

# Preface to the English Edition

Professor Sven-Olof Lodin is a distinguished and internationally well-known tax scholar. He is also former President of the International Fiscal Association.

For more than 40 years, Sven-Olof Lodin has been heavily involved in the development of the Swedish tax system as a member of over 20 government Commissions and working parties on taxation. A large portion of his book, *Professorn som blev näringslivstorped – min tid i skattepolitiken* [*The Professor who became a business lobbyist; My life in tax politics*], describes how the Swedish tax system has evolved and why it evolved the way it did since World War II until today. He shows that much more of the development than usually is expected depends on a limited number of strong actors, especially ministers of finance but also other actors, than on tax policy outlines and formal tax policy decisions within the political parties.

Sven-Olof Lodin has had an extraordinary insight in the political process. In his book, he describes how the political parties, and to a greater extent individual politicians, influential lobbyists, special interests and other groups involved in the legislative process have acted and interacted, and the reasons behind their activities. Also, Sven-Olof Lodin himself has been an important actor. In reviews of his book he has been described as the most influential actor in Swedish tax policy making outside the Ministry of Finance.

For the reader, Lodin's book gives a much better understanding of not only the Swedish political process but also of why the Swedish tax system has developed the way it has during the last 60 years. Much concerning political processes and reasons behind technical solutions and their success or failure can be learned from it.

Internationally, this description of the development of the Swedish tax system and how it came about should be of great interest not only

for researchers in the tax field or in political science, but for governments and all involved in tax policy matters or who are interested in how political processes function.

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# Preface

**Excerpt from the preface of the original Swedish edition of *Professorn som blev näringslivstorped – min tid i skattepolitiken* (*The Professor who became a business lobbyist – my time in tax politics*)**

Journalists and many others hounded me for a couple of years with their pleas: “You’ve been a player in the fiscal policy game for 40 years and have witnessed it from the inside out. Politicians write memoirs all the time. But nobody outside their intimate circle has described how public policy is formulated. You’ve simply got to write a book about your experiences”. I cannot say whether this book turned out to be what they were expecting. But here it is, the fruit of my labours since I sat down at the computer of the lovely writer’s cottage of the foundation Stiftelsen Företagsjuridik just inside the Visby city wall back in early summer 2008.

This book focuses on my involvement in fiscal policy making and the various reforms that Sweden has adopted through the years. I describe my observations of, and interaction with, political parties and interest groups, particularly politicians and other individuals. Although fiscal trends and policy are the central topic, I do not conduct a scholarly examination of their evolution since my involvement in the early 1970s. Given that the results and processes are closely intertwined, however, the book is occasionally more technical than I would have preferred.

Because I have been engaged in a number of different fiscal policy areas, both nationally and internationally – often in an attempt to identify new system solutions as a response to evolving social and economic trends – the book takes a series of detours to more general topics. Occasionally, I was exposed to other kinds of experiences altogether, which unexpectedly helped me in my subsequent efforts. Familiarity with my journey from an academic fiscal researcher to a participant in public policy making is integral to understanding my approaches and viewpoints.

The fact that I never kept a diary made writing this book that much more challenging. But the 150 opinion pieces I have published in newspapers, as well as my books and articles about tax legislation, helped me remember and assign a date to the events in which I was involved. Writing the book also taught me that the deeper one digs, the more long-buried episodes rise to the surface.

A common belief is that the general outlines of fiscal policy are drawn at party congresses or as part of long-term political platforms. In point of fact, many fiscal policy trends in recent years have not evolved that way at all. When Minister of Finance Kjell-Olof Feldt, Prime Minister Ingvar Carlsson and the rest of the Cabinet realized what URF and RINK (the two government commissions that carried out the inquiries and drew up the major 1991 tax reform were *Utredningen om reformerad företagsbeskattning* (URF) and *Kommittén för reformerad inkomstbeskattning* (RINK)) – were about to propose, their first reaction was surprise and alarm. But once they grew accustomed to the idea, they supported the proposals. Not even the new energy tax structure in the early 1990s was designed through political deliberations. A proposal to abolish the inheritance tax would have had no chance of approval by the congress of the Social Democratic Party, which is the highest deciding body of the party. Thus, individuals – both in and outside the political realm – have enjoyed great latitude for action. This makes it particularly interesting to study this dynamic, which has generally played out behind closed doors.

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Finally I want to express my gratitude for all the assistance I received while I was writing this book, including many people whose first-hand experience of various events could either confirm or pad my recollections. I mention some of them by name in the course of the book. Others proofread my manuscript to make sure that my story held water, and bolstered my self-confidence whenever I lost my sense of direction.

I received grants from the Bank of Sweden Tercentenary Foundation, the Torsten and Ragnar Söderberg Foundations, and TOR/Skattenytts Stiftelse. Stiftelsen Företagsjuridik generously made their writer's cottage in Visby available to me on several occasions when I felt the need to concentrate a little extra.

Above all, I want to thank my wife for all the support and patience that she has displayed through the years, particularly during the period of time that I was writing this book.

Sven-Olof Lodin

*Postscript*

*The Bank of Sweden Tercentenary Foundation has made this English version of the parts of this book on the development of the Swedish tax system possible by a grant for translation for which I am very grateful.*

*I have enjoyed the cooperation with Ken Schubert of Twenty-first Century Translation and Editing AB, who has made the translation to English with great skill and accuracy for which I am grateful.*