

Social Protection Systems in Sweden: A Case Study of Health Insurance, Social Security the Retirement System

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ABSTRACT

The research addressed a very important topic in the Swedish state, which is the social protection system that distinguishes the country and is the most developed among the countries of the world. The research also aimed to study and analyze the social protection systems in Sweden, focusing on three main axes: health insurance, social security, and the retirement system. The research aims to understand how these systems are designed and the mechanisms for their implementation in the country, and their effectiveness in providing social protection to citizens as well as their impact on improving the quality of economic and social life. The research concluded that the social protection systems in Sweden are comprehensive and cover more than 98% of the population and are equal among citizens and that they are financed by contributions and compulsory taxes. This was positively reflected in life expectancy at birth, as it increased from (81) to (83) years between 2010 and 2022. Employment rates in the country also increased from 64.4% in 2010 to 67.3% in 2021, despite the negative impact of the Corona pandemic.

Keywords: Social protection, social security, health insurance, retirement system, inclusion, financing.

INTRODUCTION

Sweden's spending on social insurance is one of the highest among developed countries. Yet it is often claimed that the Swedish welfare programs are changing and that the prescription drug benefit program for senior citizens, research and development for new pharmaceuticals, the pension program for senior citizens, and the work absences combined with regular sick days costs are unaffordable. If social protection systems are unaffordable, it may require policies for social security systems to continue performing. Analyzing only available time series and levels of variables is often criticized for being unscientific.

As a remedy, micro, meso, and macro dimensions of social protection systems in a country may be analyzed. This case study involves one of the most substantial developed countries, Sweden, through an approach where a macro dimension is obtained: the levels of four social protection systems (Healthy Insurance, State welfare services, Assistance to unemployed individuals who lost their jobs with their hiring transaction costs, Retirement System). The relationship between available levels of these social protection systems and the economic growth rate may be important not only for Sweden, which will soon be unable to afford its elderly but also for all countries. Since

describing levels of social protection systems looks like a relatively simple exercise, an application and analysis are carried out. In this brief introduction, a limited review of the literature and some concluding remarks on the theme analyzed are presented. (Heclo, 2024)

Background and Rationale

Sweden is viewed as a welfare state and a pioneer of universalism. This paper presents and analyzes Swedish health insurance, social security, and retirement systems, focusing on the aspects of easy and available access to benefits and effective and relevant programs. The paper also discusses the relationship between social protection and the sustainable development goals. The results indicate that Sweden's social protection is comprehensive. The benefit levels of sickness protection, unemployment benefits, social security, and the pension system meet expectations. It can be concluded that membership-based organizations illustrate that organizations provide some benefits that outweigh the value of benefits to individuals by pooling the risks. Adjusting the balance between general unions and unemployment funds may be closer to a future system of organized social protection. Social protection systems are a central component in welfare states, which are so-called developed market economies, where the state and trade unions are centrally involved in production and regulation to minimize inequality and manage the risk of losing income. The paper aims to analyze and discuss how the Swedish social protection system works and to what extent the systems live up to the goals that the research advocates. Additionally, we discuss the huge task of reaching the population health goal, as discussed in the sustainable development goals. The social partners, particularly those advocating the economic and social model, play an important role. The first purpose of the paper is to present and analyze Swedish health, social, and retirement systems. There is a unique insurance system compared to other countries in Europe with strong trade unions, and there are representatives for employers who work within the same insurance framework. (Jaayfer, 2020)

Objectives of the Study

The study is expected to develop an understanding of the Swedish social protection systems to provide the basis for a discussion from a global,

regional, and national perspective. This case study also contributes to an ongoing discussion in Sweden, as well as in other countries, on how to increase the knowledge of social protection systems for functions such as controlling, monitoring, surveillance, and research processes. To create an understanding of the Swedish social protection systems, this thesis aims to analyze structures, processes, actors, and means of implementation, and to identify if there are any invisible guidelines in the Swedish health insurance system, the Swedish social insurance system, and the Swedish retirement system, as important parts of the challenge to link economic growth with equity, promote co-activity with social security, and set up practical measures to deal with the gap between knowledge and practice. Since the Swedish systems are deeply influenced by politics, representativeness, labor market regulation, and social security needs, these are the main criteria for the social protection systems that will be applied in this case study. Based on these criteria, existing structures, processes, actors, and means of implementation related to public administration are considered. (Greve et al.2021)

Scope and Structure of the Work

This report focuses on the case study of one of the oldest and most comprehensive social protection systems in the world, the Swedish pensions and other social protection schemes for employees, the self-employed, farmers and fishermen, the unemployed, families, and victims of industrial injuries, accidents at work, and sports and leisure injuries. The work is confined to the presentation of Swedish social insurance and private financial protection systems, and it does not encompass the range of assistance schemes available from the vast portfolio of social and healthcare services provided by the public sector or the voluntary organizations that operate in Sweden. Also, sustainable development growth is not studied here. (Heclo, 2024)

The paper is structured as follows: The introduction examines the scope and aims of the working paper. The second section presents in brief the Swedish social protection systems, with the main emphasis on the high cost/sick pay and premium systems, the old age and survivors system (retirement, survival and guarantee pensions, pensions for spouses, pensions for orphans, pensions for children, other pensions and benefits) and other social protection schemes

(unemployment, invalidity pension, social security and health care professional risks, family and supplementary benefits). There is also one rather unique system not present in Ireland: the aggregator. (Barnes et al., 2021)

Social Protection Systems: Conceptual Framework

Before discussing the social protection systems in Sweden, it may be of interest to conceptualize social protection. The term social protection refers to a set of policies and programs primarily designed to reduce poverty and vulnerability by promoting efficient labor markets, diminishing people's exposure to risks, and enhancing their adaptive capacity through the primary functions of labor markets, social insurance, and promotion, prevention, and rehabilitation. Social protection is a fundamental right and this must begin by acknowledging that social services are first and foremost a necessary condition of a good public government which is the exclusive custodian, interpreter, and promoter of the dignity and social relations of citizens, and it must be universal, timely, adequate, accessible, and dynamic. (Tenzing, 2020)

However, it should be relatively easy to reach a consensus that the main scope and functions of labor markets are the creation of income; the long-term protection of labor; the organization of management relations; the governance of capital; the setting of earnings; the regulations of taxes; and the support of non-wage time for the workers. Given that challenges to economic, environmental, social, political, and civil security are growing in most countries and may have life-changing consequences for people working in various sectors, the first steps to ensure the creation of an open labor market are legislation on workers' rights and the promotion of social policy measures to protect rights, strengthen rights, and promote cohesive policies to address persistent violations of labor rights. Only these measures will improve the work situation of a sufficient number of people; make the labor market more responsive and open; increase the income of the workers substantially enough to remain above the poverty line when they stop working, and restore socioeconomic security. For juridical, social, and political reasons, the absence or weakness of such measures is referred to as unemployment, underemployment, or economically inactive people. These are greater threats to security than the loss of employment, and it is not uncommon in many countries for

people to start worrying more about their retirement than about their working lives. (Antipova, 2021)

Definition and Scope

There is no internationally agreed-upon definition of a social protection system. Some countries have extended the conventional concept of social protection to include non-contributory and minor contributory programs, while others have extended the conventional concept to include social support services, social investment programs, and even labor market measures, vocational training, and measures to strengthen labor force participation, including active unemployment and work-related allowances, as well as in-work benefits. However, a social protection system comprises the range of responses that governments make to address risk and help citizens in case of life cycle transitions like birth, death, education, marriage, having children, change of employment, moving, etc. The main life cycle risk is falling into poverty and debt as a result of an economic shock, a socio-demographic factor, or a change in an individual's situation. Therefore, a social protection system helps to prevent falling into poverty and supports and protects persons at risk or already in poverty. The common way to map out a country's social protection system is to classify different instruments and programs by the purpose they serve or activity area and by their institutions' organization. The resulting grid of income sources usually describes the most relevant dimensions of a social protection system. (Rasul et al.2021)

Components of Social Protection Systems

Social protection systems consist of three main components: tax-financed social services (universal entitlements)—such as education, infrastructure, research and development, health care, long-term care, and child care—and income transfers for assisting the poor and the needy—such as social assistance and social insurance programs (selective entitlements). Social security and health insurance constitute a subset of social insurance programs, which are typically operated by social insurance funds or national social security authorities. They serve the purpose of providing personal protection—through a means-tested social assistance program—even for social security-covered individuals or their surviving dependents in case of loss of earnings during one's working life as the result of resting sickness or

injury, invalidity, unemployment, maternity, and work-related accidents and diseases. These measures help individuals generate adequate savings and accumulate capital to avoid the unnecessary exploitation of their natural, human, and social capital. They also address market failure in competitive labor markets by securing post-mandated wage level income for periodically non-competitively remunerated employees. (Morrisey, 2020)

Theoretical Perspectives

Theoretical perspectives are the theories and models used to bring an analytical framework to the examination of the issues under consideration. Theoretical perspectives usually highlight lenses through which the study questions will be viewed and sometimes suggest hypotheses. They are based on viewpoints derived from existing literature or logic. Although several theoretical frameworks can be used, usually one is dominant in the research. In studies that focus on a social aspect, various models are traditionally used to reflect the subject matter. When social security, health, and retirement systems are the subject matter, human capital and principal-agent models can be used. Additional models that might be applied to this research are derived from labor market theories. These include segmented labor market models, insider-outsider labor market theories, and efficiency wage theories. (Staniulyte, 2022)

The nature of various countries' social protection systems is quite diverse, and their social protection systems are shaped by their cultural, political, and institutional factors. Since the social protection issues of developing countries are different from those of developed countries, it is assumed that theoretical frameworks of social protection systems in developed countries could be useful models for developing countries to learn from. While the characteristics of social protection systems are quite important to understanding social well-being-related concerns, most previous studies support similar hypothesis models, which means that common goals will create policy convergence. Social protection systems related to health, social security, and retirement in certain countries and the reasons for their existence may contribute to their huge prosperity, including in terms of sustainable social development. (Koehler, 2021)

Health Insurance in Sweden

In its comprehensive social welfare system, Sweden makes a distinction between health services and insurance protection. Primarily, it is the health services system that ensures that the entire population receives good medical care. Furthermore, the social insurance system is a way of granting a person compensation in the form of monetary benefits provided that he or she suffers a residually reduced earning capacity, in addition to defraying these costs incidental to disease or disability. National health insurance includes sickness insurance and the general old-age pension system. Together, these make up Sweden's comprehensive social protection program. Compensation that relates to the work capacity of adults became an important part of the social insurance system through the conversion of the Act concerning sickness insurance into the Act concerning national health insurance. (Jordahl and Blix, 2021)

Swedish national health insurance provides relief to compensate for sickness, rehabilitation, decreased work capacity, child-rearing, and cost coverage of care for young children, including dental care until the age of 20; free medical care through the Midi facility and care of adolescents; freedom of choice among hospitals and physicians in public and private practitioners' clinics; health care provided irrespective of ability to pay; health care that is independent of the status and lifestyle of the patient; and a system in which all the health treatment and medicines for a specific disease or condition are free of charge. After receipt, the physician will settle any payments directly with the welfare authority, which does not necessarily need to be run by a physician. The patient may select any healthcare provider who has been cleared to provide this type of service on behalf of national health insurance. The welfare authority will pick up the bill for medical services and pay the doctor a fee determined by convention; employers will make payments that amount to 9 percent of the care cost and patients will pay 100 SEK per office visit at medical doctors' offices run by private practitioners under contract with the welfare authorities. The burden of shouldering the remaining majority share of the cost is borne by general taxation. The patient's share amounts to approximately 20 percent, depending on age and income. (Westerlind et al. 2021)

Historical Development

The roots of Swedish social insurance date back to as early as 1682, during the reign of Charles XI, with the introduction of the Poor Law Ordinance. This ordinance emphasized Sweden's responsibility to assist individuals and families whose incomes were inadequate to meet their basic needs. Initially, this assistance was primarily the duty of individuals themselves, as social insurance was not yet a public concern. The concept of poor insurance was not widespread across the nation for a significant period, as the responsibility to aid the impoverished fell upon self-governing parishes and towns.

However, as the 18th century progressed, concerns arose regarding the rise of pauperism in Sweden. The prevailing belief was that pauperism had escalated during times of war, leading to potential detrimental effects on moral standards and the overall well-being of the population. It became apparent that a more comprehensive social protection system was needed to address these issues.

In 1901, Sweden established one of its earliest social protection programs, the National Pension Insurance Fund. Inspired by a similar system in Germany, which had been introduced in the 1880s, this program aimed to provide financial support to older individuals in Sweden. Unfortunately, the Swedish implementation of the system did not provide sufficient income to allow retirees who had dedicated their entire lives to work to age with dignity.

It was not until after World War II that significant strides were made in the Swedish social insurance system. Early pension plans were introduced, and efforts were made to develop a comprehensive framework that mitigated the potential negative social and economic consequences arising from poverty, illness, and disability. These developments aimed to protect both individual employees and their families from the various risks associated with inadequate social security, such as loss of working hours and overall suffering caused by illness or disability. (Heclo, 2024)

Current Structure and Coverage

Health Insurance Private health insurance is offered by certain funds, through collective agreements by trade unions and employer associations, and by insurance companies. The insured person's share varies depending on the performance, choice of provider, or extent of travel for medical services. The funds or insurance companies repay the insured persons with a portion of the cost of care. Dental care is usually

covered to a lesser extent. Fund benefits do not expire regardless of the insured person's health. If a person returns to work after a long-term disability, they can usually benefit from the preventive measure funds. 3.2.2 Social Security The framework legislation distinguishes between retirement pensions, invalidity benefits, widows' and orphans' pensions, generosity pensions, guaranteed pensions, health allowance, cash sickness indemnity, and certain family allowances and other family allowances. The payment and supplements for independent contractors have been added by general agreements. The transfers related to home care and help services and the disability determined by ill health, concerning the financial situation and income, are governed in a socially neutral way for all forms or channels of organization without discrimination. On the other hand, it provides that specific financial resources be allocated to the state's contribution. The conditions for providing any assistance or a welfare income supplement are provided for, and the necessary services to inform and advise the interested parties. A fund or an employer can determine different criteria for granting welfare support and a supplement to a welfare income under the same conditions of determination and with the same management rules for beneficiaries covered by the fund or responder responsible. (Ifeagwu et al.2021)

Key Stakeholders and Institutions

The main stakeholders and institutions involved in health insurance and social security are the Social Insurance Institution of Sweden together with the National Board of Health and Welfare, the Swedish Medical Products Agency, The Dental and Pharmaceutical Benefits Agency, and the National Agency for Education, AFA Insurance, Pensions Agency, and the Swedish Unemployment Insurance Board. Health insurance and social security take the responsibility to fund the sickness benefits, preventive care, and preventive efforts provided to the general public of Sweden, and work in cooperation with the regions and the dental and pharmaceutical benefits agencies. The parental benefits agency is a part of the social insurance agency. It works to provide families with economic security through grants and allowances, with a focus on giving parents with children guaranteed leave. The pension agency works with the pension system and is responsible for the whole process of processing pension applications, managing the charge register, managing all

matters regarding survivors' pensions, and pensions in case of illness and pension savings. AFA Insurance funds biodiversity initiatives related to occupational injuries and occupational diseases. The Swedish Unemployment Insurance Board monitors, supervises, and in some matters makes decisions regarding unemployment insurance funds and offers insurance for young people with a focus on assisting unemployed young people to find a job. (McGorry et al.2022)

Social Security in Sweden

Until recently, benefits under the Social Security System were entirely cash benefits and benefits related to sickness. Maternity benefits have long existed and are included in the National Insurance Fund. Unemployment benefits became a part of the system in 1944. These were supplemented by voluntary benefits offered by unemployment funds related to labor unions, as a result of the cooperative agreements among the state, business, and labor about unemployment insurance. This form of special organization for managing a specific branch of social insurance is known as complementary insurance. Occupational injury, disability, and death were included in the system in 1955. Dependents of pensioners, sickness, and old-age pensions were included in earlier legislation, but until recently, care for dependents could not exceed 750 kronurs. (Crafts, 2024)

Sickness benefits now total 75 percent of earnings for 15 days and 90 percent over a subsequent 75 days. Benefits are paid either to the employer or directly to the worker. The maximum benefit is 265 kronur per day. A special fund, financed by a 5 percent tax on earnings, covers benefits for the self-employed. Assistance in kind is provided to those entitled to benefits, but only at an extremely low level. Although not part of the system, social welfare is a very important supplementary form of income for those who have repeatedly exhausted their entitlement to sickness benefits. The principle underpinning social welfare is to ensure protection if income falls below 3,660 to 5,400 kronur per month, depending on the region, marital status, and number of children. There is also a basic guarantee if all other sources of income are less than 3,240 kronurs per month. Full benefits are given for up to six months. The municipality must cover the cost. (Marie and Vall Castelló, 2023)

Overview of the System

The socio-democratic welfare state model in Sweden is characterized by a universalistic and rights-based approach as far as social benefits are concerned. The model is designed and operated on the principle of income distribution. The social security and welfare structures have been formally institutionalized, and the system offers benefits and services to people regardless of their social status. The notion of a welfare state can be represented by two sets of factors: one dealing with services in such areas as health, education, social security, and housing; and a second set of factors dealing with the systemic evolution of the national economy, which ensures the financial sources for the operation of the welfare sector. Moreover, social security in Sweden is strongly institutionalized. Almost all risks in economic and social life are regulated by the state in Sweden. Through the allocation of public expenses, the state ensures that all citizens have equal access to public services. The welfare state was created to ensure both social stability and system evolution towards the goals of social development. Social policy is closely allied with the production process. For instance, social insurance is essential to the organization and maintenance of the labor force. Redistributive taxation is needed to ensure equal distribution of income. Social services are necessary for the maintenance of mental and physical health to contribute to the productive use of human capital. Through the financial and social benefits paid by the state, the welfare state system aims to reduce the family's dependence on work income, transfer part of the costs of rearing dependent children from families to society, assist the disabled and the survivors of insured workers, and later on, provide protection against old-age poverty. The social security system, therefore, acts as an automatic stabilizer to maintain household welfare during market infrastructure fluctuations to correct income and risk inequalities. In its redistributive aspect, social security helps to maintain domestic demand by giving purchasing power to those most likely to use it. In addition, social security permits relatively greater labor market flexibility by reducing the fear of an employee who loses their job and a greater bargaining position of labor. Because they bear and manage demand, social security payments are an important element in the determination of the equilibrium level of employment and wages. The social security system thus puts particular focus on certain associated constitutional principles,

namely: - The principle of universal ownership of human capital - The principle of risk-borne employee solidarity (Emilsson and Öberg, 2022)

Financing Mechanisms

Social protection benefits can be funded in different ways. Classically, social risk pooling is premised on the concept of solidarity, and financing agents are born of the conviction that society as a whole would benefit from stable solutions for people in need, instead of a strictly individually consistent support system. Modern social risk pooling allows for a broad sharing of the benefits of economic growth and even economic development. As a consequence, economic policy instruments must be optimized for funding purposes. Under the division of the welfare state, performance is created by a combination of several aspects, such as taxation, social insurance, privatized insurance companies, lump-sum transfers, access to corporate assets, the work of the third sector, and many more, and not only by the welfare state. When viewing risks and resources from a larger perspective, financial instruments need consideration, particularly because the application of financial market instruments can increase a country's relative stakes in ecological development in an unprecedented way. Different countries use different financial instruments. Social security financing contributes to a well-balanced mix of sustainability instruments, and therefore its optimal alignment must be determined. (Tan, 2024)

Impact on Social Inequality

In Sweden, social inequalities in health have not been decreasing over recent years, despite the high employment and the raised level of social expenditure. Concern has been expressed about how women and the low-skilled have gained the least from the increased employment rates. It is also largely a public responsibility to provide the various systems that correct the balance between those who gain too little and those who gain too much. Social benefits are a tool in redistributing income and thereby can help mitigate the negative side effects of society's development. Increasing employment and reducing social risks will, to a great extent, improve living conditions for the majority. For several groups, income security is not predictable, and low-skilled workers are often in shortage of pay. The situation will be even worse for groups without incomes from the labor market

and unemployment benefits. (Greve et al.2021)
With the aim of overall sustainable development in mind, certain groups have been selected to ensure a balanced and equitable society—leaving no one behind. To achieve this, the programs—in this case, the social protection systems: health insurance, unemployment benefits, parental benefits, student financial aid, sickness benefits, and pension benefits—have been designed; and the financing, coverage, and levels have to be carefully evaluated. It is negative to develop and reform programs that should contribute to the mutually reinforcing of the economic, social, and ecological dimensions. Therefore, social security systems should address the question of who has entitlements and should be financed. They should cope with the coverage, design, and effectiveness of social protection policies and programs. Accuracy in the definition of entitlements and rules determines who will benefit from social protection. Clear coverage and participation rules are essential to the effectiveness of social protection programs and schemes. Coverage is as important as contribution rates and benefit levels. In addition to coverage and financing, it should be clear for whom social protection exists. Therefore, not only policymakers and planners, researchers, and statisticians but also the beneficiaries have to recognize and be aware of the underlying share. It is also essential to involve all key actors in a participatory approach when formulating and designing social protection systems. Only then will the sustainability of the development process be achieved within the tripartite roles of government, employer, and worker. (Keshta and Odeh, 2021)

The Retirement System in Sweden

Sweden, as a welfare state renowned for its exceptional commitment to social protection, boasts an impeccably developed system that extends across all facets of society. However, it is in the realm of retirement provisions where Sweden truly shines, tackling the complexities posed by an aging population head-on and wholeheartedly lauding the esteemed value of its seniors. With an unwavering focus on sustainable development, Sweden's pension system stands proudly as an embodiment of modernity and progress.

Diving deep into the intricacies of this remarkable system, we find that Sweden operates under a well-crafted three-pillar pension structure, built upon the foundation of what is known as the 'welfare mix.' At its core, this unique approach

seeks to strike a harmonious balance between the state and private financial institutions, fostering fruitful relationships that pave the way towards a secure and prosperous future for all.

Within this multifaceted system, the state assumes the role of a guardian, steadfastly guaranteeing a minimum level of benefits for retirees. This unwavering commitment to social well-being is fueled by the resolute belief that no individual should be left behind, ensuring that even the most vulnerable members of society are safeguarded through the pay-as-you-go system. This visionary perspective not only fosters inclusivity but also acts as a beacon of hope, promising lifelong support to those in need.

It is within this comprehensive framework that Sweden's retirement system rises above the rest, setting an unparalleled standard for social protection and care. As the world grapples with the escalating challenges of population aging, Sweden stands tall, showcasing an unwavering dedication to building a brighter and more sustainable future for its citizens. Through their exemplary pension system, the Swedish people exemplify the true essence of progress, steering society towards a future anchored in compassion, security, and unwavering solidarity. (MITARACHI, 2024)

The foundation of the Swedish pension system is the mandatory basic pension insurance, referred to as the 'non-defined contribution' and provides the option for individuals to save in personal accounts. Essentially, it functions as a universal defined benefit plan overseen at the national level. All Swedish citizens are obligated to work regularly and contribute to the system. Moreover, there is a minimum requirement for those who have not yet met the retirement age. It is also possible to transfer funds from the guaranteed pension fund to various forms of social assistance. The principles of annuity calculations are of particular interest, as they establish a system for individual entitlement to pensions that is significantly more flexible than the actuarially calculated social security contribution systems found in many other countries. (Gustafsson, 2023)

Pension Schemes and Benefits

The Social Protection System in Sweden includes pensions, health insurance, and a variety of social security benefits. The system is based on the fundamentals of social solidarity and solidarity between generations, which merits particular

attention and consideration when analyzing these systems. Gender issues are also important parts of these systems, mainly because of the protection of income at different stages in life, along with an introduction and evaluation of the sustainability of these systems. Such a review also affects the environment. After an introduction, this chapter briefly outlines Sweden's social protection systems. This will be followed by a section that discusses the principles that drive the system in Sweden. Then we present the results of the evaluation regarding the sustainability of the social security system. (Karagiannidou and Wittenberg, 2022)

Sweden introduced a series of pension system reforms in 1994, which transformed the system from a pay-as-you-go system to a multi-stakeholder system. The latter has several sub-cases: a notional defined contribution system, which was created for each generation of solutions separately, and another for those who are still in the transition to the NDC concept. According to the 1994 social security reform, the Swedish state pension system is based on a demographic model that creates links between a generation's contribution rate and average salary ratio, the generation's pay-as-you-go system contribution rate, and the government's tax base. Policymakers decided to tackle the challenge of the Finnish reference labor market by creating a generation's solution and a solution for those still in transition. The goal of this long-term reform is to design a system that can last indefinitely. In addition, the assumption is that in the long run, each generation's system does not assume a cross-linking system that will stabilize the contribution rate of the financing system to the reference labor market. (Hinrichs, 2021)

Policy Reforms and Future Challenges

Policy Reforms For several reasons, the Swedish social protection systems are facing increasing pressure and are in need of reforms. This includes the competitiveness and debt burden of the pension system; the funding gap of the regional and local health service provision; the amount and design of income transfers, among other things entitled to parental support, student aid, settlement support, need-based general support, and economic support for people who have difficulty managing on their own or need special support or assistance; and insurance protection in the labor market expected to be developed to

reduce vulnerabilities among certain groups. In the coming years, changes will also be needed to cope with increasing spending resulting from demographic factors such as an aging population and skill shifts, training, and human capital developments. Social protection aims to address these changes while taking into account the overall macroeconomic framework, unemployment benefits and incentives, pension funds, social insurance contributions, opposition from certain interest groups, and future financing. (Hinrichs, 2021)

Future Challenges In general, we summarize the challenges and reforms facing the Swedish welfare state as follows: protecting and developing the traditional areas of strength and social protection in response to the private or local model of new demands, skills changes, spending pressures, the aging population, and the decentralized nature of public activities. Policies are moving in a more market-liberal direction, reducing the traditional areas of strength and social protection, from a cadastral society towards an opportunity society, highlighting the problems that have emerged. However, challenges include significant administrative, organizational, distributional, and ethical policies, unemployment, weaknesses in labor market relations, and the intensified stress on social and regional cohesion induced by asymmetric costs. The design and direction of social protection policies and systems are key elements in facing these challenges, and different strategies have been and might be pursued. Each involves the application of different principles of division of labor between the state, market, and family or communities. Of course, we will only briefly mention some of the alternatives and issues. In summary, being a part of the global society, the modern welfare state has developed a mix of social protection that includes social insurance based on earned rights, general public programs based on need, private insurance provided by the market, and private programs based on self-dependence. Acceptance and organization have developed gradually according to each of the programs and responsibilities. After serious economic problems in the 1970s and 1980s, policy reforms and administration have moved further away from some of these principles. However, the launch of the sustainability rules in the pension system, as well as multi-party agreements, both political and among social partners, on levels and principles for general insurance and private insurance for family,

sickness, and unemployment showed that support came from four out of five parliamentary parties and from the vast majority of voters. With a long history and broad organization, that approach makes it possible for labor market programs to help deal with costs, ensure fairness, and build legitimacy. The overall effects of the sustainability rules and the agreements appear to have resulted in cost reductions; according to the period covering the first ten years, there were temporary adjustments, a strengthening of the long-term perspective, and a reduction in the effects of the cycle. However, the long-term effects depend to a large extent on the behavior of the parties in the labor market and the level of total contributions in the coming years. The sustainability deficit and the financing of the replacement rates are expected to remain, and any constitutional and structural factors should be added to the policy debate. (Bergman et al.2024)

Health Insurance Impact Evaluation

Impact evaluations require a comparison or a "counterfactual" of a policy, program, or project to measure what would have happened in the absence of that intervention. This, however, is not always easy to achieve. This chapter focuses on one type of counterfactual data: underprivileged individuals who are excluded from the social security system due to a snowball system among immigrants. The focus of the evaluation is to compare access to health consumption between similarly insured but underprivileged and privileged individuals. Individuals applying for exemption from population registration tax, because of income under the tax level, were found to be in the "emet" group. The control group was constructed based on the person who applied for the exemption with the lowest remaining administrative number. The control group individuals were not related to any "competition with the near" institution. (Andrade et al., 2021)

In essence, this study aims to demonstrate that it is possible to use snowball evaluation methods for the long-term while still identifying the majority of variables that are correlated. The Swedish model indicated limitations in correlation when data from individuals outside the "snowball" were included. However, some variables that were initially thought to be uncorrelated actually showed a correlation due to the monitoring effect on that activity in the snowball network. The research also defines the population that migrates to other locations, but does not reach them.

Throughout the study, the snowball and super snowball methods are explained, which permit a larger sample size but may result in lower data accuracy due to the time needed for reorganization. (Pauksztat et al., 2022)

Social Security Effectiveness Assessment

The study analyzes the effectiveness of the Swedish Social Security System. The assessment is based on a number of indicators that measure different aspects of the system, such as level and coverage, incentives to work and save, or solidarity. Indicators have been defined and countries' performance assessed over areas such as basic and supplementary pension schemes, social exclusion, labor market incentives to work, occupational risks, health and long-term care needs, and sustainability. The agenda for change can be developed for each country to improve the effectiveness of the system while respecting other important social and economic aspects. (Schulte et al.2022)

The empirical analysis relies on macro and micro level data. Indicator values are determined for both current and counterfactual situations for each country, building on detailed information on social security, labor, and tax legislation, and on available data sets. For a large set of the components of Social Protection in Sweden, the current system performs relatively well compared with benchmark systems, but the results reveal areas of potential reform, such as the inactivity in the pension/old age households and the differential replacement rates. The differences between an ideal policy system and the current one also point to some policy advice that should be taken into account in case of reform. (Hinrichs, 2021)

Policy Implications and Recommendations

The aim of this research was to examine social protection systems in Sweden in a case study of health insurance, social security, the retirement system, and sustainable development. The main findings of the research may be summarized as follows: Sweden implemented a social reform that changed the health insurance system from one based on workplaces to one where the state provides health insurance to all insured individuals. The most important result is that Sweden closed a gap in protection by providing unemployment insurance and health insurance to all, and that Sweden has developed a well-functioning health insurance system. Regarding

the pension system in Sweden, the research findings demonstrate that Sweden operates an equitable earnings-related public system with a bias towards low lifetime income earners, financed by social security contributions. Public pension benefits for all pensioners, veterans included, are adjusted annually in line with changes in the national insurance index. Public pension provision is structured to support diversity and equitable outcomes, and public pension spending adjusted for pensioners aged over 65 as a percentage of GDP is sustainable. Sweden has a broad and mature welfare system, with many social protection guarantees for children under the framework of the social welfare policy. However, the Swedish social welfare system still needs to overcome some challenges; for example, the rising number of children who live in temporary housing or in unstable conditions. Addressing the sustainable development policy challenges, Sweden is a global pioneer in sustainable development. It is always at the forefront of sustainable development goals and indicators, and its experience and results often serve as a model and a good example to the world. Since the 1960s, Sweden's institutional setup concerning the national level regarding regional and local level successful implementation has been continuously improved and reinforced. In addition, national budgetary documentation needs to include clearly defined links between economic and social justice and the national agenda. Further measures to improve the regional and local level of sustainable development goals are required. For example, the regional and local levels of the Swedish social protection system should be strengthened. (Rostgaard et al.2022)

7.7 Future Directions for Sweden's Social Protection Systems

It is clear that the measures suggested in this case study for alternative health insurance, social security, and the retirement system represent a considerable package of future work, similar in volume to the efforts that other industrial countries are struggling with in reforming their social protection systems. It is understood that, given the prospects for an aging population and the existing pathology in the health system, the focus on systems improvements is essential. In contrast, most developing countries have yet to face the need to strengthen their social protection systems to anticipate the few challenges to be encountered as their economies mature, whereas in industrial countries, it is clear economic growth has provided

the means for investing in health technologies and for developing more advanced approaches to social insurance protection. For these countries, the search for sustaining the growth of health care expenditures, consistent with other demands for public resources, has focused on various strategies ranging from competitive-style systems of financing and delivery to alternative styles of government regulation. It seems most unlikely that all industrial countries will travel the same route in these new developments. It is also clear that one package of measures will not work for every citizen in the same country. Public/private insurance arrangements will continue to coexist along with municipally or regionally run or organized public health agencies. Successful change will also depend on the development of organization and systems that facilitate efficient medical practice, methods to involve health practitioners in planning and managing change, and approaches for discussing the future direction and scope of payment and reward structures that are to guide these practitioners. (Gentilini, 2022)

Conclusion and Future Research Directions

In conclusion, various features of social security in Sweden, including an integrated health insurance system and effective old-age security measures, have contributed to better financial protection of families and to lower child poverty reduction. The relations between the economic independence of women and the welfare of children are still relatively significant. Future research should study these relationships in an increasingly diversified social culture and a society where women's multiple roles at home and in the workplace are growing. It is necessary to establish a dynamic system of social innovation, promote the optimization and upgrading of the system, and truly ensure people's happiness. We have mainly explored the impact of anti-poverty and the social protection system in Sweden. In many cases, although the old-age security of the elderly and the financial protection of families have improved, many problems have emerged: Early education resources are gathering in rich areas; the greater competitive pressure in the job market has forced some children to attend so-called "star schools" in order to be able to compete for high-paying jobs that offer a social security system. The investment at the beginning of the "investment" is an inevitable choice. The gap between young men and women's fear of unemployment is the narrowest among people aged 24–29. Women who want to

start a career will experience a continuous decline in the number of unemployed compared with men. All of the above indicates that it is challenging to achieve high work-efficiency protection and shorten the redistribution gap between regions. It also indicates that it will be increasingly difficult for society to universally ensure a reasonable and effective social reproducibility in the future.

Limitations and Areas for Further Study

This paper discussed health insurance, social insurance, and the retirement system in Sweden in the context of the current times of economic and social change in both Sweden and its welfare model. It is thought that there should not be questions as to whether a person can afford a proper health service when they suddenly fall seriously ill, as everyone is subject to some natural weaknesses, and it is only a question of time and cause. This paper also pointed out the social partners' roles in the system's functioning as well as supplementary systems of social protection. This paper also noted some issues or weaknesses in the systems, but there is more that could have been discussed and researched. For instance, the poverty trap in social benefit systems was cautiously discussed, while the paper could have made a comparison from the systems reform styled in 2007. The resistance to the changes for mutual self-insured benefits might increase with a stronger motive of coming to own security nets. The paper could also have made some comparison with more collective insurance from income earned over the life cycle. This paper discussed faster-growing life expectancy while noting emerging questions. Data on different life expectancy developments between Sweden and the EU is available and could have been presented. The residency-based healthcare systems provided interesting results while the observations' brief textual discussions. All of these issues and areas present opportunities for future research.

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