Experiences of Swedish Activation Policies

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Foundation of Swedish Labour Market Policy (LMP) in mid-1900s

- LMP combined with other policies for full employment and economic stability
- Reducing the effects of fluctuation in the economic cycle and facilitating structural change
- Emphasis on active rather than passive measures 75/25
- 1950s – 1980s: 2-3% of work force in ALMP, education, training, removal

- **Antal personer**: Number of persons
- **arbetslösa**: Unemployed
- **åtgärd**: In programmes
- **s:a obalans**: In sum

The graph shows the number of persons unemployed or in labour market programmes from 1980 to 2002 in Sweden.
Experiences of Activations Policies in 1990s-2000s in Sweden

• Quantity given greater priority than quality
• Effected the outcomes, i.e. lower degree in employment after an intervention
• Emergence of a two-tiered system:
  On national level: schemes and benefits for established unemployed
  On local level: activation and assistance for un-established unemployed (youth, immigrants etc)
## Distinction between Active Labour Market Policy (ALMP) and Workfare Programmes

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<th>Characteristics</th>
<th>Active Labour Market Policy</th>
<th>Workfare Programmes</th>
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<td>Organising level</td>
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<td>Affiliation principle</td>
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<td>Principle of distribution</td>
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<td>Distribution system</td>
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## Two Interpretations of Workfare

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<td>Individual rights</td>
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Active Labour Market Policy 1980 – 2003 in Sweden, New Zealand and OECD. In Percentage of GDP.

Source: OECD 2006
Active Labour Market Expenditures 1980 – 2003
Sweden, New Zealand and OECD.
In Percentage of Total Labour Market Expenditures.
Source: OECD 2006
Conclusions

• Poor evidence for success for coercive "top-down" activation policies –
  **Tough Policies**

• Instead findings indicate the importance of individualised "bottom-up" strategies built on voluntary commitments –
  **Soft Policies**
Paradox of Employment Commitment

Findings from a comparative study of OECD-countries:

“…more generous welfare regimes appear not only reduce inequality and poverty more efficiently than welfare regimes with lower flat-rate or targeted benefits – but also to generate stronger commitment to take part in paid work.”

Esser 2005:36
In Percentage of GDP.

Source: OECD Factbook 2006