

# Wealth Concentration over the Path of Development: Sweden, 1873–2005\*

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## **Abstract:**

We study the development of wealth concentration in Sweden over 130 years, from the beginning of industrialization until present day. Our series are based on a wide array of new evidence from estate- and wealth tax data, estimates of foreign and domestic family firm-wealth and of pension and social security wealth. We find that the Swedish wealth concentration was at a historically high level in the agrarian state and that it did not change much during early industrialization. From World War I up until about 1950, the richest percentile lost ground to the rest of the top wealth decile where relatively income rich households accumulated new wealth. In the postwar period, the entire top decile lost out relative to the rest of the population, much due to the spread of owner-occupied housing. Around 1980, wealth compression stopped and inequality increased. We introduce new ways of approximating the effects of international flows and find that the recent increase in Swedish wealth inequality is likely to be larger than what official estimates suggest.

**Keywords:** Wealth concentration, Wealth distribution, Inequality, Income distribution, Sweden, Welfare state, Pension wealth, Augmented wealth

**JEL codes:** D14, D31, N33, N34

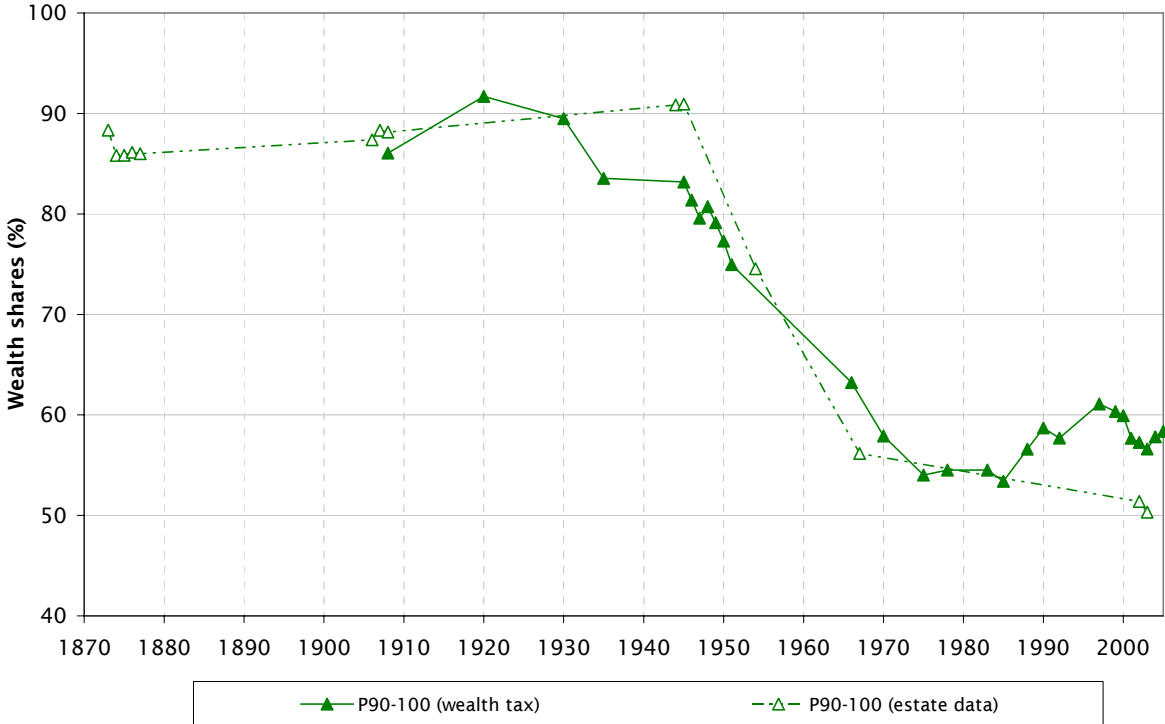
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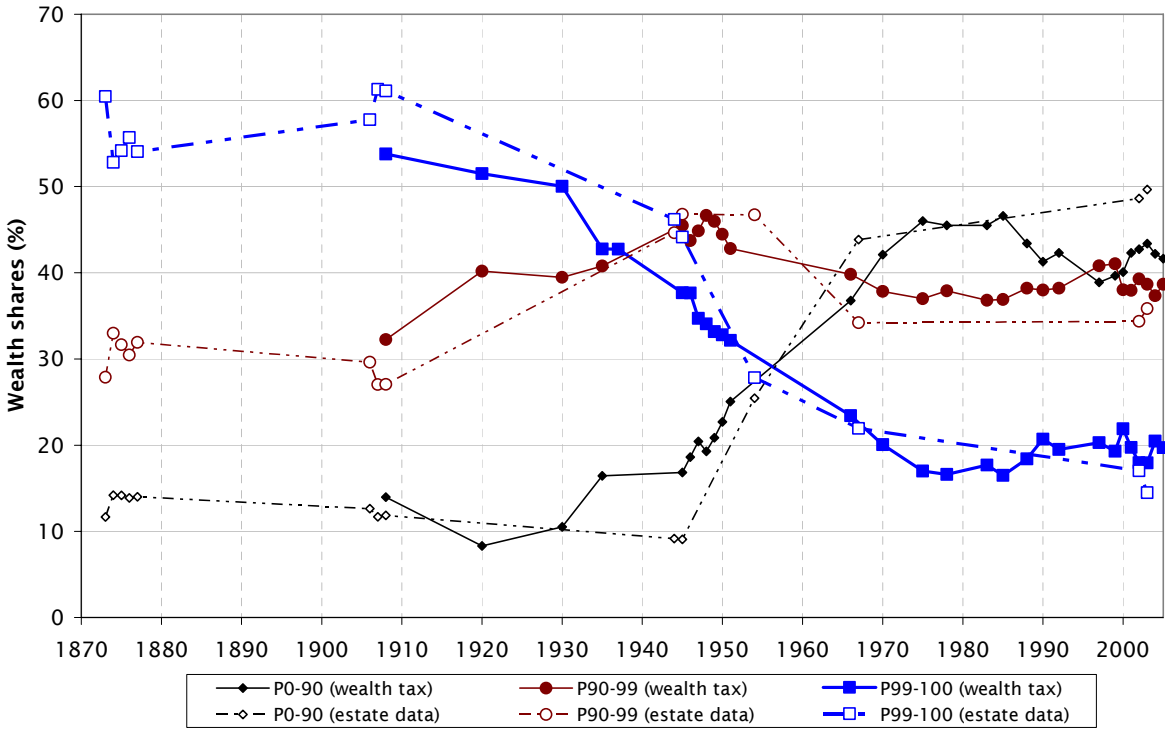
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**Figure 1: The top decile wealth share using wealth tax and estate data, 1870-2005.**



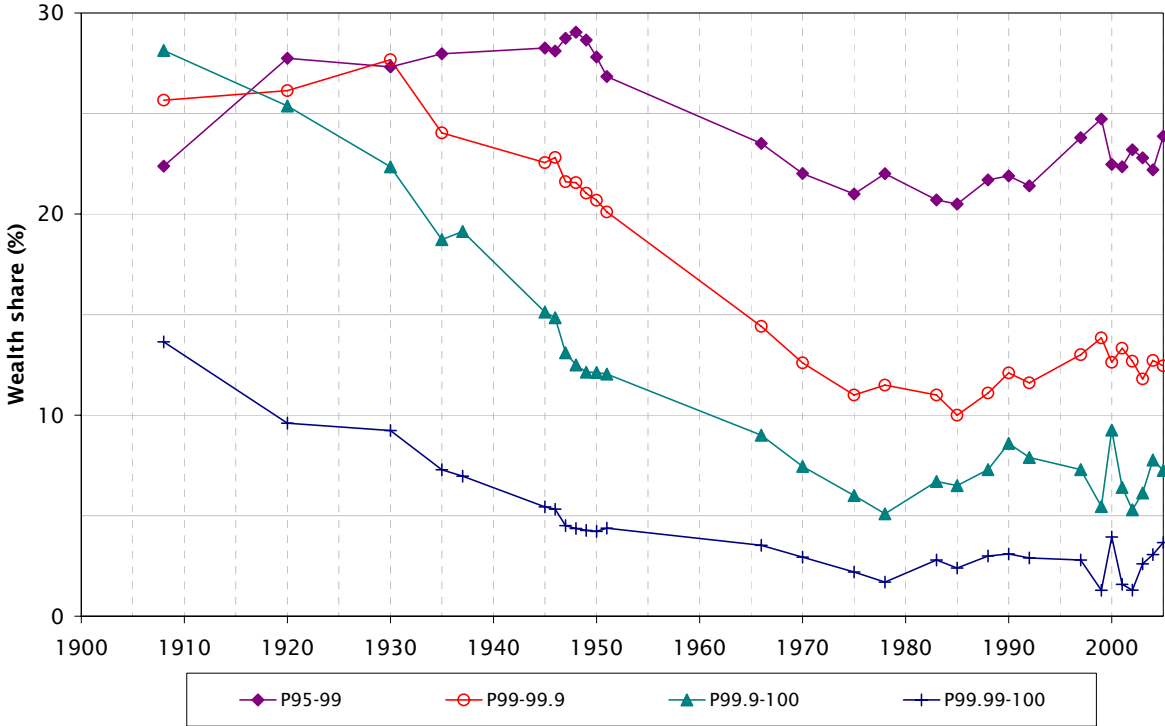
Source: Table A1.

**Figure 2: Wealth shares of top percentile, rest of top decile and bottom nine deciles using wealth tax and estate data, 1870-2005.**



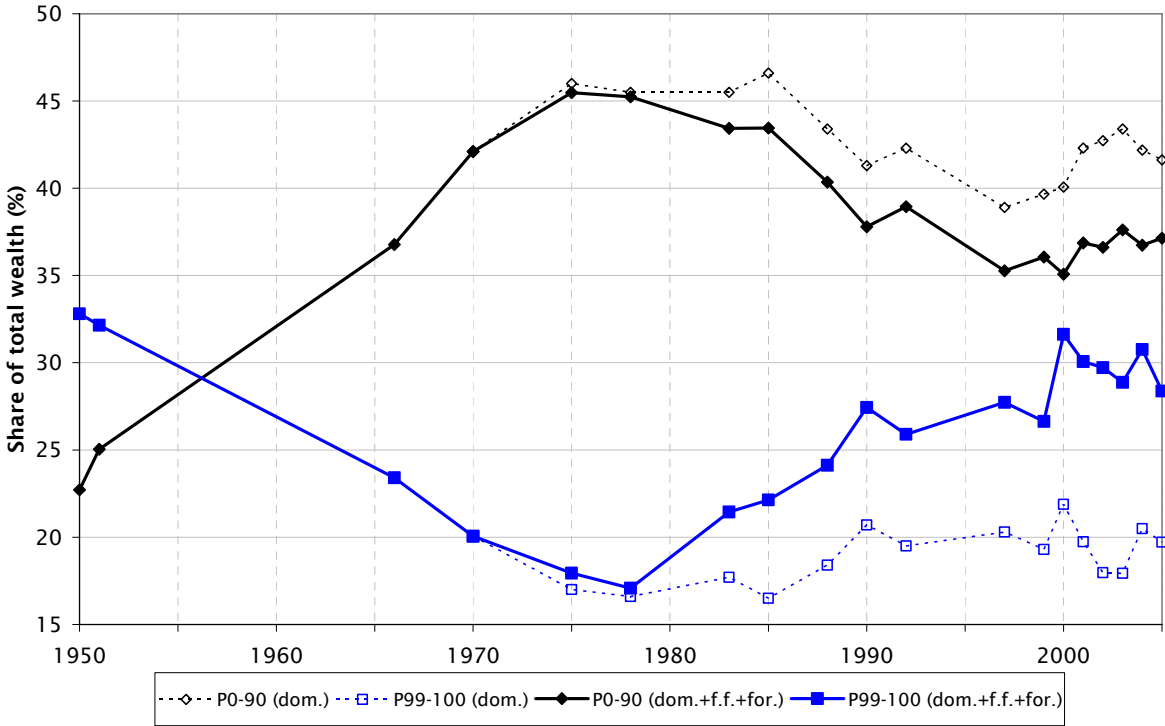
Source: Table A1.

**Figure 3: Wealth shares groups within the top wealth vintile, 1908–2002.**



Source: Table A1.

**Figure 4: Adding foreign and super-rich wealth to the top percentile, 1950–2005.**



Note: The notation “dom.” means wealth shares when using the market-valued wealth tax-based domestic wealth, “f.f.” the mainly closely held family firm wealth owned by super rich residents, and “for.” means the addition of foreign household wealth estimated from the B.o.P. (see text for further details).

Sources: Tables A1 and A2.