginning of the twenty-first century is indicated by a comparison of the most common occupations for men and women in 1910 and 2002. (See Table 2.) In 1910, the most common occupations were in agriculture and household services. Women filled the positions of servant, textile worker, and seamstress, while men were farm owners, crofters, and day laborers in agriculture and manufacturing. Up to the mid-twentieth century, the multitude of employees in the private service industry primarily worked as household servants. Women also came to dominate the roles of office worker and shop assistant in commerce and private administration. By 1930, roughly 75 percent of such workers were women.⁵²

In 2002, the most common occupations for women were in the public-service sector. In eight of the ten most common occupations, most of them in the public-service sector, over 63 percent of the total were filled by women. Men dominated in two cases: as computer programmers and as salespersons.

⁵² Linda Lane, "Trying to Make a Living: Studies in the Economic Life of Women in Inter-war Sweden," *Meddelanden från Ekonomisk historiska institutionen, Handelshögskolan vid Göteborgs Universitet* 90 (2004): 130–31.

Even though there have been radical shifts in the economy, this gender pattern has persisted. The erosion of the female public sector and the expansion of new enterprises beginning in the 1990s have not yet changed the polarized and segmented labor market. Today, only two of the thirty largest industries have roughly equal numbers of male and female employees. In the wake of the contracting welfare state, women once again have entered the private market as entrepreneurs, as shown in both absolute figures and relative terms.

However, in one important respect, a marked qualitative shift has occurred in the Swedish labor market since 1960: women's participation has grown considerably in occupations that require university degrees. In 1990, 34 percent of all medical doctors, 69 percent of all psychologists, and 48 of all opticians were women.⁵³

Formal competence and education have been important factors in explaining the division of labor on the basis of gender. In her study of the reasons for the increasing male presence in dairy work—once the province of women—from 1860 to 1950, economic historian Lena Sommestad examined vocational education, particularly the different curricula available to women and men.⁵⁴ She shows that differences in education changed the labor division in dairies, slowly converting the formerly female occupation into a masculine trade.⁵⁵ Economic historian Helén Strömberg has studied a similar process in nursing and health-care jobs, which shifted from the traditional care of patients to more industrialized job assignments that depended on advanced medical technology.⁵⁶ At the same time, technically advanced positions tend to be predominantly filled by men. In the Swedish health-care sector, technological development has resulted in men working as specialists and skilled nurses, leaving women to handle routine care. Men tend to train as nurses in fields that emphasize high technology and involve little direct patient care, while the pattern is the reverse for women. The existing sexual division of labor was strengthened when the public sector emerged, even as the numbers of female business owners and employees in the private service industry rapidly dwindled.

In sum, two important processes took place in the development of the modern Swedish service sector. First, a shift in the public sector occurred as jobs in the public sector that had once been largely held by

⁵³ Christina Jonung, "Yrkesssegregeringen mellan kvinnor och män," in Inga Persson and Eskil Wadensjö, *SOU 1997: 13: Glastak och galsväggar? Den könsuppdelade arbetsmarkanden*, 77.

⁵⁴ Sommestad, *Från mejerska till mejerist*, 109ff.

⁵⁵ *Ibid.*, 161–79. Vocational education is studied by Ingela Schånberg. See *Genus och utbildning: Ekonomisk historiska studier i kvinnors utbildning, 1879–1970* (Lund, 2004).

⁵⁶ Helén Strömberg, "Sjukvårdens industrialisering: Mellan curing och caring—sjuksköterskearbetets omvandling," *Umeå Studies in Economic History* 29 (2004).

men began, in the 1960s, to be assigned predominantly to women. Second, between 1930 and 1970, a large number of self-employed women vanished from the scene. The decrease in women's self-employment may seem contradictory in the light of the institutional and judicial changes that opened up new markets and positions previously denied to women. However, gender ideology, governmental organization, and institutional structure had an even greater impact in suppressing female self-employment, despite a climate that encouraged formal possibilities. Economic historian Anita Göransson describes the process as one in which women shifted from self-employment in the private market, or in the household, where they depended on the benevolence of the family, to employment in the public sector, where they have become dependent on the state.⁵⁷

The Swedish Model and the Service Sector

During the 1990s, as a consequence of changes in the Swedish model, social scientists began to question the impact of the "women-friendly welfare state."⁵⁸ In reinterpreting events, most researchers recognize that the expansion of a publicly regulated, tax-financed labor market was a prerequisite for the achievement of the present high level of gender equality in the household and the ability of women to become breadwinners. On an individual level, the liberating effects of this development can hardly be overestimated. From the 1930s on, the policies of the welfare state significantly improved social security for children and women. The state enacted general benefits for children and new mothers and means-tested benefits, such as housing allowances. Pension reform followed in 1959, further improving women's rights. In the 1970s, the right to parental leave was introduced, and today both parents are able to stay at home with their newborn child for up to eighteen months.

On a societal level, however, the gender-segregated labor market became entrenched in the Swedish public sector. Publicly produced services in health care, education, day care, and elder care led to a higher percentage of female workforce participation than exists in most countries. However, a major proportion of the female workforce depended on the public sector. As new legislation and civil rights granted women the right to enter the labor market and professional occupations, welfare-state policies upheld the differences between female and male spheres

⁵⁷ Anita Göransson, "Från hushåll och släkt till marknad och stat," in *Äventyret Sverige* (Stockholm, 1993).

⁵⁸ Maud Eduards, Gertrud Åström, and Yvonne Hirdman, eds., *Kontrakt i kris: Om kvinnors plats i välfärdsstaten* (Stockholm, 1992).

by reinforcing traditional notions of gender. The state placed a particularly high value on married couples with children and directed a number of benefits to them. The political process was dominated by interest groups in the social democratic movement, primarily the labor unions. Historian Yvonne Hirdman has stated that a “housewife contract” was assumed in the construction of men’s and women’s rights. When women entered the labor market, they were kept apart from men and placed in “appropriate” positions based on the division of labor in the family.⁵⁹ Personal services in particular were associated with women, but they were now supervised by the state, rather than performed under the auspices of the market or the household. The result was a rapidly growing female employment rate, but one that occurred in the strictly regulated and practically monopolized public sector. Further, the public-sector labor market encouraged women to work part time. Women were thus able to work for pay and still take responsibility for children and household; at the same time, the policy reinforced women’s status within the family as supplemental workers, rather than as breadwinners.

Private initiatives in health care, schools, and child care were prohibited with few exceptions until the 1990s, creating a monopoly market for female service production. Thus, public-sector expansion conquered the market for household services, while the private-service sector was still vital to the product-oriented industrial and financial markets.

A major outcome of the gender-segregated public-sector labor market was that many women became doubly dependent on the state. First, women relied on the state for employment, often as part-time workers. Second, women turned to the state for the provision of child support, housing, and other allowances. Social rights were based on two pillars: the rights of universal citizens and the rights derived from an individual’s participation in the workforce.⁶⁰ A leading principle of the Swedish welfare state became the notion that an individual’s yearly wage income determined the level of benefits paid in cases of illness, disability, or other misfortunes. Private entrepreneurs and business owners were not relegated to the wage-earner category, where employed workers were placed. As a consequence, small-scale business people, shop owners, and craftspeople were not granted the same social rights as regular workers, even though they were not wealthy.⁶¹ This group was excluded

⁵⁹ Yvonne Hirdman, “State Policy and Gender Contracts: The Swedish Experience,” in *Women, Work, and the Family in Europe*, eds. Eileen Drew, Ruth Emerek, and Evelyn Mahon (London, 1998).

⁶⁰ Klas Åmark, *Hundra år av välfärdspolitik: Välfärdsstatens framväxt i Norge och Sverige* (Umeå, 2005), 124–25, 223.

⁶¹ *Ibid.*, 127, 215, 223.

from unemployment insurance, health insurance, industrial welfare, and other privileges of the state economy until 1962. After that year, they gained some general benefits, but they still have to supplement them by taking out private insurance. Gaining access to work-related benefits in the social-security system was a strong incentive for women to enter the job market, regardless of their marital status. Since the self-employed were offered less generous benefits, charged higher rates for insurance, and given no unemployment safety net, entrepreneurship was not the first option for women within the emerging framework of the welfare state.

One of the unforeseen effects of the changes in welfare policy during the 1990s was the reintroduction of unpaid care work for women. Since the 1980s, practically all of the Western welfare states have developed social policies whose goal is to shift the responsibilities for welfare services from the state back to the family, the civil society, or the market. In Sweden, this trend has hit public elder care particularly hard. Women, in their role as wives, daughters, or daughters-in-law, have been forced to provide informal, unpaid care. In parallel with the downsizing of publicly financed and organized elder care has been the increase in privately produced elder-care services carried out by large, internationally owned business corporations, which are replacing smaller business enterprises.⁶²

The Swedish welfare state has had a more complicated effect on the status of women than might be apparent at first glance. Women have become their own breadwinners, less dependent on husbands; at the same time, welfare policy has strengthened the gender divisions of the labor market. Together, these features have created a strong incentive for women to become employees rather than entrepreneurs.

Conclusion

The history of women's work and self-employment in the service industry in Sweden has been overshadowed by academic interest in the welfare state. Awaiting the attention of Swedish economists and business historians is the important task of conducting an analysis of how the welfare state's regulatory framework has affected the incentives and performance of different actors in the economy. The relationship between the public sector and the market for services, especially as applied to gender divisions in the labor market and within the business structure, must be documented and explored. Certain groups of women,

⁶² Helene Brodin, "Does Anybody Care? Public and Private Responsibilities in Swedish Elder Care, 1940–2000," *Umeå Studies in Economic History* 31 (2005).

especially those earning their living in traditionally “female” trades, have paid a price for the creation of a women-friendly welfare state in Sweden.

The minimal level of research that exists to date on the role of the service industry in Sweden reflects the discourses that currently dominate economic history and are an outcome of the actual development and structure of the economy. Research in Sweden has been shaped by the assumption that only industrial production, construed as “masculine,” generates “real” wealth, whereas women’s economic contributions, largely in the service sector, are secondary. The impact and importance of public-service production are difficult to grasp if they are valued and measured on the same terms as industrial production in standard economic theory.

Fortunately, however, historians both inside and outside the field of business history, as well as other social scientists, have started to recognize that self-employment, entrepreneurship, and business are intertwined with social identities, such as race, ethnicity, and gender.⁶³ Economists are becoming more interested in issues of gender.⁶⁴ Economic historians now recognize the increasing importance of the service industry in the Swedish economy at all levels. The ongoing transformation of the Swedish economy from national and industrial to knowledge based and global has meant that economists’ traditional preoccupation with industrial production is outmoded. An awareness of more complicated socioeconomic and cultural structures, such as the gendered division of labor and property rights, will bring about more insight into the workings of the business system. Business and economic historians should incorporate institutional aspects of the economy, such as labor-market structure, family policy, and legislation, in their research agendas. These scholars must also recognize that male entrepreneurs, industrialists, and businessmen are part of a gendered business system and are not a value-neutral “norm.” In this way, they will be better able to understand the roles women have played generally in the development of the economy and more particularly in the growth of the service sector.

⁶³ Paulina de los Reyes, *Mångfald och differentiering* (Solna, 2001).

⁶⁴ Anna Wahl, *Könsstrukturer i organisationer: Kvinnliga civilekonomers och civilingenjörers karriärutveckling* (Lund, 2003); Elisabeth Sundin, *SOU 1998: 4: Män passar alltid? Nivå- och organisationsspecifika processer med exempel från handeln.*