Contents

1 Introduction ................................................................. 1
   Tommy Bengtsson
   References ............................................................... 6

2 The Ageing Population .................................................... 7
   Tommy Bengtsson and Kirk Scott
   2.1 Introduction .......................................................... 7
   2.2 Fundamentals of Population Ageing. .............................. 8
   2.3 Consequences of an Ageing Population .......................... 12
   2.4 Can We Increase Fertility? ........................................ 16
   2.5 Is Immigration the Answer? ....................................... 16
   2.6 Other Ways to Solve the Problem? ................................. 19
   2.7 Summary ............................................................. 20
   References ............................................................... 21

3 In This World Nothing Is Certain but Death and Taxes:
   Financing the Elderly ................................................... 23
   Åsa Hansson
   3.1 Introduction .......................................................... 23
   3.2 Background ........................................................... 24
   3.3 Are Increased Taxes the Solution? ................................. 28
      3.3.1 Increasing Tax Rates: A Non-solution ........................ 29
      3.3.2 Increasing the Tax Base: A Partial Solution. ............... 36
   3.4 Discussion and Conclusions ....................................... 42
   References ............................................................... 44

4 A Stable Pension System: The Eighth Wonder ....................... 47
   Agneta Kruse
   4.1 Introduction .......................................................... 47
   4.2 The Swedish Pension History ........................................ 48
4.3 Ageing and Pensions ........................................ 50
4.4 Pensions in Sweden: A 4-tier System .................... 51
4.5 Financial Stability in the Swedish Pension System .......... 54
4.6 Political Sustainability ....................................... 55
  4.6.1 Fairness as an Estimate of Sustainability .............. 57
  4.6.2 A Fair Starting Point? .................................. 61
  4.6.3 When Contributions Deviate from Benefits, 
i.e. Deviations from the DC Feature ...................... 61
  4.6.4 Indexing .................................................. 62
4.7 Concluding Comments ..................................... 63
References .................................................................. 64

5 Ways of Funding and Organising Elderly Care in Sweden ....... 65
Per Gunnar Edebalk
5.1 Introduction ...................................................... 65
5.2 The Establishment of Old People’s Homes ................. 67
5.3 The Development of Home Help Services .................. 70
5.4 Times of Reappraisal Around 1990 .......................... 71
5.5 Elderly Care of Today and Future Challenges ............ 72
5.6 Financing of Elderly Care .................................. 75
5.7 Conclusion ....................................................... 78
References .................................................................. 79

6 Financing Healthcare: A Gordian Knot Waiting to Be Cut ....... 81
Björn Lindgren and Carl Hampus Lyttkens
6.1 Introduction ...................................................... 82
6.2 The Swedish Healthcare System ............................. 83
6.3 Simulating the Development of Inpatient Care 2000–2040 ..... 86
  6.3.1 Some Characteristics of the Simulation Model ........ 88
  6.3.2 Base-Case Scenario ....................................... 89
  6.3.3 Improved Health Progression with and Without 
       Decreased Risk of Death .................................... 90
  6.3.4 Incomes of People in Old Age ......................... 92
6.4 Not a Non-issue .................................................. 93
6.5 Non-solution One: Technological Development ............ 94
6.6 Non-solution Two: Institutional Change ................... 97
6.7 Non-solution Three: Explicit Priority Setting 
       (or Do We Believe in the QALY and Nothing but the QALY?) ...... 100
6.8 Towards a Non-non-solution (or Simulating to Have an Answer) .... 101
References .................................................................. 103

7 Towards a New Swedish Model? ...................................... 109
Andreas Bergh
7.1 Introduction ....................................................... 109