

**Local Worlds of Social Cohesion –
The Local Dimension of Integrated Social and
Employment Policies**

WP 2: The National Governance of Integrated Social Cohesion Policy

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1. Introduction¹

This report on national policies dealing with Swedish employment and social cohesion policies consists of four parts. *First*, the national socio-economic context is described regarding employment and unemployment levels for different socio-economic groups as well as some formative moments of employment and social cohesion policies until the new century. *Second*, the main features of the current employment system is presented, also taking account of benefits and monetary incentives to take up work and social services. *Third*, the main national reforms within the last decade are presented. More specifically reforms of employment policy, benefits and monetary incentives, services related to employment policies and territorialization reforms. *Fourth*, the intensity of policy change and its diffusion is presented.

1.1 Employment and unemployment rates

Sweden has gone from *de facto* full employment to a post-full-employment situation (see Figure 1). From the 1960s to the early 1990s there was mainly a situation of full employment. However, in the 1990s unemployment exploded to levels not seen in Sweden since the 1930s. The heaviest burden of the recession was borne by immigrants, as their unemployment level rose to levels way beyond that of Swedish born employees. From 1989 to 1993 the proportion in unemployment among foreign-born workers rose from 2.9 to 15.4 percent and among foreign citizens from 3.5 to 24 percent, which could be compared to an increase from 1.3 to 7.6 percent among Swedish born employees (Schierup 2010: 13-4). After the dramatic unemployment crisis, unemployment have fluctuated around five to eight percent.

In 2010 the overall unemployment rate was 8.4 percent or approximately 416,000 persons (including 127,000 full-time students). There are very small gender differences, 8.5 percent among men and 8.2 percent among women, while age and national origin has strong effects; the unemployment rate of persons aged 15-24 was as high as 25.2 percent and 16 percent among foreign born persons. The long-term unemployment rate (27 weeks or more) was 2.7 percent (Statistics Sweden 2011a). The Swedish long-term unemployment rate for 2010 was 1.5 percent compared to 3.8 for EU-27 (the number of persons unemployed for minimum 12 months as a percentage of the labour force) (Eurostat 2011: 40-2). Of all unemployed, 34 percent were long-term unemployed and levels were

¹ I am thankful for valuable comments from Christina Garsten, Kerstin Jacobsson and Katarina Hollertz. Thanks also to the colleagues of the LOCALISE research project for questions and comments at the Edinburgh meeting, January 2012.



somewhat higher among men, foreign born and significantly higher among persons aged 45-74 than among persons aged 15-24, though, the long-term unemployment rate among young people nearly tripled from 2001 to 2010 (Statistics Sweden 2011b). Another vulnerable group with a higher proportion of long-term unemployment is persons with disabilities that imply a reduced work capacity (Prop. 2011/12:1a, p. 35).

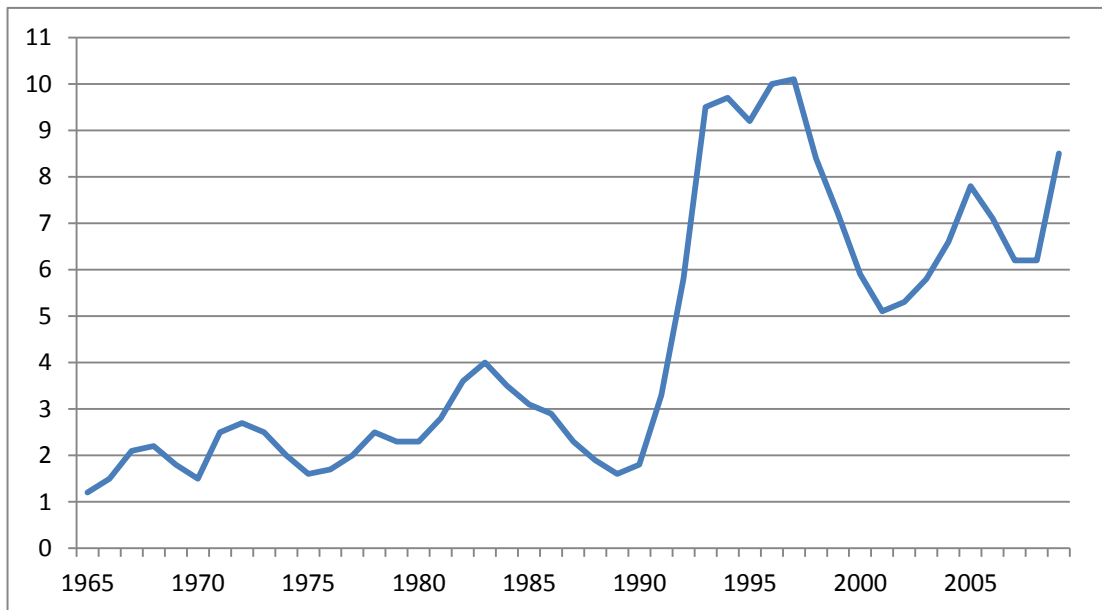


Figure 1 Unemployment rate 15-64 years. Percent.

Source: OECD (2010b) and Bengtsson and Berglund (2012)

In an international perspective Sweden has a high employment rate. In 2010, the total employment rate for persons aged 15-74 was 64.7 percent. Studying gender, it was 67.6 percent among men and 61.8 percent among women. However, if only 13 percent among men worked part-time in 2010 the proportion among women was as high as 35 percent. Also, women are to a higher degree temporary employed than men (16 respectively 13 percent). Among persons aged 25-54 the employment rate was 85 percent, but only 38.5 percent among youths (15-24 years). In the age group of 16-24 as many as 53 percent are temporary employed and a majority are workers (Larsson 2011; Nordfeldt and Larsson 2011: 16; Statistics Sweden 2011). Persons with psychological disabilities (beside intellectually incapacitated) have the lowest employment rate among all disability groups; scarcely a third are in employment (SOU 2006:100, p. 97). Also, the employment rate was significantly lower among foreign born persons, 55.2 percent (Statistics Sweden 2011a). In summary, there are clear structural differences in both unemployment and employment levels within the Swedish labour



force, with young people, foreign born persons and persons with psychological disabilities as specifically vulnerable groups.

1.2 Historical evolution until 2000

Modern Swedish welfare policies could be said to have its origin in a specific social contract between the state and the individual, e.g. expressed in the 1930s in the creation of a 'People's home' ('Folkhemmet'). An observation often made is that Swedish people see the state as a rational authority that acts for the common good and not as an external coercive power as it is often seen in other countries (cf. Jacobsson 2010).

The state has been the most important actor for the citizen's social security and made him/her less dependent upon the family or the market in the universal and individualised Swedish welfare model. With the Social Democratic Labour Party's position in government from the early 1930s until the middle of the 1970s generous social security systems was developed as well as a large public sector that absorbed a major proportion of employees, mostly women (Esping-Andersen 1990; Schierup 2010). The state and the public sector '*became the obvious arena as soon as it came to the common needs*' (Schmid 2010: 53, my translation). The development of the large public sector service economy was dependent on a large tax base and, thus, full employment policies to increase the number of taxpayers (Björnberg 2002: 35).

Decommodification of labour has been balanced against institutions that have commodified labour. A basic pillar and a main political principle in the Swedish welfare state is *the work strategy* (*arbetslinjen*), i.e. that the compensations from the social insurances should be based on reciprocity. There is a long tradition of defining the citizen in terms of a worker and various citizen rights and economic compensations are income-related (Junestav 2004; Johansson and Hornemann Møller 2009; Johnson 2010). Sweden has a long tradition of active labour market policies (ALMPs) and social policy arrangements emphasizing paid labor as a basic condition for economic compensations. ALMPs are one of the defining features of the social democratic welfare regime and Sweden was a pioneer of ALMPs (Bonoli 2010).

Post-war financial and employment policies were to a significant degree governed by the 'Rehn-Meidner model', aiming to solve as diverse problems as economic growth and price stability as well as full employment, wage leveling and union solidarity. The model combined a strict fiscal policy and a 'solidaristic' wage policy. Structural labor market rationalizations aimed to strengthen the



competitiveness of the small, export-dependent economy, while the state should deliver income protection and extensive investments in ALMPs to enhance occupational and geographical mobility. Retraining, relocation, and mobility allowances were policy instruments aimed at helping people to find jobs in the expanding industries. Also, a ‘high-tax policy’ was used to replace industrial jobs with public employment (see e.g. Esping-Andersen 1990; Ryner 2002). The specific mix of labour market policies with generous unemployment insurance and an extensive use of ALMPs was a Swedish trade mark; a 20th century middle road between capitalism and socialism.

At the mid-20th century the Swedish welfare system had acquired its current bisectional structure where the insured, through an obligatory income-related health insurance and voluntary unemployment insurance, had a right to compensation from state social insurances, while the uninsured were directed towards municipal poor relief. The public health insurance was introduced in 1955 and until the 1980s there was a continuous development with increased compensation levels, inclusion of the self-employed (in 1963) and an extended coverage of various types of ill-health. The insurance was obligatory and income-related as well as based in the work strategy and financed through an income tax and a pay roll tax (Johnson 2010: 186).

At the end of the 1960s, wild-cat strikes among industry workers were a reaction towards the far-reaching structural transformation of the economy and in the 1970s, a strong trade union offensive resulted in a more comprehensive state regulation of labour market issues, such as the 1974 *Swedish Employment Protection Act (Lag om Anställningsskydd)* and the 1976 *Act on Employee Consultation and Participation in Working Life (Lag om Medbestämmande i Arbetslivet)*. This development diverged from the Rehn-Meidner model with highly self-regulated labour market partners and corporative arrangements within labour market policies was somewhat weakened. It continued to weaken during the 1980s, e.g. by the abolishment of centralised wage agreements.

In the 1970s and early 1980s the politically explosive issue of collective capital formation was on the agenda in Sweden. Following this, and other challenges of labour to the sanctity of private ownership in a struggle for economic democracy, business mounted a sustained attack and the discourse of neoclassical economics had marked effects on the Social Democratic elite (Ryner 2002). A mode of policymaking based on monetarist economic theory followed in the 1980s. Also, the corporative arrangements were formally ended in 1991 when *the Swedish Employers Association (Svenska Arbetsgivareföreningen)* withdrew their representatives from government boards and committees (Lindvert 2011: 39). However, major state interventions were still put into fighting unemployment



with ALMPs. In 1990, 2.56 percent of the GDP was invested in labour market programs (LMPs) with an unemployment rate of 1.8 percent, i.e. for each percentage point unemployed 1.4 percent of the GDP was used for measures (OECD 2010a; cf. Bengtsson and Berglund 2012). The highest spending per percentage point unemployed was on income maintenance. From 1974 onwards the insurance compensated for 91.7 percent of the wage (with a minor decrease in 1987 to 90 percent).

During the last 25 years, the highest relative levels spent on active measures were in 1985-91, and it was on training. An important reform was the introduction of labour market training as a qualification for a new unemployment benefit period in 1986 (Forslund and Vikström 2010: 17). In 1991, 66 percent of participants in various LMPs participated in vocational training (Arbetsförmedlingen 2010). There were also major investments in demand-oriented measures such as employment incentives, supported employment, rehabilitation and direct job creation (e.g. public relief work). The state actively used ALMPs to push the labour demand to combat the low open unemployment.

The conditions for Keynesian demand-oriented policies changed dramatically with the severe effects of the deep economic recession in Sweden in the early 1990s. Mass unemployment (see Figure 1) and strict austerity measures followed. Also, Sweden joined the European Union and was subordinated to supra-national regulations of budget discipline. The government focused on cutting the budget deficit and national debt and it became in principle impossible to fight unemployment with general demand-side measures, e.g. by investing in public sector jobs. Instead, the measures available were the ones included in the arsenal of ALMPs; the number of participants four-doubled 1990-93 (Salonen 2009). In 1992, the expenses peaked at 5.76 percent of the GDP, but for each percentage point unemployed it dropped considerably compared to 1985-91 (OECD 2010a; cf. Bengtsson and Berglund 2012). After the recession the proportion of persons in measures of total unemployment has been on significantly lower level compared to the 1980s (Salonen 2009).

Within educational policies, economic growth surpassed equality as an overall value-system and municipalities framed adult education as part of their industrial and labour market policies (Larsson 2010: 561). Furthermore, the unemployment insurance became less generous and the work requirement stricter: five waiting days were introduced and the compensation level was lowered to 80 percent (SO 2008).



ALMPs had been developed to handle unemployment on the margin and now faced mass unemployment, and the effectiveness of the measures were dramatically weakened. The legitimacy of state ALMPs and of employment services was challenged (Ulmestig 2009: 113-7). One example of the reorganisation of the Swedish labour market was that the state monopoly on employment services was terminated in 1993; since then private temporary employment agencies have grown quite strong (Garsten, Lindvert and Thedvall 2011: 11). Also, in the 1990s, the regulation of fixed-term contracts was liberalised. The percentage of employees with this employment contract increased from 10 percent in 1991 to 16 percent in 1999 (Storrie 2004: 161).

The increase in social assistant recipients due to the recession did divert economic resources from local authorities' key activities. Also, a major reception of refugees meant increased expenses on social assistance. These changes contributed to a greater responsibility to locally pursue labor market policies (Salonen 2009: 68-70, cf. Ulmestig 2009). There already existed praxis in the municipalities that social assistance was conditioned with willingness to work, but it became formalised (Junestav 2004: 195). Activation was strengthened and some local authorities demanded that applicants should participate in activation measures or in some kind of work to receive economic support. Social policies were 'institutionally reoriented' with greater demands on individual responsibility (Junestav 2004: 181, 2007: 40-56; Dahlberg et al. 2009: 8).

Activation measures increased as well in importance concerning the sickness insurance. Prior to the 1990s, the model of decision-making for the Swedish Social Insurance Agency (hereafter the SSIA) was to rely on the doctor's medical judgment concerning an individual's work capacity. However, the increased demands on long-term ill individuals were seen in measures and activities to (re)discover a capacity for work through working-life rehabilitation programmes (Hetzler 2009).

The final years of the 1990s saw decreasing unemployment levels and the Social democratic government launched a policy on lifelong learning. The work strategy was said to be complemented with a *competence strategy*. For example, one by international standards very huge investment in adult education was the 1997-2002 *Adult Education Initiative (Kunskapslyftet)*, which consisted of 110,000 places aiming to increase the competence among low-educated unemployed through secondary education within municipal adult education (SOU 2011:11, p. 209).



1.3 Social cohesion policies

In Sweden there are three levels of government: national, regional and local with a division into 290 local authorities (municipalities), 18 counties and two regions. A significant degree of decision- and policymaking regarding welfare activities are carried out locally (Nordfeldt and Segnestam Larsson 2011: 5). ALMPs have traditionally been highly centralized and the state has been able to keep it closely connected to fiscal policies, as in the Rehn-Meidner model. However, there has been a continuous decentralisation of Swedish ALMPs. The state has aimed to increase coordination between municipalities and employment offices for a more efficient use of economic resources and to use the municipalities' specific knowledge on vulnerable groups in the labour force, e.g. unemployed youths. In 1995 the *Municipal youth programme (det kommunala ungdomsprogrammet)* was introduced as local authorities took charge of ALMPs for youths under 20 years. Local authorities were also involved in other measures, either independently or in close cooperation with the employment office or the county labour boards. Since the 1990s the municipalities have secured greater resources and more well-adapted organizational structures to manage active measures. They have arranged and financed ALMPs as training, created labour market units and political boards responsible for local labour market policies (Johansson 2006: 24-5). This has been made possible through the 1991 local Government Act that meant greater freedom for local authorities in organising various activities (Hollertz 2010: 90).

Following the crisis in the 1990s social assistance risked becoming a permanent economic support for specific groups. For example, the youth majority was not qualified for state-funded ALMPs. It was suggested that measures at the local level could work as a complement to state-financed ALMPs through the Swedish Public Employment Service (*Arbetsförmedlingen*, hereafter the PES). Increased activation of unemployed youths on social assistance forced a change in the Social Services Act in 1998 whereby the local authorities from now on were legally authorized to refuse or lower economic support if the individual, without acceptable reasons, did not participate in training or other skill-enhancing measures (Prop. 1996/97:124; Johansson 2006: 25-7).

One of the new policy instruments introduced during this era was *the development guarantee (utvecklingsgarantin)*. The local authorities became responsible for its implementation after signing an agreement with the county labour board. The guarantee was directed to youths aged 20-24 and with the goal that none should be unemployed for more than 100 days and, thus, to hinder that the young became social welfare dependents. Participants eligible for the unemployment benefit received *activity compensation (aktivitetsstöd)* but others only received a very low monthly sum so

that some needed to apply for social assistance. Also, the guarantee carried an individualised approach; *individual action plans (individuella handlingsplaner)* were established in trilateral talks between the employment office, the local authority and the unemployed person (Johansson 2006: 29; Hollertz 2010: 99).

There was an increased coordination of the systems of social benefits and transfer payments, mainly a harmonization of the basic principles for rights and obligations. In law and praxis it is clearly stated that the insurances shall be for those with a clear linkage to the labour market. However, organizationally the state and local levels are separated. Unemployed persons could participate in various types of locally arranged employment programmes, where benefits/allowances are related to the decision made by case workers at the Social Services (*Socialtjänsten*). On the other hand, in cases whereby the employment office arranges the measure, the contribution is state determined. The SSIA administers the sickness insurance, the municipalities administer economic benefits through the Social Services and the unemployment funds administer the unemployment insurance.

Cooperation and coordination between social authorities have existed as long as the Swedish welfare state. However, the work strategy of the 1990s was more comprehensive and covered more welfare activities. One example was the reform programme *the work strategy in social policy (arbetslinjen i socialpolitiken)* that consisted of an increased coordination of various authorities such as the PES and the SSIA. The common goal was to activate vulnerable groups with no regular anchoring at the labour market.

Work-related rehabilitation (arbetslivsinriktad rehabilitering) was implemented within the social insurance. One type of voluntary collaboration was *Frisam*, where local actors should pursue cooperation in accordance with local conditions and needs. Changes were made in the *Swedish Act on General Insurance (Lag om allmän försäkring)* so that the SSIA could make an agreement with the municipality, the county and the county labour board to cooperate with the aim of using the available resources more efficiently (SOU 2007:2, p. 258).

In 1993-97 local experimental activities on financial coordination between social insurance and health and medical service (*Finsam*) was tried in five areas. Besides this, since 1994, local experimental work with financial coordination between social insurances, health and medical service and social services (*Socsam*) has been tried in eight experimental areas (Inspektionen för socialförsäkringen 2010).

2. Institutional context and policy fields

In this part some main features of current employment systems will be presented with regard to benefits and monetary incentives to take up work as well as changes within a number of policy fields during the last decade.

2.1 Benefits and monetary incentives

Since the centre-right wing government took office in 2006 the main tax reform has been the *job tax deduction (jobbskatteavdraget)*, aiming to employ more people and to increase the number of hours worked through strengthened work incentives (Ds 2010:37). This tax credit is independent of the jobholder's earlier labour market status and it is the income of the individual which is the criterion of qualification. The job tax deduction is dissimilar to those in many other countries as it is paid out to all wage earners. The main aim is to increase employment among low- and middle-income earners (although the tax credit also aims to counteract social exclusion) (Prop. 2006/07:1a, p. 136-7; 2011/12:1a, p. 50-1). The extended Swedish public child care means that all households that use it receives a big subvention and that the job tax deduction is not equally important as support for low-income families with children as in many other countries. However, public child care could be said to function as an in-work benefit as the hours in day nursery for children to parents working or studying are significantly higher than for children to unemployed parents. Local authorities are obliged to offer children whose parents are unemployed or on parental leave day nursery for 15 hours per week, although many municipalities in reality offer more hours (Finanspolitiska rådet 2010: 161-2).

The job tax deduction has brought about a state financial income loss of SEK 70 billion per year.² It has lowered the average tax on all incomes and the marginal tax rates for low incomes. The direct budget cost of this deduction amounts to 2.3 percent of GDP, which is much higher than in average Western countries.

The taxation on work has also been lowered following a reduction of the payroll tax for selected groups such as persons under 26, 65 years or older, long-term unemployed, long-term sick and newly arrived immigrants (Finanspolitiska rådet 2010: 163; 2011: 261, 273-5). So-called *new start jobs (nystartsjobb)* contain a deducted payroll tax, i.e. if an employer hires a person in a peripheral

² The prognosis for 2012 is SEK 82 billion as a result of increased wages and an increased employment rate. During 2011, EUR 1 has been equivalent to around SEK 9.

position in relation to the labour market during more than a year, or six months for youths, the employer receives economic support that equals twice the payroll tax (Arbetsförmedlingen 2011b).

2.2 Labour market policy and services

The PES is a state authority and the largest intermediary of jobs in Sweden, with 320 local employment offices that are divided into 55 labour market areas. These are, in turn, included in 10 market areas and a national market area responsible for customer service. There also exist a number of departments with different areas of responsibility that support operative intermediary services of the PES. The main task is to match job applicants with available jobs (Arbetsförmedlingen 2012a).

The PES has a number of important objectives. Some of the main are the following ones. The activities of the employment offices shall result in geographical and vocational mobility among job applicants and be adapted to individual needs. Activities shall not distort conditions for labour market competition, be organized to increase diversity, to counteract working life discrimination and secure that the unemployment insurance functions as adjustment insurance. The PES shall conclude agreements with supplementary actors, analyze its own activities and how labour market political measures affect the workings of the labour market, as well as support authorities that conduct evaluations and follow-ups within this policy area. Besides this, the PES has an overall responsibility for disability questions within LMPs and a special responsibility that newly arrived immigrants are being offered activities that ease their labour market integration (Sibbmark 2010: 5).

To be able to use all of the services of the PES, as well as applying for unemployment insurance, enrollment at the local office is obligatory. In accordance with the regulation of labour market policy activities, the case worker and the unemployed person should have created an individual action plan within 30 days of enrollment. As well, for persons below 25, it should be established earlier (SFS 2007:905). The action plan shall contain necessary activities to ease the transfer into employment and describe the division of responsibilities between the person and the employment office. The person has to accept an assignment to a program or an 'appropriate job' or risk having the unemployment benefit reduced. If he/she rejects, does not collaborate in creating an action plan or does not actively seek employment the local office shall notify the unemployment insurance fund (Sibbmark 2010: 7-9).³

³ If a job seeker once refuses an offer of an appropriate job without acceptable reasons or that his/hers behaviour evidently has caused that an employment has not come about, the daily allowance shall be reduced

The unemployment insurance, which covers both employees and employers, consists of a basic insurance and an income-related insurance. The basic insurance is valid for the person that satisfies the work condition but is not a member in an unemployment fund or has not been a member long enough. The income-related insurance demands that the person both satisfies the work condition and the membership condition; that is, having been a member in an unemployment fund for at least 12 months.⁴

To fulfil the work condition the person needs to have worked, during the last 12 months before unemployment, at least 80 hours a month in at least six months or, alternatively, having worked 480 hours during six consecutive months and then at least 50 hours per month.⁵ The limit for the unemployment insurance is 300 days. An exception is parents with children in the household under 18, who can receive 450 days. The compensation level for the first 200 days is 80 percent, thereafter 70 percent until day 300. The waiting period before the benefit is paid is seven days (Prop. 2007/08:136, p. 46; Sibbmark 2010: 12-3).⁶

with 25 percent in 40 benefit days. If this happens twice, the daily allowance shall be reduced with 50 percent in 40 benefit days. Finally, if this will happen a third time, the recipient has no longer any right to an economic benefit until he/she once again meets a new work condition (SFS 1997:238, 45 a §). The PES shall immediately inform the unemployment insurance that a job seeker that receives or demand an economic benefit when the person has not visited or contacted the PES after a calling or according to an agreement; the person is then unregistered from the unemployment insurance and has to re-register at the PES (SFS 2007:905, 16 §).

⁴ The admission condition for membership in the unemployment insurance is having worked, and still work, on average 17 hours per week at least for four weeks during a coherent period of five weeks (Prop. 2007/08:136, p. 46).

⁵ Work also implies the time the person has been on vacation, on a severance pay or been unoccupied with full or partly maintained wage for other reasons than sickness, military service or child birth. In certain cases military service and parental leave can be equalized with employment to fulfill the work condition (but not longer than for two months).

⁶ If the applicant during the benefit period again meets the work condition, he/she can receive a new benefit period of 300 days. The compensation will then be calculated on the applicant's income during the last 12 months. If it is preferable, the applicant can instead be granted a day-wage at 65 percent of the daily earnings that the benefit was based on in the earlier benefit period (Sibbmark 2010: 13).



LMPs aim at strengthening the possibilities of the individual to get or keep a job. The participants receive *activity compensation (aktivitetsstöd)* paid out by the SSIA and the PES as responsible for the costs of the programmes. Those not entitled to an unemployment benefit, and which receive activity compensation at guarantee level, receive a significantly lower compensation than those entitled. The most extensive programmes are the *Youth Job Programme (Jobbgaranti för ungdomar)* and the *Job and Development Programme (Jobb- och utvecklingsgarantin, JOB)*. The target group of the first programme is youths (16-24 years) and first and foremost directed to those that have been unemployed during a coherent period of three months but also for people on parole and for those that have worked less than their whole labour supply (Sibbmark 2010: 16-23). Persons aged 18-24 participating in the programme and unqualified for an unemployment benefit may receive a *development allowance (utvecklingsstöd)* instead of activity compensation. Educational attainment matters for the level of allowance; persons under 20 and lacking a final grade from upper secondary school receives a significantly lower daily allowance compared to the other recipients (Swedish Social Insurance Agency 2011: 66).

Persons that have exhausted the benefit period in the unemployment insurance are normally offered to participate in JOB, with significantly lower economic compensations and the job seeker must often apply for income support from the Social Services. In JOB, job seeking activities becomes more regulated and the case worker's control function is increasingly emphasized the longer the person stays in the programme. Individual preferences and competencies are downplayed while the job search area is widened (Walter 2011: 57ff).

JOB is divided into three phases. First, in-depth assessment, job seeking activities with coaching and preparatory measures (for 150 days). Second, work placement, practical training or different forms of work training (for an additional 300 days). Third, supported employment for maximum two years is supplied in 'artificial jobs' ('artificiella jobb'); that is, the participants shall perform tasks otherwise not performed at the workplace (Martinson and Sibbmark 2010; SOU 2011:11, p. 214).

2.3 Health care

In 2008 new rules was introduced in the sickness insurance. Earlier there was no ulterior limit for how long one could receive *sickness benefit (sjukpenning)* but a clear time limit was now introduced. Also, in the assessment of the reduction of the work capacity, *specific reasons (särskilda skäl)*, such as the insured person's age, living conditions, education, earlier activities and other similar circumstances, was abolished. The SSIA assesses whether the insured person's work capacity are



reduced of medical reasons. To be eligible for the sickness benefit the work capacity shall be *permanently reduced (stadigvarande nedsatt)* following chronic diseases and other irreversible injuries; that is, rehabilitation will not result in a recovered work capacity (Prop. 2007/08:136, p. 66-7, 88).

The work capacity is evaluated by the SSIA at fixed dates in the *rehabilitation chain (rehabiliteringskedjan)*. Beside one waiting day, the employer pays for the first 14 days of a sickness period; on the 8th day, a doctor's certificate is demanded. If the employee still has a reduced work capacity due to sickness, he/she may receive a sickness benefit in accordance with the regulations of the rehabilitation chain. The work capacity is controlled at three time intervals. In the first 90 days the person has the right to sickness benefit if he/she is not able to perform the ordinary job at the workplace. After 90 days the person's work capacity is tested against any tasks at the workplace. After 180 days, the right to the benefit remains if the person cannot perform any work whatsoever in the whole labour market. For those assessed to have any kind of work capacity, the government shifted its emphasis from demands to take up so-called 'ordinary occurring work' to test the work capacity at 'the regular labour market in general' (Prop. 2007/08:136, p. 13). Those who are assessed unfit to return to their former employer, but assessed to have some work capacity despite their sickness, have no longer any right to sickness benefit but are transferred to the PES. Compensation shall be granted in the same way as for unemployed persons, whose work capacity is assessed in relation to the whole labour market from day two of sick leave (Prop. 2007/08:136; Hägglund and Skogman Thoursie 2010; Swedish Social Insurance Agency 2011: 43).

After 364 days in the rehabilitation chain the compensation from the health insurance is terminated and the person is obliged to return to work or being transferred to the PES and participation in *the work introduction (arbetslivsintroduktionen)*. In 2010 approximately 54,000 persons reached the maximum time limit of the health insurance. Just over 38,000 of these were enrolled in the PES and started the work introduction (Prop. 2011/12:1b, p. 46, 51).

The test of the work capacity against the regular labour market or another appropriate job can be delayed until day 364 if there are *specific reasons (särskilda skäl)*; that is, if it is probable that the insured person can return to fulltime work at the workplace after maximum 365 days of sick leave. If it is considered *inappropriate (olämpligt)* the work capacity should not be assessed in relation to the regular labour market but in relation to the workplace; this could also be used after day 364. The label *inappropriate* is mainly used following work incapacity due to serious illness; mostly a totally

reduced capacity. However, even in cases of serious illness it is stated that it is not uncommon that the insured has some capacity for at least part-time work (Ds 2011:18, p. 55-6). There is an increased emphasis on the person's functional capacity. This means a very restrictive application, *extraordinary reasons* (*synnerliga skäl*), and, thus, only cover persons that are work incapacitated from very serious diseases as tumors, neurological diseases or waiting on a transplantation of a vital organ (Prop. 2007/08:136, p. 55, 80-1).

The sickness benefit is normally paid for 364 days within a time frame of 450 days. Of the former income, nearly 80 percent is paid.⁷ Those with reduced work capacity as a result of serious illness can be granted a benefit for a new period of maximum 550 days and are then granted 75 percent of the former income. When these days as well have come to an end, he/she is then offered a place in the work introduction via the employment office and is granted activity compensation (Ds 2011:18, p. 57). In 2010, after major public criticism, the government introduced a possibility to have the ulterior limit extended, but only by way of exception.

One type of economic work incentive that was introduced in 2009 is 'continuous settlement' ('steglös avräkning') that is available for persons granted permanent sickness benefit (before July 2008) to test regular employment without reconsideration of the right to the benefit. The person can earn up to a price base amount, a tax-free amount, without the benefit being reduced (Hägglund and Skogman Thoursie 2010: 19).

The sickness compensation (*sjukersättning*) is directed to those aged 30-64 with a permanent reduced work capacity, at least to a fourth, for chronic diseases and irreversible injuries where additional medical or vocational rehabilitation is not assessed to lead to any regained or improved capacity (Prop. 2007/08:136, p. 88). The activity compensation is normally directed to persons aged 19-29 whose work capacity have been reduced at least a fourth during at least one year due to sickness or injury, but also persons with prolonged attendance at primary or secondary education resulting from disability can receive it. It is income-related and full compensation equals 64 percent of the estimated income that the person should have had being in employment. Persons without or with low incomes are granted a guarantee compensation and the amount depends on age and residence time in Sweden. For 2011, the yearly amount was approximately SEK 90-100,000, which is

⁷ The compensation level of income-related daily allowances is multiplied with a 'conversion factor' that is set by the Swedish Parliament. In 2010, the factor was 0.97 (Swedish Social Insurance Agency 2011: 7).

a very low compensation, e.g. in comparison with the ceiling of the income-related sickness benefit which was SEK 249,000 (Försäkringskassan 2010, 2011). A person that is work incapacitated because of illness can, when the sickness compensation ends, regain an income-related sickness benefit. However, there is first a waiting period of three months. The person on activity compensation can participate in activities such as training, sports and medical habilitation, but these are voluntary (Ds 2011:18, p. 59; Swedish Social Insurance Agency 2011: 49).

Vocational rehabilitation (arbetslivsinriktad rehabilitering) consists of programs such as work training and further education directed mostly at long-term sick (at least 60 days) receiving sickness benefit, rehabilitation benefit or work injury benefit (Swedish Social Insurance Agency 2011: 44). Employers are obliged to organize and finance adaptation and rehabilitation routines and measures, e.g. a rehabilitation investigation, that aims to get the employee back to work (Prop. 2007/08:136, p. 41-2).

2.4 Social policy and services

In Sweden, economic support in form of social assistance is a last-resort safety net. *Income support (försörjningsstöd/ekonomiskt bistånd)* is granted for the person's upkeep and for him/her to have a reasonable standard of living. It consists of a national standard as well as costs for other common needs (housing, household electricity etc.). To receive social assistance the person has to apply to the Social Services. Income support is assessed on an individual basis, but it also takes into account joint household expenses. The person must first have applied to all other benefits/compensations that he/she may be entitled to (e.g. sickness and housing benefit, parental allowance) as well as totally lack financial resources. Also, the person may also be obliged to actively seek jobs and participate in ALMPs and accept the jobs or other measures being offered. Being sick, it is required that the person is on sick leave and can show a doctor's certificate if unable to work or seek jobs. In case of long-term sick leave, the Social Services can demand to see the doctor's rehabilitation plan and may also contact other authorities to see what help the person needs (Socialstyrelsen 2006).

Concerning debt-counseling, in accordance to the law on debt restructuring from 2006, the municipality is responsible, within the Social Services or in other ways, to offer counseling in budget- and debt issues to indebted persons. Also, the Swedish Consumer Agency is responsible to support and give guidance to the municipalities (Prop. 2005/06:124, p. 35).

Another economic support for low incomes households, and more specifically families with children and youth households (18-28), is *housing allowance (bostadsbidrag)*. The sum is dependent on the



size of income and capital, number of persons, housing costs and size of dwelling. The definitely most common recipient is households with single parents and specifically households with women as sole breadwinners (59 percent of total expenditures) (Swedish Social Insurance Agency 2011: 38-9).

There exists no 'social housing' segment in Sweden based on income- or means testing. However, housing distributed through municipal housing companies is no longer available for all, but for those with high enough incomes and with good references. In many municipalities queue systems have been abolished and in housing companies, economic responsibility is placed before social responsibility (Sahlin 2008). Following this, a 'secondary housing market' has grown as the local authority must, according to the *Social Services Act (Socialtjänstlagen)*, offer supported housing to those households without any means to arrange housing. These dwellings are sub-leased on special terms and originally developed for local social authority clients with mental illness, drug/alcohol addiction etc. The number of people in this type of housing has increased (Nordfeldt and Segnestam Larsson 2011: 10).

2.5 Family policy

The second largest expenditure area administered by the SSIA, beside financial security in case of sickness and benefit, is financial security for families and children. The two largest areas are *parental benefit (föräldrapenning)* and *child allowance (barnbidrag)*. Paid parental leave is granted for 480 days per child.⁸ Of these, 60 days are reserved for each parent, *the father's quota (pappamånader)*. The benefit is income-related for the first 390 days (just under 80 percent) and for the final 90 days an amount is paid out that is equivalent to the minimum level, i.e. equivalent to the lower flat-rate benefit that is payable to non-entitled parents with low or zero incomes.⁹ In 2010, men claimed 23 percent of the days (compared to 7 percent in 1990).¹⁰ Part of the parental insurance, and introduced in 2008, is a *gender equality bonus (jämställdhetsbonus)*. The parent who has taken out most days is granted a bonus if she (or he) is working or studying while the other parent draws a parental benefit. Basic child allowance is a tax free benefit to parents for a child until the quarter in which the child

⁸ The price base amount for the parental benefit is higher than for the sickness benefit, i.e. persons with high incomes can receive more in parental benefit than in sickness benefit (Försäkringskassan 2011).

⁹ To be eligible for the income-related benefit it is required that the person has 'been paid national insurance through employment for a minimum of 240 consecutive days prior to the birth of the child' (Björnberg 2002: 34).

¹⁰ The proportion of men taking out at least some parental leave days increased from 38 percent in 2000 to 44 percent in 2009 (Björnberg 2011).



reaches the age of 16. An extended child allowance and a large-family supplement may also be granted.

A *temporary parental cash benefit* may be granted for a) the care of children when the child is sick (normally for children under 12 and for 60 days per child and year), b) in connection with childbirth or adoption (for the second parent or other caregiver for 10 days per child), c) for contact days for children covered by the Act concerning Support and Service for Persons with Certain Disabilities (parents are entitled 10 days per child and year up to the age of 16). Other forms of financial security are *pregnancy cash benefit* when the work is too physically demanding (a maximum of 50 days during the last two months of pregnancy), *care allowance* for sick or functionally disabled children that need special care or attention (for a period of at least six months until the year the child reaches 19) and *maintenance support* for children to separated parents in case where a parent fails to pay child support (Swedish Social Insurance Agency 2011: 23-37; Björnberg 2011).

3. Main reforms

In this part the main national reforms within the last decade are presented. More specifically this means reforms of ALMPs, monetary incentives, unemployment insurance, health insurance, educational policy, housing policy, family policy, and finally, territorialization.

3.1 Active labour market policies

At the turn of the century *guarantees* were introduced, which is a combination of measures such as intensified guidance, individual action plans, training and supported employment. These are usually introduced in a specific order and at fixed dates. Participants are selected based on unemployment duration and participation is obligatory for continued receipt of compensation. The first program was the 1998 *Youth Guarantee (Ungdomsgarantin)* (Forslund and Vikström 2010; SOU 2011:11, p. 195).

In 2000, the *Activity Guarantee (Aktivitetsgarantin)* was introduced; a fulltime, umbrella programme with no definite time limit for persons aged 20 or older that was, or risked becoming, long-term unemployed. The unemployed should have stable fulltime activities in a more coherent programme until finding a job or education to counteract unemployment cultures, hinder abuse of the insurance and moonlighting as well as activating those hit either by structural problems in sparsely-populated areas or in larger segregated urban areas. Also, a place in the guarantee was a solution to persons whose period of unemployment benefit had expired (Prop. 1999/2000:98, p. 57-8; Johansson 2006: 37ff). Those who declined job offers or participating in activities, misbehaved or did not participate in the constitution of an individual action plan could be dispelled from the guarantee and, thus, from the right to activity compensation. A participant did no longer qualify for a new period within the unemployment insurance (Johansson 2006: 46ff.).

In 2007 supported employment was reformed in line with the policies of guarantees. Instead of relying on a case worker assessment, subsidies in form of *new start jobs (nystartsjobb)* became a right for all that have been unemployed (or in other ways vacant) during a specific time period (SOU 2011:11, p. 204-5). The support is directed to all employers and corresponds to the amount of the pay roll tax. The main target group is persons 26 years or older, but persons aged 20-25 may also be covered. The normal demand is having been fulltime unemployed or on sick leave for at least 12 months during a period of 15 months. Also, the support is granted persons enrolled in JOB, on parole and part-time employed that have not been able to work because of child rearing during a two-year period (Sibbmark 2010: 30-31; SOU 2011:11, p. 212).

In 2007 *Entry Recruitment Incentive (Instegsjobb)* was introduced for unemployed persons granted residence permit in the last three years. The assignment is part- or fulltime employment to be combined with studying Swedish for immigrants. The individual could be granted a new period without studies if he/she has finalised the Swedish courses at the highest level (Sibbmark 2010: 18-9). Also, in 2007, the Youth Guarantee was phased out and replaced by the Youth Job Programme; the PES replaced the municipality as the responsible authority. Also, the Activity Guarantee was replaced by JOB.

With the introduction of these new instruments of policy participation in labour market training has significantly declined. Approximately 34 percent of the total number of persons in LMPs participated in training in 2001; the equivalent number in 2009 was 8 percent (Lundin 2011: 156). The emphasis has shifted towards matching and individual coaching activities, with significant expenditure cuts overall. The percent of GDP for LMPs in 2007 was 1.79 percent and 1.45 percent in 2008, the definitely lowest shares 1985-2008. The year with the third lowest expenditures was 1989 with 2.16 percent, with an unemployment rate of 1.6 percent (OECD 2010a; cf. Bengtsson and Berglund 2012).

3.2 Monetary incentives

Since the centre-right wing government took office in 2006 there have been a number of tax reforms. The three most relevant here are four consecutive job tax deductions, lowered pay roll taxes for specific groups and a tax allowance for so-called HUS services, a common concept for discounted activities as repair and maintenance and reconstruction work (ROT-jobs) as well as cleaning, gardening, babysitting etc. (RUT-jobs). That is, tax allowances on services that are close substitutes for self-work (Finanspolitiska rådet 2011: 257, 281).

The job tax deduction is the most significant change in direct taxation of work incomes. The first deduction in 2007 stood for around SEK 40 billion and each of the other three steps for approximately SEK 10 billion (Finanspolitiska rådet 2010: 159). In the budget proposal for 2011, the government states that its ambition is to further strengthen the job tax deduction. It emphasizes that, together with the changes in the unemployment and sickness insurances, the deduction increases the work incentives and lowers the thresholds for labour market entry. Also, it increases the working hours of the employed (Prop. 2010/11:1a, p. 26, 51, 59).

The pay roll tax has been lowered, partly through a general reduction of one percentage point (in 2009), partly through selective reductions for specific groups. In 2006-08 the pay roll tax for persons above 65 year was lowered and in 2007 and 2009 it was reduced for persons under 25 and extended to 25 years old in 2009. Also, in 2007, the taxes were lowered for long-term unemployed, long-term sick and newly arrived immigrants. The pay roll tax for new start jobs was further lowered in 2010 (Prop. 2009/10:1, p. 117; Finanspolitiska rådet 2011: 278).

Tax allowances, in form of lowered value added tax, have also been made for HUS services and it is expected to lead to increasing levels of permanent employment as more homework becomes paid work. This view is also clear regarding to lower the tax for restaurant and catering services from 25 to 12 percent (Prop. 2010/11:1a, p. 60-2). The tax was reduced 1 January 2012.

3.3 Unemployment insurance

In 2001 the demands on activation were strengthened. Unemployed should actively collaborate with the case worker in creating an individual action plan. The definition of *appropriate job (lämpligt jobb)* changed as it was specified that the unemployed during the first 100 days could search for jobs in the area of their occupation and close to their residence, but after that at the whole labour market. Also, active measures did no longer qualify for a new benefit period. Furthermore, the entitlement to a somewhat longer duration of the insurance among older workers was abolished; it was shortened to 300 days for all (Sörnsen 2009: 243).

In 2006, the centre-right government stressed that gainful employment should better pay off. Besides reforms as the job tax deduction, LMPs were targeted. In 2007, the unemployment insurance became less generous. The work requirement was enhanced and two more waiting days were introduced (a total of seven). Furthermore, the unemployed had to be prepared to take a job nationally and thus be prepared to move from the first day of being enrolled at the employment office. Also, the compensation was lowered after the first 200 days as a too generous insurance was said to lead 'to increased unemployment as it decreases the search activity and creates a pressure upwards on wages' (Prop. 2010/11b, p. 34, my translation).

In addition to the level of compensation, the insurance have a maximum amount that is paid, a 'ceiling', which has not increased since 2002, despite rather large wage increases during the period. From 1998 to 2006 about 40-50 percent of former full-timers had been fully compensated up to 80 percent of their former wages but in 2010 only 12 percent received 80 percent (SO 2010). There was

also a plan to create a compulsory unemployment insurance, which has not been realised. However, a parliamentary social insurance investigation has been commissioned to once again inquire whether it is possible to implement a compulsory unemployment insurance (Parlamentariska socialförsäkringsutredningen 2012).

When it comes to the level of compensation in the unemployment insurance, among OECD countries Sweden dropped from the fifth place in 2002 to the 21st place in 2008. The insurance is not either especially generous regarding other indicators: long qualification periods, around average when it comes to duration and above average concerning the number of waiting days (Janson and Orpana 2010). Fewer and fewer full-time unemployed persons receive any unemployment benefit whatsoever – the proportion fell from 70 percent in January 2006 to 36 percent in November 2011 (Arbetsförmedlingen 2012b: 43). Following this, the most common cause in 2010 for receiving income support was unemployment (Socialstyrelsen 2011: 5). Also, the monthly membership fees to the unemployment insurance were dramatically raised from a mean of SEK 99 in 2006 to SEK 344 in 2007 (SO 2007). The unemployment insurance funds are administered by the unions, which organize members in different industries/sectors. The aim of the increase was to make the fees mirror the unemployment risk in different industries.¹¹ However, many people left the insurance, to the highest degree low-income workers as well as persons aged 16-24 and 60-64. At the end of 2010, well over 1.4 million individuals, nearly a third of the Swedish labour force, were not part of the unemployment insurance. They did not, therefore, meet the membership condition in case of unemployment. This could be compared to around 700,000 people in 2006 before the current government took office (Kjellberg 2011).

3.4 Health insurance

In the 1990s disability pensions were part of the pension system but became part of social insurance in 2003 in order to create a coherent insurance including all compensation paid in case of reduced work capacity following sickness. *Early retirement benefit (förtidspension)* and *temporary disability pension (sjukbidrag)* changed name to activity compensation and sickness compensation and could be granted permanently or temporary (Hägglund and Skogman Thoursie 2010: 5).

¹¹ To give an example of the divergent fees, at the end of 2009 the monthly member fee to the unemployment fund administered by The Swedish Teachers' Union was SEK 90 compared with SEK 384 for the fee to the fund administered by IF Metall (Kjellberg 2011: 53).



At the second half of the 1990s ill-health was increasingly focused in governmental reports, political debates and the media. 'Sick leave' as an urgent political problem accelerated quickly as the costs for sick leave strongly increased around 2000. From a tradition of having seen sick leave mainly as work-related ill-health an 'over-exploitation discourse' dominated (Johnson 2010). The government established a *Delegation on measures against wrong pay-outs from the social security system* (*Delegation för åtgärder mot felaktiga utbetalningar från trygghetsystem*) and in a Governmental Commission Report (SOU 2006:86) it was stated that it was too easy to receive sickness benefits. Long-term sick leave and extensive labour market exclusion were said to follow both from a 'soft health insurance' and that too many people were neglected (Prop. 2007/08:136, p. 48-9). Doctors were also seen as too permissive in giving certificates. Long sick leave was said to transform people into passive receivers of benefits. The report shifted 'focus on absence from work due to illness as a social problem/.../towards a focus on the health insurance and how it was practiced as a social problem' (Björnberg 2012: 103).

In 2006, the social democratic government increased the ceiling in the health insurance but the centre-right government lowered it later that year to the original level with the aim to strengthen the work incentives for people on sick leave. The SSIA became stricter in their decisions on the clients' work capacities.¹² Prior to July 2008 the person could end sick leave either through returning to work, if he/she no longer had a reduced work capacity, or being granted an early disability pension as the work incapacity was evaluated as permanent. However, since 2008 a time limit has been introduced (Hetzler 2009: 383). Among the new demands is that the person's work capacity has been increasingly emphasized and that the person shall be tried against the whole regular labour market already after six months. This last aspect means that the employment protection for persons on sick leave has been weakened; if their work capacity are assessed to be too inadequate to be able to return to their former employer, and if the employer has taken all the expected rehabilitation and adaptation measures, it could be perceived by the employer as an objective basis for terminating the employment contract (Johnson 2010: 179-88, 274). Also, the doctor's certificate has a reduced influence, while the frontline bureaucrats of the SSIA have acquired greater decision-making power over the sickness benefit (Hetzler 2009; Björnberg 2012).

¹² In 2005, the proportion that was declined sickness benefit every month was on average 0.7 percent, in 2007 the equivalent figure was 1.8 percent and this was before the introduction of the most important and hotly debated new measure within this policy area, the rehabilitation chain.



3.5 Educational policy

The Swedish educational system, with its coherent elementary school and its relatively wide vocational programmes at upper secondary school could be described as highly standardised and with low stratification (SOU 2010:88, p. 111-4). Following the reform in 1991, the new upper secondary school reform created an organisationally coherent school with equable and three-year long programs with a common core curriculum and leading to basic qualifications for university studies. Also, the state responsibility for the Swedish school was transferred to the municipalities; the new secondary school system was characterized by a far-reaching decentralization, both regarding its design and its division of responsibilities, which strongly separates it from the other Nordic countries.

At the end of the 1990s, the government launched policies on lifelong learning and stressed a 'high-road' to full employment, in line with a social investment approach or human capital development strategies. Within the educational system, tertiary education widened with the creation of several university colleges and between 1999 and 2005 four university colleges acquired university status. In line with the idea of 'widening participation' ('breddad rekrytering') to give more people access to higher education, the number of university places increased to closer 100,000 between 1997 and 2005, and the proportion of a year cohort the latter year having started tertiary education at 25 years of age was just over 45 percent. The long-term goal was set to 50 percent (Prop. 2004/05:162, p. 29). The social democratic government policy underlined that recruitment to higher education from all social groups and regions should be improved, and education and skill-enhancing efforts to increase employability would be prioritized.

During the last couple of years there has been a shift in policy within the educational system. One sign of the times is the 2011 curriculum for upper secondary schools; one aim of education is to develop knowledge and skills that foster *entrepreneurship* (SKOLFS 2011:144, p. 4). Another sign is the introduction of apprenticeship programmes that historically have had a very weak position in the Swedish system. Whereas vocational programs include 15 weeks of maximum workplace training, at least half of the apprenticeship programme shall be located at a workplace (SOU 2010:88, p. 114-8).

In the end of the 1980s, less than 90 percent proceeded to secondary education, while it has turned into a 'school for all' with around 99 percent (SOU 2010:88, p. 109). However, from a situation where all upper secondary school programmes qualified students for higher education a new reform means that studies at vocational programmes no longer will qualify. Also, raising grades from upper



secondary education through participation in adult education is no longer possible. Instead the government has introduced shorter vocational courses for target groups, specifically persons with low or incomplete grades, and, thus, a weaker labour market position. Three new short-term initiatives have been introduced within municipal adult education: vocational adult education (2009), education for commercial drivers (2010) and apprenticeship education for adults and for intellectually disabled (2011) (Andersson and Wärvik Forthcoming).

3.6 Housing policy

Housing policy used to be a policy field with major state subsidies but construction subsidies were nearly abolished during the 1990s (Lindbom 2011: 120-1). State subsidies to housing construction were phased out and finally abolished in 2006, which, among other things, means lowered incentives to build rental apartments. Much of the responsibility was shifted from the state to municipalities. In most municipalities, the social responsibility of the municipal housing companies was abolished. Previous public monopolies were privatized through a growing market orientation, e.g. in accordance with New Public Management, that led to the establishment of *quasi-markets*. Instead of rolling back the reforms, the subsequent Social Democratic government continued in the same direction. Public housing companies are today competing on the same term as privately owned housing (Andersson 2006; Nordfeldt and Segnestam Larsson 2011; Hansen Ljöfstrand 2012). The government has rewritten the goal for housing policy meaning that the social rights perspective within the universal housing policies had given way for a market-driven consumer perspective (cf. Sahlin 2008).

Since the 1970s residential segregation has been on the political agenda. However, in the 1990s it was given greater attention due to a growing segregation (Nordfeldt and Segnestam Larsson 2011). At the turn of the century a larger housing program, *the Metropolitan Development Initiative (Storstadssatsningen)*, was directed towards particular housing estates in the most disadvantaged suburbs in the three largest Swedish cities. From an earlier universal approach in housing policy in tackling social issues as unemployment and social exclusion, the state used more selective measures to create economic growth and social inclusion (Andersson 2006).

3.7 Family policy

For a long time Sweden has been known for a comprehensive system of public child care with heavily subsidized fees and for a generous parental insurance. Child care and systems of financial security for families shall make it easier for parents to work or study. Following this, the employment rate for women has been high for several decades. In 2002 a second month of the father's quota was



introduced and in 2001-03 a stepwise fee reform within public child care aimed to increase child care supply, families' household economies and making it easier for parents to take up employment and for employed parents to work more hours. One main part of this reform package was the introduction of a *maximum fee (maxtaxa)* that was a ceiling for fees within preschool (children aged 1-5) and within after-school services (children aged 6-12). The fee should not exceed a certain percentage of the household income and a ceiling for the monthly household income. The reform lowered the average fees and homogenized the rules and fees between municipalities. Also, parents in unemployment and on parental leave received the right to have their children in preschool for 15 hours per week (Lundin, Mörk and Öckert 2008).

In 2005, an official report from the government stressed the importance of a more individualized parental leave scheme but an equal division of parental leave has only been supported by the Left Party and rejected by the other parliamentary parties. Instead the current government has introduced a gender equality bonus. A more politically conservative move is the introduction of the *child home care allowance (vårdnadsbidrag)* in 2008 that give parents the opportunity to choose between institutional or home-based care for their children; it was argued to give parents greater 'freedom of choice' but has been criticized to mainly target women in low-income jobs and serve to reproduce traditional gender roles (Björnberg 2011).

3.8 Territorialization

After the crisis in the 1990s, municipalities strengthened their positions in employment policies. They received majority decision in the local employment agencies, later renamed labour market boards. In 2008 the boards were abolished and replaced with labour market councils with representation from local authorities and local industry. Main law reforms have increased the municipal part of ALMPs. With the new Social Services Act, local authorities could increase work incentives. It was a legal framing of a practice already standard in many municipalities, but the major point made by the state was that the municipalities should have a clearer labour market political perspective and to take full responsibility for activating the young. Also, greater difficulty for the young to qualify for the unemployment insurance and local authorities having full responsibility for activating persons on social assistance could be seen in terms of a *de facto* decentralization of labour market policies (Ulmestig 2009: 120-4).

Municipal activation programmes are usually organized and administered within the frame of the Social Services. In some municipalities there are either a few or a group of social welfare secretaries



or more formalized work groups that work fulltime with activation policies. In other municipalities the social service units are complemented with labour market units having responsibility for all ALMPs at local level. Some of the programmes of the Social Services are self-operated and others in cooperation with the PES, the SSIA, representatives from local industry and sometimes voluntary organizations. The grants for local activation programs often change; their scope and length varies a lot, many are temporary and project-based and often change concepts and aims (Thorén 2009: 135).

More restrictive rules in social insurances put greater obligations on insured individuals but also of the PES and the SSIA as well as more coordination between the health and unemployment insurance (Björnberg 2012: 105).

Since 1998 cooperation within the rehabilitation area is operated in a form called Frisam. The projects were voluntary without having to be approved at state level. In 2008 it started to be phased out with the implementation of the law on financial coordination of rehabilitation activities, as both targeted the same groups and local needs.

During 2006-8 a pilot project for people on long-term sickness benefits (more than two years) or with sickness or activity compensation called Pila (*Pilotinsatser för långtidssjukskrivna till arbete*) was implemented by the SSIA and the PES, first in two regions but later at national level. The aim was to secure that rehabilitation and other measures were offered people on long-term sick leave and secure that the right benefit was paid out to those who lacked work capacity (Inspektionen för socialförsäkringen 2010: 11, 21-2).

In 2004, a permanent financial coordination within rehabilitation was implemented and 5 percent of the sickness benefit expenses could be used for collaboration (Ds 2003:2). In the budget year of 2010, SEK 810 million was available for spending on three different forms of cooperation: 1) Two-partite collaboration with financial coordination between the SSIA and health and medical services, 2) National action plan coordination between the SSIA and the PES, 3) Four-partite collaboration through coordination unions between the SSIA, the PES, the health and medical service and the municipalities.

From 2008 and onward, successful programs within Frisam have been transferred to the two-partite financial collaboration between the SSIA and health and medical services. Through measures early in the sick leave period the aim is to speed up rehabilitation and shorten sick leave, e.g. to transfer



insurance-medical competences from the agency to the care units within the counties. The SSIA case workers act in a coordinating role to further collaboration.

National action plan coordination was first pursued in a pilot project (Faros) in five counties 2002-4 between the SSIA and the PES for vocational rehabilitation. An individual action plan shall be established regulating how the authorities should use the means of collaboration and thereby try to create consensus regarding work capacity issues. The plan is yearly revised and the SSIA and the PES should secure that the individual receives the necessary support during the whole process from sick leave to employment. Two groups are specifically targeted: young people on sick leave or with activity compensation and people whose days on sickness benefit or sickness compensation are coming to an end (Inspektionen för socialförsäkringen 2010: 30-1). The authorities cooperate continuously during the rehabilitation chain. After 90 days there is a 'contact meeting'. In connection with a consideration of rejection or cancellation of sickness benefit, or that the period of sickness or activity compensation ends, a 'delivery meeting' is set up. Also, there is a 'tuning meeting' to delineate the work capacity of the individual (Prop. 2011/12:1b, p. 52).

The law on financial coordination of rehabilitation efforts from 2003 has its origin in the pilot projects with financial coordination (Finsam) that was in force 1993-7 and the Socsam law, directed at citizens of working age (16-64) that need coordinated rehabilitation measures from several collaborating partners to reach or improve work capacity (Inspektionen för socialförsäkringen 2010: 35). Through Finsam it is possible for the SSIA, the county labour board, the municipality and the county to pursue financial coordination within the rehabilitation area. The target group is persons in need of coordinated rehabilitation activities from several of the partners with the primary aim to improve the work capacity.

Financial coordination is operated through an independent *coordination union* (*samordningsförbund*), which is a public judicial person with its own legal capacity where the partners are represented. The SSIA is allowed to use expenses for the sickness benefit to finance the share of the state, while the county/region as well as the municipality or municipalities should contribute with a fourth each. The coordination union shall finance coordinating rehabilitation activities and other active measures within the coordinating partners' area of responsibility and it is also responsible for local follow-up and evaluation (FINSAM 2011b). There is also a national council for financial coordination with representatives from the PES, the SSIA, the National Board of Health and Welfare and the Swedish Association of Local Authorities and Regions (FINSAM 2011a).



Financial coordination is a voluntary form of coordination. In mid-2011, 82 coordination unions were represented in 213 municipalities (of 290 municipalities overall) (Prop. 2011/12:1b, p. 53).¹³ During 2010 the unions financed nearly 600 activities with approximately 34,000 participants; the main part was directed at the target groups of unemployed on sick leave and/or persons with income support aged 16-64 (Arbetsförmedlingen/Försäkringskassan 2011: 8). When the law on financial coordination of rehabilitation was implemented the SSIA and the PES had a county structure, which is not the case anymore when new geographical areas of cooperation have emerged that not necessarily coheres with earlier ones. The government has stressed that the old structure should not hinder efficient local cooperation and, therefore, it is today possible to form cooperation unions that transcend county borders (Prop. 2009/10:154, p. 17).

The objective of the PES presupposes a close cooperation with other public or private organizations, authorities, municipalities and with business. It has taken place for a long time and some of these are:

Labour market councils (arbetsmarknadsråd) with representatives from municipalities, local industry and trade unions. Two main aims are to support a good development towards employment and to develop integration and gender equality issues. There is at least one labour market council in each of the labour market areas of the PES.

Industry councils (branschråd) at regional and national level with participants as employer and employee organizations as well as individual employers. The main aim is to improve the matching in related industries or occupations through increasing the knowledge of the PES of the needs that exist as well as improve the cooperation between the PES, business and the trade unions. The industry councils can as well emphasize competence and skill levels that should be reached in training programs.

Support and service cooperation (service- och tjänstesamverkan) between the PES, the SSIA, the Swedish Pensions Agency and the Swedish Tax Agency aims at offering a cost-effective service in common premises. There exist just over 100 service offices.

¹³ The budget for 2011 was SEK 520 million.



Coordination treaties (samverkansöverenskommelser) exist between the PES, the SSIA, the Swedish Prison and Probation Service and Samhall (providing development opportunities for people with disabilities through employment). The coordination with the SSIA should ease the transfer from compensation through the health insurance to active job seeking and to get a new job. The agreement with the Swedish Prison and Probation Service shall contribute to strengthening former prisoners' anchoring at the labour market.

The PES has also a joint responsibility for disability issues within labour market policies. It shall be a unifying, supporting and instigating actor in relation to the other partners and cooperate with the SSIA, the Work Environment Authority and the National Board of Health and Welfare to reach a more efficient use of available resources within the rehabilitation area (Arbetsförmedlingen 2011a: 40-1).

The PES and the SSIA shall, in cooperation with relevant actors and within the frame of the activities of the coordination union, prioritize young people with activity compensation. Besides the responsible authorities, examples of other actors that work with rehabilitation could be employers, social companies, voluntary organizations, adult education and other private and public actors. The activity compensation is for persons aged 19-29 and the main measure to rehabilitate unemployed and presumptively unemployed young people is the *vocational rehabilitation program in action plan coordination (arbetslivsinriktad rehabilitering i handlingsplansamverkan)*. The demand is that the person can participate in activities for at least 10 hours per week, a step that many times is difficult to take for the person. In early 2011, 26,000 persons received activity compensation, which is the double amount of 2005. Among young persons, psychic diagnoses dominate (74 percent of all), there is a lower educational level compared to average young people, the majority have zero or lack any longer job experience and many suffer from a combination of medical, psychic and/or social problems (Arbetsförmedlingen/Försäkringskassan 2011: 4-7).

Following the increase of ill-health during the first years of 2000 and subsequent increased costs in social insurances, the state and the Association of County Councils (nowadays the Swedish Association of Local Authorities and Regions) signed a deal in 2006 to limit the proportion of people on sick leave. The *Health care billion (Sjukvårdsmiljarden)* was implemented in 2007-9. The state should disburse up to SEK 1 billion per year to the counties, which had to sign a deal with the SSIA regarding which measures that should be taken and to report the results on a yearly basis. Measures for improved collaboration between different actors in the sick leave process are stressed in the

agreement (Chirico and Nilsson 2009: 3-4). It has been prolonged by the current government and its counterpart (Johnson 2010: 178).

A very vulnerable group in relation to the labour market is persons with psychological disabilities. There is rarely access to programmes for disabled, with the exception of *specific introduction and follow-up support (särskilt introduktions- och uppföljningsstöd)*. It is rare with structured employment and there is a low degree of incentives to prioritize the group. The responsibility of the municipality to arrange meaningful employment is regulated by law, but there is a freedom of interpretation regarding the scope and variation of measures. Also, rarely do responsible authorities cooperate regarding employment and rehabilitation activities (Lindqvist, Markström and Rosenberg 2010: 80-2).

One other main dimension of national governance of social cohesion policies is public/private coordination. The Swedish labour market policy area has been dominated by public providers, mainly the PES. However, since the new government took office in 2006, private providers have received a considerable role in implementation of welfare services (cf. Hartman 2011).

The PES has long experience of purchasing labour market training delivered by external providers, but from 2007 onwards it has been assigned to purchase employment services from *supplementary actors (kompletterande aktörer)* in accordance with the purchaser-provider model, i.e. private organizations that cooperate with the PES and that contribute with a supplementary employment service. The purchase is done in accordance with the 2007 *Public Procurement Act (Lagen om offentlig upphandling)* and the 2008 *Law on Freedom of Choice (Lagen om valfrihetssystem)*. An experimental activity in 2007 was quickly extended in 2008-9. Early on the supplementary actors were mainly responsible for applicants to JOB and the Youth Job Programme, but since the end of 2009 there has been a huge expansion of applicants to the services of supplementary actors outside of these two programmes, e.g. job coaching for new and short-term unemployed persons (Arbetsförmedlingen 2011a: 45-7).

The goal is that one third of the participants in phases 1-2 in JOB shall be offered services from supplementary actors in order to choose from greater and more diversified employment services, and that the fresh ideas and knowledge offered by supplementary actors will contribute to that more participants will quicker find a job (Martinson and Sibbmark 2010; Prop. 2009/10:1, 2011/12:1c). During 2010 well over 150,000 persons was supported by any of the 938 supplementary actors that

have concluded an agreement with the PES. In December 2010, 15 percent of participants in JOB and 20 percent in the Youth Job Programme were supported by a supplementary actor (Arbetsförmedlingen 2011a: 45-6).

Investments in supplementary actors and job coaches, as well as the abolishment of the obligation for employers to report vacancies to the PES, have resulted in that other nongovernmental actors have received a more prominent position. The proportion of privately provisioned labour market training has also increased (Lundin 2011).

Within the educational policy field, youth education is currently based on a voucher system whereas in adult education, the purchaser-provider model is used. In 2010, as much as 37 percent of municipal adult education was purchased from private educational organizers (Andersson and Wärvik Forthcoming).

Another field of public/private coordination that have grown since the early 1990s is the creation of a market for special housing for the homeless with the introduction of a local purchaser-provider model. Today the socially excluded are governed by a network of state, non- and for-profit actors. There has expanded a market for special housing for homeless persons not considered part of the local Social Services' target group, i.e. persons without any social problems, as well as those having been expelled from special-housing units as a result of rule-breaking. Many NGOs are today business partners to the municipality and there has opened a market for new private for-profit actors to compete about time-limited contracts in the procurement process (Hansen Löfstrand 2012).

Regarding institutional child care, private provision has steadily increased since the 1990s and 19 percent of Swedish pre-school age children are currently enrolled in private pre-school. The choice for parents to arrange their children's child care as they wish has increased with the introduction in 2008 of the latest form of municipal child care allowance. A relatively small tax-free benefit of maximum SEK 3,000 per month and child (that has turned 1 year but not yet 3 year) can be granted if the child is not enrolled in publicly financed pre-school, i.e. by purchasing child care from private providers or provision of care by the caregiver within the household (Prop. 2007/08:91; Björnberg 2011). Also, private provision of child care has expanded with so-called childminding services such as purchasing services as collecting the children from pre-school. Other ways are to enlist the grandparents or a private nanny. Childminding services are directed to parents with atypical working



hours as child care is not being offered outside office hours in more than half of the Swedish municipalities (Björnberg 2011).



4. Policy change: intensity and diffusion

In this final part major changes in the Swedish employment/welfare nexus are discussed. Specifically 'second order changes' in policy will be emphasised: a development where economic compensations are increasingly connected to activation, processes of individualisation, contractualisation, decentralisation, marketisation and responsabilisation, different forms of local partnerships, and a shift from universal to selective measures. I will also stress how policy goals have changed that may be described in terms of 'third order change' (cf. Hall 1993).

Activation policies have called into question earlier boundaries of employment and social policies. 'Activity' and 'activation' have become buzz-words in national social policy directives during the last two decades in Sweden. In governmental bills, reports and statements it is emphasized that the unemployment insurance shall work as 'adjustment insurance' (see e.g. Prop. 2010/11b, p. 34). The unemployment benefit is seen as a compensation for the activity of job seeking; it transforms into 'activity compensation', i.e. it is the activity, not unemployment itself, which is the basis for the compensation. Thus, the unemployment insurance is no longer seen as part of social policy but of labour market policy (Junestav 2004: 230, 2007: 50). Also, a participant in programmes as JOB does not longer qualify for a new period within the unemployment insurance (Johansson 2006).

Policy change is heavily influenced by processes of *individualization*. From a local and regional initiative in the 1990s, individual action plans has become a main instrument within national labour market policy. There is stronger emphasis on the qualifications and activities of the job seeker and a political language of individualization, competition and choice. Through a modern matching service, including private provision of ALMPs, the unemployed shall 'be given increased possibilities to compete' and the employment offices 'shall better be able to respond to the needs of job seekers through more individual service' (Prop. 2006/07:1b, p. 73, my translation; cf. Bengtsson and Berglund 2012).

Connected to individualisation is *contractualisation* of the relationship between the citizen and the state. Activation programmes build on 'contract rationality', which is a departure from traditional bureaucratic and hierarchical models. The guarantee takes the form of a 'client contract' in which the unemployed person and the employment officer sign an agreement. However, the contract consists of an asymmetric relation between the state and the citizen that could be defined as an instrument that will test whether the unemployed actively stands at the disposal of the labour market. Following



this, citizenship rights have become contractual as well as more conditional (Johansson 2006: 48-9; Hornemann Møller 2009: 46-7; Walter 2011).

Processes of *decentralisation* from the early 1990s and onwards express another major policy change whereby social policy areas of responsibility have shifted between state level and local level. Besides areas as elderly care, social welfare and primary education the local authorities have become increasingly important for the implementation of labour market policies. With the 1998 Social Services Act the local authorities could legally demand that unemployed social assistance claimants have to participate in municipally organised activities to receive economic compensation. As social assistance became conditional upon the beneficiary's participation in activities, the former boundaries of state ALMPs and activities organised by the local authorities were loosened and thereby the work strategy was widened (Hollertz 2010: 91-6).

Changes of policies during the last two decades are also found in the creation of different forms of *local partnerships*. Originally, coordination developed as a result of increased decentralization, which created new dependencies between the main authorities and new problems, e.g. regarding who are responsible for processing specific cases (Inspektionen för socialförsäkringen 2010: 17). Following this, the state has urged different authorities, agencies and organisations to closely cooperate and coordinate measures and activities.

The main strategy of national governance of public/public coordination has followed from the law on financial coordination on rehabilitation efforts (2003). The three different forms of collaboration are funded via the sickness benefit and involve actors as the PES, the SSIA, the health and medical services and local authorities. The main goals are to use public resources more efficiently, to increase coordination between authorities to shorten sick leave and unemployment and to better make use of local authorities' knowledge of vulnerable groups such as youths. A rather limited part of the budgets of the concerned organizations are part of the financial coordination, but despite this quite a large amount of coordination unions at local level, from 12 in 2005 to just over 80 in 2011, have been created. However, as the grant is dependent on a percentage of the sickness benefit, more coordination unions mean less money to be shared. It is mainly interventions for vulnerable groups with psychic or plural problems that have been financed by the coordination unions (Inspektionen för socialförsäkringen 2010: 9).



Concerning public/private coordination, a main policy change is processes of *marketisation* by private provision of services with the goal to create more efficient services and more freedom of choice of services. In the traditional model the public sector is the main actor in the role as service producer but the new model, described as a transition to a welfare *society*, is open for the choice of activity form when it comes to the production of welfare services (cf. Hartman 2011). The public tendering of private service providers on quasi-markets is done in accordance with the Public Procurement Act and the Law on Freedom of Choice.

Contemporary policy changes may also be seen as a shift from a traditional universalistic approach to a more residual approach with the growth of more *selective* policy instruments. In contemporary ALMPs greater investments in preparatory measures aim not to directly lead to employment but are mainly oriented towards more vulnerable groups such as youths with low education, older unemployed persons, foreign-born and disabled persons (Lindvert 2011: 37-8). Also, pay roll tax reduction for specific groups, as well as subsidized employment, are not used as a general method to create new jobs, as these measures have low or no effects on employment, but as a way to direct employer demand towards groups with a weaker labour market position (SOU 2011:11, p. 210).

Another policy area with increasingly selective measures is housing policy. The traditional goal from the 1940s to the early 1990s was 'good housing for all', regardless of income. Housing was distributed in accordance with queuing time and those with specific social or medical needs could be granted priority. Instead of understanding housing in universal terms as a social citizen right it has increasingly been conceptualised a consumer good and housing policy has become more selective in character (Nordfeldt and Segnestam Larsson 2011; Hansen Löfstrand 2012).

Within the educational policy area, equality used to be an overall value-system in political documents. A complex and extensive system of education had been created with conditions both for self-development and skill-upgrading. However, universalism has weakened with a development from a situation where all pupils acquired the same basic educational content, and thereby had the choice to continue to higher education, to a situation where those lacking the necessary grades to apply for higher education are directed towards more employment oriented courses with more specific vocational knowledge that have been introduced in municipal adult education (Andersson and Wärvik Forthcoming).



Another development is that the work strategy has shifted from a more social rights based model of welfare to strategies of *responsibilisation* and stricter obligations, specifically directed at vulnerable groups as long-term unemployed social assistance recipients, but also people on sick leave, with disabilities etc. With the reform of the sickness insurance in 2008 one aim was to improve work incentives. The work capacity is controlled at three time intervals, which, among other things, functions as an incentive for the person to seek jobs.

With the new rules and regulations in the rehabilitation chain people's bodies should be understood as machines: 'Parts of the body could be replaced, capacity for work could be re-created' (Hetzler 2009: 394). Possible consequences are that 'seriously ill individuals are being declared work competent and being stripped of their social insurance benefits even though they are medically certified as unable to work' (Hetzler 2009: 395). During the last years several sick leave cases have been publicly debated, e.g. badly cancer-suffering persons have been forced to seek fulltime employment to keep their benefit. Another example of the control of individual's work ethic is the measures found in JOB. The results for the so-called artificial jobs in the third phase have been dismal. However, as stated in an official government report, participation may first and foremost be seen as 'an intensified test of the willingness to work/.../for those having real problems of receiving a job at the regular labour market' (SOU 2011:11, p. 214, my translation).

Finally, one can say that the shift from a *de facto* full employment situation to a post-full-employment situation has led to extensive changes in employment and social policies that could, at least in a longer historical Swedish perspective, be seen as such wholesale changes in policy that we may talk of a third order change (cf. Hall 1993).

In Sweden, there is still a collective public financing of welfare through taxes. However, there are grounds for discussing whether the universalism of the Swedish welfare state, as a characteristic of the work/welfare nexus, has been called into question. During the last decade, and specifically during the current centre-right government, the 'work first approach' has been increasingly emphasized. Extensive expenditure cuts through the job tax deduction, major cuts in LMPs and in economic compensations and benefits, as well as stricter work obligations, altogether work as activation policies to create stronger incentives for people to take up employment or to work more hours. Also, there is an emphasis on self-regulation and privatization: reductions in compensation rates from social insurances are an incentive for supplementary private insurances, e.g. through the trade unions.



The shift in national employment and social policies has been anchored in discourses of the prerogative of the work strategy and the fighting of the so-called 'socially excluded' ('utanförskapet') (see e.g. Regeringsförklaring 2007). The main social cleavage is said to go between people in employment and those positioned as socially excluded, i.e. those who do not work or not work enough to receive compensations from the social insurances. However, activation that put beneficiaries under pressure from sanctions and time limits risk forcing the unemployed person to accept any kind of job. This is certainly the case with the currently very large number of uninsured people, e.g. nearly a third of the Swedish labour force is not part of the unemployment insurance, as well as for the people no longer eligible for the health insurance. The labour force has been increasingly commodified, i.e. the possibility to uphold a socially acceptable living standard independently of labour market participation has considerably decreased (cf. Esping-Andersen 1990: 37).

In accordance with the 'work first approach' of the current government, different instruments have been used to relatively worsen the situation for those not part of the employed labour force compared to those in employment. Besides reforms within social insurances, in-work benefits and subsidised employment for low-wage service jobs have been major strategies to reach the underlying policy goal, as the government expresses it, to 'improve wage setting' (Prop. 2009/10:1, p. 38). This means, literally speaking, reforms that will pressure the reservation wages downwards, i.e. the lowest wage an unemployed will be prepared to accept when being offered a job. At the same time, matching is emphasized in current national labour market policies. Instead of taking a 'high road' to employment, wage moderation and policies with less training and human capital development definitely points towards a 'low road' to employment and work as an impetus towards an expanded low-wage service sector.

Additionally, there is a shift towards new arrangements with a less comprehensive and redistributive welfare state, which to a higher degree governs through policies of responsabilisation (cf. Lindvert 2011: 40). In a comment upon the great proportion that left the unemployment insurance fund between 2006 and 2010, the current Prime Minister Fredrik Reinfeldt says that people will find other ways of subsistence than the unemployment insurance: 'One receives support and help from one's parents, one's partner or in some other way. Ultimately there are other safety systems that will catch people' (SvD 2011-10-20, my translation). Thus, instead of stressing collective public social security solutions, Reinfeldt stresses private solutions for vulnerable groups of the Swedish labour force.

Appendix

Table: National Dimensions of Integrated Policies

<i>COUNTRY</i>	Activation		Vertical (territorialization)		Horizontal (coordination/integration)	
	Individuals	Expenses	Multilevel Coordination	Decentralization	Public / public Coordination	Public / private Coordination
<p>Policy goals</p> <p>What for?</p>	<p>Unemployment benefits as a reward for being active</p> <p>Increase employment among low- and middle-income earners</p> <p>Improve the person's functional work capacity</p> <p>Reduce overexploitation of social insurances and counter the development of unemployment cultures</p> <p>Individualized responsibility and employability</p>	<p>Lower reservation wages</p> <p>Increased emphasis on obligations in social insurances</p> <p>Lower the threshold for labour market entry</p>	<p>Coordinate the competencies of state, county and local authorities to improve work capacity</p>	<p>Decentralization of employment policies to cope with activation of welfare recipients, specifically youths, to hinder social welfare dependency</p>	<p>More efficient use of public resources</p> <p>Cost-effective service in common premises</p> <p>Increase coordination between authorities to shorten sick leave and unemployment</p> <p>Better use of local authorities' specific knowledge of vulnerable groups such as youths</p>	<p>Create more efficient welfare services</p> <p>Create more freedom of choice of welfare services</p> <p>Improve matching</p> <p>Support a good employment development</p> <p>Develop integration and gender equality issues</p>
<p>Policy tools</p> <p>With what?</p>	<p>Activation guarantee (2000)</p> <p>Activity and sickness compensation (2003)</p> <p>Youth Job Programme (2007)</p> <p>JOB (2007)</p> <p>New start jobs</p>	<p>Expulsion from social benefits</p> <p>In-work benefits</p>	<p>Financial coordination within the rehabilitation area</p> <p>Law on financial coordination of rehabilitation efforts (2003)</p>	<p>Formalization of labour market policies at local level through the Social Services Act (2001)</p> <p>Activation programs within the</p>	<p>Faros (2002-04)</p> <p>Finsam (2003)</p> <p>Pila (2006-08)</p> <p>Health care billion (2007)</p> <p>Support and</p>	<p>Supplementary actors (2007)</p> <p>Public Procurement Act (2007)</p> <p>Law on Freedom of</p>



	(2007) Rehabilitation chain (2008) Job tax deduction (2007-10)			frame of local authorities	service cooperation Coordination treaties	Choice (2008) Labour market councils Industry councils
Actors Who?	The PES The SSIA Local authorities Unemployment insurance funds	Ministry of Employment Ministry of Health and Social Affairs Ministry of Finance	Coordination unions National council for financial coordination	Local authorities County labour board The PES The SSIA Local industry Voluntary organizations	The PES The SSIA The Swedish Association of Local Authorities and Regions The National Board of Health and Welfare Local authorities The Swedish Pensions Agency The Swedish Tax Agency The Swedish Prison and Probation Service Samhall The Work Environment Authority	Local authorities Employers Employer organizations Trade unions Social companies Voluntary organizations Adult education

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