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Sweden.

Introduction

The heavy recession in the Swedish economy during the first half of the 1990s led to a very difficult situation for young people with a weak position on the labour market. Around a third of the youths had received social welfare benefits before the age of 24 (Salonen 2000). This generation experienced unemployment and welfare dependency to a considerably higher extent than any previous generation in modern Sweden. Despite the recovery in the Swedish economy a group of young adults, now in their thirties, simply can not find a way to either work or education. The consequences of this had a profound impact on the living conditions of those affected. How can we understand their very prolonged transition to adulthood? Can a difficult labour market situation lead to more permanent exclusion for those young who already are in a vulnerable position?

This paper presents results from an ongoing research project on long term effects of early labour market exclusion among young adults born in the mid seventies. Our interest in studying the present living conditions of this specific generation ten years after their troubled introduction to adulthood was initiated by our previous studies on this field (for example Angelin & Salonen 2000). In this article we discuss the long term effects of early exclusion from the labour market and to what extent youth is affected by the state of the market at the time of their establishment. Our main focus is to analyse and evaluate the present living conditions for the youth that remained in benefit dependency even ten years after the welfare crisis. We also study what variables that seem to predict and preserve youth in long term benefit dependency and what conditions that distinguishes this group from those who managed better. In our analyses we work with both statistical calculations based on longitudinal national registers as well as qualitative interviews with the affected youths.

In working with the theoretical understanding we primarily focus on theories on marginalisation and social exclusion (Levitas 1998, Barry & Hallet 1998, Berkel & Möller 2002, Gallie 2004) as the unemployment problems are multidimensional and must be understood in relation to marginalising processes on several arenas. Our analysis therefore stresses the importance of understanding the situation of these youths from a broad perspective that in addition to labour market conditions also include the profound impact of class, ethnicity and unstable family conditions. In this paper we have chosen to primarily present our empirical findings and statistical analyses in favour of a more extended theoretical discussion.

The welfare crisis in the 1990s and its impact on Swedish youth

The Swedish post-war period was a time of increasing prosperity, characterized by close to full employment and an expanding universal welfare state. Naturally, the country went through varying economical cycles but no substantial turbulence had occurred until a severe economic recession struck the country in the early 1990s. Several interacting factors as higher rates of inflation, devaluation of

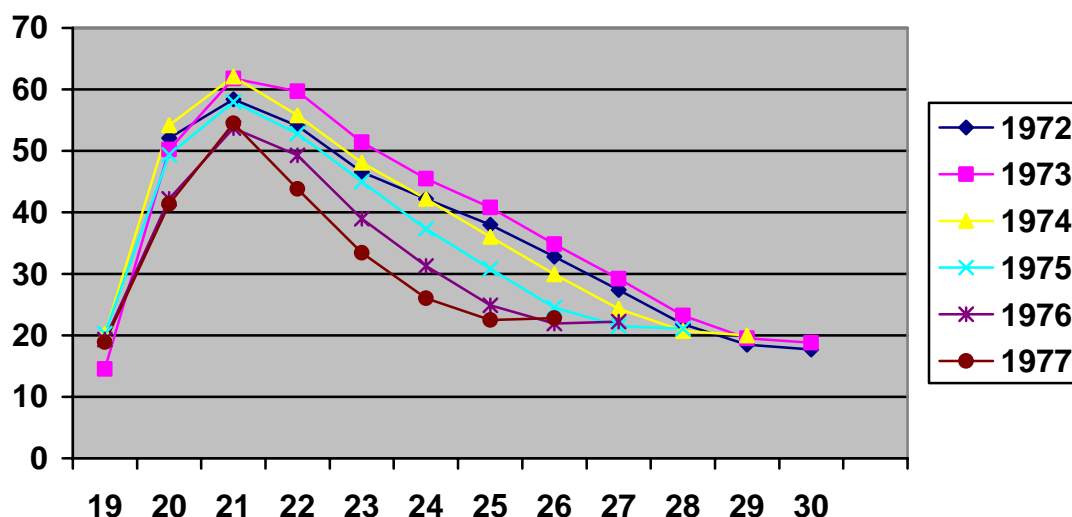
the Swedish crown and a decreased demand for labour caused major financial setbacks. Between 1990-1997 the labour force decreased with half a million individuals, which for a country of nine million inhabitants obviously had a major impact. The costs for social benefits doubled and the state was heavily burdened as the tax income from the previously employed was lacking at the same time as social expenditure were heavily increased. This led to major cutbacks by lowering remunerations and increasing the demands for entitlement to various social security benefits.

The Swedish welfare state has been characterized as universal but this system was to a great extent based on employment as a necessary requirement for obtaining the right to this social security. At times of full employment this caused few problems but when employment decreased considerably it left vulnerable groups being excluded from social security. The crisis predominantly affected those who were not previously established on the labour market, youths and immigrants therefore constituted the two major groups. It is necessary though to clarify and stress the importance of not perceiving and analysing youth as a group who share equal opportunities and circumstances, those with working class background and/or other ethnic background were substantially more affected. At the same period as the crisis the government mass expanded access to higher education which enabled large groups of predominantly upper and middle class origin to postpone their entry on the labour market until late 1990s when the economy had recovered. But those who lacked networks and possibility to higher education had few alternatives other than social welfare. As many as 25 per cent of the youth remained in benefit dependency for such a long time that it most likely have had negative impact on their present living conditions (Salonen 2000). These patterns have been described as causing an increasing and remaining polarisation within this generation but recent analyses has also shown that the gap between generations also increased considerably as the adult population were far less affected (SCB 2003). Youth unemployment rates were 18 per cent which was 10 per cent higher than the 8 per cent of the adult population who were unemployed in the beginning of the 1990s (Johansson 2001).

The establishment for youth on the Swedish labour market has radically changed in many ways during the last decades. At the end of the 1970s two thirds of the youth aged 19-20 were employed while in the 1990s the figure for this group has been around 35 per cent. The labour market participation has been almost halved during this time period (Salonen 2003:18). The entrance on the labour market, as indicated in graph 1, has for Swedish youth progressively become various forms of insecure transitions, unemployment and participation in labour market schemes. The risk period culminates at age 20-22 for all cohorts born between 1972 and 1977. We can also state that cohort 1973, that we specifically analyse in this study, show the highest levels but the patterns of vulnerability are general for all the studied cohorts. The extremely high levels of unemployment in the 1990s has naturally

decreased progressively as the cohorts are growing older but also due to the fact that Sweden experienced a business upturn in 1997.

Graph 1. Unemployed during a calendar year – registered as unemployed at the employment agency or has participated in a labour market scheme for at least one day, per cent.

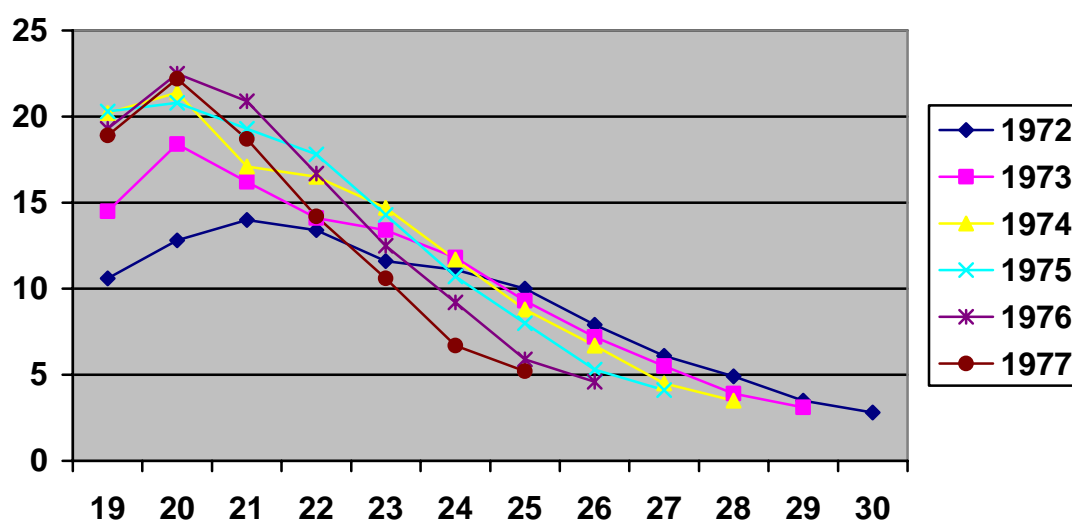


Source: calculations from LOUISE.

High unemployment levels cause increasing numbers of social assistance recipients. These young people that were supposed to establish themselves on the labour market and lead a life independent from their parents instead experienced major setbacks and were unable to provide for themselves. The chart below describes the development from extremely high levels of social assistance among this generation to a clear decrease over the years but also indicate a stable group remaining in benefit dependency. Those are the primary focus in this paper as we study the long term effects of their early exclusion from the labour market

The oldest cohorts, born 1972 and 1973, were to a greater extent unemployed or activated in labour market programmes but despite this they had a considerably lesser share of social welfare at the time of establishment at age 20 than the following cohorts born 1974-1977. 18 per cent of the 1973 cohort had social assistance at age 20 compared to 21 to 23 per cent for the younger cohorts. However the level of social assistance recipients seem to decrease faster which can be understood as an effect of structural changes, predominantly the improved economy at the late 1990s and the expansion of tertiary education.

Graph 2. Social welfare – at least one month during a calendar year



Source: calculations from LOUISE.

In the following we analyse the long term effects and outcomes for those born in the mid-seventies who were early excluded from the labour market and the ten years that has followed up to their late 20s.

Empirical results and statistical analyses of cohort 1973

The empirical data in our study is collected from two different studies that we have conducted within the larger project. First we present longitudinal analyses of the national statistical record LOUISE that include all individuals in the studied cohort and thereafter results from a more qualitative study comprising of 80 interviews with young adults.

Methodological description of the quantitative analyses

The quantitative study is based on analyses from a longitudinal research register for the years 1990-2002 for youths born 1972-1977. The research register is based on individuals from age 16 that have been nationally registered a specific year. All individuals born in the cohorts are included but their identities are not revealed. It is based on Statistics Sweden database LOUISE (a longitudinal database on education, income and occupation). Out of around 175 yearly possible variables we have for this specific research register chosen 40 variables that strategically mirror occupation, income and education for the cohorts born 1972-1977. Reliable labour market data is available from 1992 and onwards. In this case we chose to in-depth focus on establishment and marginalisation patterns for a single cohort, born 1973. This choice is especially motivated by the possibilities to follow the dynamics in the establishment and marginalisation patterns with specific data from the year that the majority graduate from upper secondary education at age 19. The cohort born 1973 became 19 the

year that the labour market in Sweden deteriorated considerably – 1992. In comparison with younger cohorts we can presume that the complex of problems were specifically acute for this cohort. In this specific analyse we have chosen to follow all individuals born 1973 who has resided in Sweden since age 7 and who has lived in the country all years between 1992 and 2002 when they were aged 19-29. This means that the analyses can't mirror the terms of establishment for the whole cohort. Out of a gross population on 119 328 individuals 15 415 had immigrated after age 7 (which is the age when Swedish children starts school). This reduction consists of almost 13 per cent of the cohort. The motive not to include those in this study were that our main research focus was to analyse long term inequality patterns in the establishment of youths and not integration of recently immigrated households in Sweden. The later have been studied in numerous other studies (Integrationsverket 2002)

The register study that the following quantitative analyses are based on include in total 103 913 individuals born 1973 who has lived in the country the entire period from age 19 (1992) until age 29 (2002). Of those 3 321 individuals had immigrated to Sweden before age 7.

The main focus in the following analyses are what differences that we can distinguish between individuals born in the same cohort who has had temporary or more persistent problems with establishment on the labour market and in supporting themselves economically. We have chosen to elucidate these aspects at two strategic spells, first at the time of entrance to the labour market after upper secondary education, and secondly at age 27-29 when a vast majority has graduated their educations and are introduced on the labour market. As the qualitative study is based on youth with a persistent and remaining establishment problem during the entire period from age 19-30 we selected a group with a long duration of problems concerning self support and participation in work life. This group is called “persistent marginalised” (PM). The definition of this is based on the criterion that the individual should have received social assistance every year and/or have been unemployed or participating in a labour market scheme during at least half of every separate year for three consecutive years at both age 19-21 and 27-29. This can be perceived as a highly strict definition of long term marginalisation. It is important to remember that the numbers would significantly increase if we had chosen only a single calendar year instead of three consecutive years at two different periods of their lives. The reason that we chose to do so is that we wanted to analyse the most “extreme” group among those with establishment problems which corresponds with our interviewed youths. The comparison groups have either not fulfilled these criteria at 19-21 nor 27-29 (non-marginalised, NM) or only fulfilled the criteria at age 19-21 (early-marginalised, EM) or at 27-29 (late marginalised, LM). In constructing these groups we can compare the dynamics in the exclusion patterns between youths in the same cohort for an observation period as long as eleven years (age 19-29).

Methodological description of the qualitative interview study

The 80 young adults that have been interviewed were born between 1973-1977 as those cohorts were the most affected during the welfare crisis. They had been unemployed or/and in need of social benefits since their late teens. Many of the interviews took place in their homes and focused on understanding their perception of their youth and how much their lives had been affected by being early excluded or marginalised. They also filled in a questionnaire with standardized questions from national surveys on various living conditions that later were compared with the average Swedish person born in the same cohorts. This enabled an understanding of how and to what extent their lives were different compared against the rest of the cohort. The interviews have also been of great importance in understanding their own perspective and explanations on the course of events that have formed their present situation. These 80 meetings that often lasted for many hours has been a very viable part of this research project as their stories has been an important contribution to how we understand our quantitative analyses.

We begin the presentation of our results and analyses by defining the group we focus on by describing its extent and background variables. Thereafter we present both quantitative and qualitative results relating to their living conditions concerning economy, employment - education and conclude with results on their health conditions.

Table 1. Occurrence of long term establishment problems at different ages for the cohort born 1973¹.

At age 19 – 21

At age 27 – 29

	No	Yes	Sum
	(NM)	(EM)	
No	88 668 85,3 %	12 146 11,7 %	100 814 97,0 %
Yes	(LM) 1 515 1,5 %	(PM) 1 584 1,5 %	3 099 3,0 %
Sum	90 183 86,8 %	13 730 13,2 %	103 913 100,0 %

1. Definition of long term establishment problem occurrence of social welfare reception and/or unemployed or in labour market scheme for at least 6 months every year during all three observed years.

As we chose to specify the conditions for being defined as having long term establishment problems quite narrowly the group is rather small. In their early youth 13 per cent of the cohort were unemployed or/and benefit receiving but at age 27-29 the group had decreased to 1584 persons, 1,5 per cent of the cohort born this year. As stated in table 1 our primary observation group (PM) consist of half of the individuals in the cohort with extensive marginalisation problems at age 27-29. They

count for 11,5 per cent of all who had establishment problems at age 19-21 (1584 of 13 730). This can be compared with the 1,7 per cent of all those who didn't have extensive establishment problems at age 19-21. The risk to remain in such problems is therefore 6-7 times higher among those with early problems. It is obvious that there is a connection between early marginalisation (age 19-21) and later marginalisation (age 27-29).

Background factors of those with long term establishment problems

Table 2. Demographical specifications after occurrence of long term establishment problems for cohort 1973, per cent.

	(NM) n= 88 668	(LM) n= 1 515	(EM) n= 12 146	(PM) N= 1 584	Total n=103913
Sex					
- male	51,2	58,8	49,8	56,2	51,3
- female	48,8	41,2	50,2	43,8	48,7
Born abroad ¹	2,6	5,1	4,7	5,8	2,9
Foreign background ²	11,5	16,0	17,5	20,1	12,4
Class of origin ³					
- blue collar	32,0	39,0	42,0	40,1	33,3
- white collar	43,0	25,9	24,6	17,9	40,2
- selfemployed.	9,8	7,8	7,4	4,9	9,4
- Unspecified	15,4	27,3	26,1	37,3	17,1
Own household before age 22	55,4	56,9	69,3	73,1	57,3
Parent before age 22	4,5	9,0	11,8	18,2	5,6
Parent at age 29	42,5	38,7	50,4	41,3	43,4
Live in same municipality at age 19 as at age 29	46,5	58,9	55,0	62,7	47,9
Moved to bigger city ⁴	28,9	20,1	19,1	15,5	27,4
Fam.conditions age 29					
Married/cohabiting	<u>42,5</u>	<u>23,8</u>	<u>41,2</u>	<u>20,6</u>	<u>41,8</u>
- no children	5,6	2,0	3,3	2,1	5,3
- with children	36,9	21,8	37,9	18,5	36,5
Single	<u>57,5</u>	<u>76,2</u>	<u>58,7</u>	<u>79,2</u>	<u>58,2</u>
- no children	51,8	59,3	46,3	56,5	51,4
- with children	5,6	16,9	12,4	22,7	6,8

1. Only individuals who immigrated to Sweden before age 7.
2. Defined as at least one parent born abroad.
3. Variable socio economic classification of father
4. At age 29. Bigger city = Stockholm, Gothenburg and Malmö and the group of municipalities classified as "bigger cities".

The main focus in our analyses is to see how PM, the long term excluded at both age 19-21 and at age 27-29, relate to the other groups on these variables. We have chosen to primarily compare against NM as they constitute the sharpest contrast. As expected there is a much greater risk of being unemployed and receiving benefits for those with a different ethnical background. For those in NM (who hasn't been long term excluded at any of the spells) only 2,6 per cent are born abroad in comparison to the most excluded group, defined as PM, where there are twice as many born in another country than Sweden. It is also apparent that class background is of great importance, in NM there are more than twice as many with "white collar" background than in PM where "blue collar" origin is the most prevalent. When it comes to family and housing conditions there is a clear pattern of PM leaving their parental home early to a greater extent this is also true for EM who also were receiving benefits at a young age. This can probably at least partly depend on the fact that the youth in EM and PM more often (12 and 18 %) are parents themselves before age 22 than NM where less than 5 per cent have children at that age. NM is also the most likely to have left their home municipality, this is probably related to the fact that many of them had to move in order to get higher education. At age 29 when educations are completed around 40 per cent of NM are married or cohabiting and have children. In PM there are also around 40 per cent who have children but they are much more likely to be living as lone parents as only 20 per cent of the group is living with a partner.

The 80 persons we interviewed in this study belonged to PM and when the background factors of these individuals are compared with the statistics in table 2 there is a strong correlation on all variables that are comparable. PM can thus be characterized as having the most vulnerable position at both of the recorded spells in comparison to the other three groups. More unstable family conditions, low education and a less favourable socio economic background are perhaps the most evident characteristics of the group.

Economical situation

Youth is nowadays a period in life when most people at some point experience economic hardships due to lacking financial stability and establishment in society and on the labour market. Young people are therefore one of the larger groups among social assistance recipients in Sweden as they most often are not entitled to unemployment benefits (SCB 2003). Youth have for decades been more depending on social welfare than adults but in the 1990s there were no other age group in Sweden that increased their welfare dependency as much as they did (Socialstyrelsen 2001). As earlier mentioned, nearly a third of the Swedish youth had social assistance at least some short period of their life before the age of 24. For the majority though, this was a brief period in life as they managed to find employment and become self supporting when the market changed for the better. Measuring poverty, not at least among youth, is intricate and results are very much depending on what definitions and measurements that are

being used (Halleröd 2002). We therefore chose to analyse the economical situation for this group by using several different definitions. The table below describes how the economical situation during youth has been for the cohort born 1973, again divided in four groups with different experiences of unemployment and/or benefit reception.

Table 3. Income after occurrence of long term establishment problems for cohort 1973, per cent.

	(NM) n= 88668	(LM) n= 1 515	(EM) n= 12146	(PM) n= 1584	Total n= 103913
<u>Age 21:</u> Social assistance before age of 20	5,4	10,2	60,6	73,2	12,9
<u>Age 19-29:</u> Number of years: (median)					
Low income	2	6	4	8	2
Social benefits	0	3	3	9	0
Poor	1	3	2	4	1
Share with social benefits for at least 8 years	0	19,9	10,6	59,7	2,7
Share with low income for at least 8 years	3,4	29,9	11,8	54,7	5,5
<u>Age 29:</u> No experience of social assistance	74,4	27,3	20,3	7,2	66,3
No experience of being poor	40,3	20,9	25,3	11,7	37,8
Disposable income per consumption unit. Index for all = 100	104	75	85	69	100

Again we can see how NM and PM are in sharp contrast to one another. In PM almost $\frac{3}{4}$ had experienced being a benefit recipient even before they became 20, in NM they were as few as one in twenty. As earlier analyses have indicated many in NM were students and therefore had low income in youth but despite this there is still a very evident difference between the groups as the median for living with a low income is limited to two years for them while PM had a low income eight out of ten years. The same correlation can also be found when we measure living below the official poverty line. This can be explained by the fact that PM lived on social welfare for nine years compared to zero in

NM. The analyses clearly indicate a major economical gap between the groups studied and that it continue to persist long after the initial years of establishment as adults. At age 29 the disposable income still differs considerably between the groups.

The economical situation for the interviewed

“When my daughter says that she want’s a pear and I have 12 crowns that I have to survive on for ten days then I feel poor, when she asks me if we can buy the pear and I have to tell her no you have to wait until mummy get money then I am poor and I feel really bad against her.”

Interviewed woman 26 years old

As the statistical analyses clearly indicated, the majority in the studied group have experienced poverty for many years during their youth. Poverty is a strong word and it is off course a form of relative poverty that they have encountered, far from the absolute poverty in the third world. But poverty must be measured in a societal context as it is a relative concept (Townsend 1979) and the youths we study here hardly enjoys the same living conditions as the average young person and possibility to consume in a way that is considered normal. Consumption has become increasingly important in society (Bourdieu 1984, Hjort 2003) and defines status to such an extent that it even can be more central in the perception of others than their work Bauman (1998). The 80 interviewed youths were asked an open question about what they had experienced as most difficult during these years of benefit dependency. The most frequent answer was the lack of money and the constant worries about making ends meet. A majority is burdened by debts that cause a lot of stress and anguish. The economical situation and the “identity” as a benefit recipient was clearly the most emotional subject during the interviews. Many express feelings of shame and inferiority as they are depending on others, the social services, parents and creditors. The constant financial crisis result in vicious circles where they have to loan money to rent and food from family, friends or in worst cases unfavourable loans with high interests and when the benefit cheque arrives it all goes to repayments. Being on social welfare is described in negative terms by all except for a few individuals, no one wish to continue. The relation to the social services are generally bad and many perceive them as repressive, controlling and unfair, describing humiliating situations are still painful for the interviewed even though as much as up to ten years have passed since the incidents. The stories are very much focused around deprivation of various kinds, predominantly material but also loss of dignity and self respect as the self esteem for most of them have been torn by many years of benefit dependency.

Employment and Education

The state of the market and the troubled employment situation was unquestionably the major cause for the high unemployment rates but in understanding these patterns and the

development that took place we must also consider other contributing and interacting factors who can explain that this extreme situation developed. The birth rates were quite low during the mid seventies so their unemployment could not be explained by demographical factors. The shift from a society based on industrialization to a more knowledge and service focused economy has raised new demands on high competence. The manual low skill work sector has progressively decreased and with it the employment opportunities that used to constitute the basic work sector for uneducated working class youth. This gap has proved difficult to overcome as the global economy most likely will continue to move unqualified jobs abroad (Giddens 2003) leaving those who also lack school motivation in a trap where few opportunities to earn a living exist (SCB 2003).

Table 4. Employment and education after occurrence of long term establishment problems for cohort 1973, per cent.

	(NM) n= 88668	(LM) n= 1 515	(EM) n= 12146	(PM) n= 1584	Total n= 103913
<u>Age 21:</u>					
Number of days at age 19-21 in unemployment/labour market scheme ¹	182	395	786	793	240
Lack income from gainful employment at age 19-21	3,3	13,5	7,5	19,3	4,2
No upper secondary education.	10,5	35,5	30,7	57,8	13,9
<u>At age 19-29 :</u>					
Number of days unemployment/labour market scheme ¹	395	2 150	1 390	2 345	500
No experience of unemployment/labour market scheme ¹	12,9	0,0	0,0	0,0	11,1
Never gainfully employed	3,6	21,8	9,4	40,0	5,1
<u>Age 29:</u>					
Education at age 29					
- compulsory	6,8	24,1	17,2	40,0	8,7
- upper secondary	48,1	61,8	69,2	55,7	50,9
- tertiary	45,2	14,0	13,4	4,1	40,3

Gainfully employed	85,6	45,9	73,6	33,0	82,8
Number of days in unempl./lab.market scheme ¹ age 27-29	0	849	6	625	0

1. Median for number of days registered as unemployed at the unemployment agency or participated in labour market scheme.

As expected the register analyse indicate a clear difference in labour market establishment between young adults with long term risk of exclusion in comparison with other individuals in the same cohort. In PM, that has remained as outsiders on the labour market, a fifth completely lacked income from gainful employment at age 21 (compared to 4 per cent for the rest of the cohort). In this vulnerable group as many as 40 per cent has never had an employment at age 29. The number of days in unemployment or participation in labour market schemes is considerably high for LM and PM throughout this entire period. Considering the great importance of education on today's labour market this is sadly not a surprising result as almost half of NM have tertiary education while only 4 per cent of PM have studied on this level. The difference between the groups are striking as it is more than 10 times more likely to have tertiary education if you belong to NM. Among PM there are 40 per cent who only have compulsory education, the corresponding rate for NM is less than 7 per cent.

The interviewed on their unemployment situation

“The thing that makes me most angry is when people say that people on welfare don't want to work, that is the worst thing they can say to me as I get completely furious when I hear that. There is nothing I would want more than a job and have a better economy and live with a reasonable standard. They say that you are a parasite when you have welfare, you live on others, and after a while when people tell you so and you have to go down to the social services office, then you feel that perhaps they are right about me.”

Woman 29 years old

The will to work is shared by all the interviewed, a job is something almost all of them wish more than anything as it would give a much better economical situation, an identity and something to do. A number of studies show that commitment to work remains high among young unemployed even after long durations of exclusion from the labour market (Lakey 2001). To be unemployed is perceived as shameful by many of the interviewed and they fear that others think of them as work shy and lazy. When we asked them what they thought had been the main reason to their long unemployment the answers varied a lot but the most frequent were lack of job opportunities, private problems at the time of establishment, low education and for some lacking motivation to work caused by drug problems when they were teenagers. Some women had children who were chronically ill but no entitlement to

unemployment benefits. Around 16 per cent had work on the black market as they needed more money than the welfare cheque but none worked more than a few hours per week so the income from this was very moderate. Some were activated in labour market schemes or educational programmes offered by the municipality or labour market agency. The general attitude towards activation of this kind was negative as many have been placed in various teaching practices since more than ten years back and as none of them led to work they caused more resignation and frustration than hope of employment. Many had perceived the activation programmes as a form of exploitation and felt that they had been forced to work for free and therefore felt used as few thought that there were no real intention of employing at the assigned training placement. A few had substitute jobs where they could fill in a few hours here and there on short notice and this opportunity was very much appreciated as it could give a chance to further employment. For those with children it often became a catch 22 situation though as their unemployment disqualify them from rights to municipal childcare and finding family and friends to babysit directly was often impossible. Many of the interviewed were lone parents with sole responsibility for their young children.

Another complication often mentioned was that if they could find a temporary work it often caused serious problems with the social services office as they deducted money from the welfare payments long afterwards according to the interviewed and therefore taking an insecure job was considered as risking your benefit and if you already were living on the margins that was a deterring perspective. None of them have ever had the experience of getting a job and keeping it and therefore taking work could be a risk. There are many administrative hindrances of this kind that complicated the situation in relation to work. The same pattern was obvious concerning studies, there was a will among many to complete their unfinished upper secondary education but as studying would lead to disqualification to Social welfare it was considered as taking a big risk if they wouldn't succeed in their studies. Taking student loans was also considered as negative as a vast majority already had debts and the risk of adding more was deterring. The interviewed were very much aware of the fact that their low education was an obstacle in finding employment but for many respondents education has been a negative experience previously in life and a majority want to find paid work as a first choice.

Health and quality of life

Young people are especially sensitive to unemployment since several critical periods for human development occur in this age group (Novo 2000). It has for long been widely recognised that there is a strong association between unemployment and bad mental health (Rantakeisu 2002). Young people are generally relatively physically healthy compared to the older population but when youths are long term unemployed their health status often deteriorates considerably. Research on the relationship between health and long term unemployment for youth suggest that their health are very much affected on many different variables, both mental and physical as well as over all life satisfaction. A young

individuals position on the labour market is of crucial importance for health status and life quality (Novo 2000). The effects of this are both psycho social, somatic and psychological often interrelated in various forms of vicious circles. For example, early emotional experiences of insecurity and failure on the labour market appear to be of profound importance in the dropping out process (Lakey 2000). And adoption of and increases in negative health behaviours, such as smoking, alcohol and drug use, have also been shown to be associated with unemployment among young people. It is important though to keep in mind that the dichotomy between employment and unemployment as the single causal factor is too simplistic (Lakey 2000). It is not uncommon that bad mental or somatic health in youth is a strong contributing factor or actual cause to the early exclusion from the labour market and this is therefore crucial to consider when analysing causal effects between unemployment, benefit dependency and bad health among youth. Young people that lack the social security net that require previous employment often live on social assistance as the sickness compensation they are entitled to are very low.

Table 5. Health related factors after experience of establishment problems in cohort 1973. Per cent.

	(NM) n= 88 668	(LP) n= 1 515	(EM) n= 12 146	(PM) n= 1 584	Total n= 103 913
<u>Age 21:</u> Early retirement pension	0,8	1,6	0,4	0,6	0,7
<u>Age 19-29:</u> Sick-/rehabilitation compensation over one price base amount during at least one year ¹	8,8	18,1	16,6	16,6	10,0
Lack compensation at sickness or rehabilitation	53,9	41,9	30,7	32,2	50,7
Paid compensations at sickness/rehabilitation in SEK ²	20 493	47 249	39 594	37 864	23 384
<u>At age 29:</u> Early retirement pension	1,6	14,5	3,6	6,7	2,1
Share of all early retired pensioners, (n= 2 195) in per cent	65	10	20	5	100

1. Calculated as sum of income from sickness compensation, work injury- and rehabilitation compensations per year. The price base amount increased from 33 700 SEK year 1992 to 37 900 SEK year 2002.
2. Summarized mean for the age period 19-29 years.

In the register study we only have access to income related information of the youths health situation. There are two different compensations, first compensation for sickness or rehabilitation and secondly early retirement pension (called sickness allowance since 1999). These variables can therefore only elucidate health profiles in broad outlines and predominantly describe occurrence of long term illness and early retirement at young age.

Close to 2 200 individuals in the cohort born 1973 have been granted early retirement pension before age 30 which equals to one in fifty individuals. A third of them were retired already before age 22 which indicates congenital chronic diseases. The group that have the largest risk of being early retired is the LM group (seven times higher risk) while PM have three times higher risk of being an early retirement pensioner.

The interviewed on their health and quality of life

“ What can I do when I don´t have money for food or rent, there have been times that I haven´t been able to sleep for 48 hours as I was too hungry and too worried for not being able to pay my rent. It is incredibly psychologically stressful and then you´re supposed to go on a job interview and feel good in front an employer, pick me I´m your man!”

Man age 27

The health status for the interviewed was considerably more problematic than for the average Swedish young adult of the same age. When asked to assess their health condition a majority claimed that it was bad or just fair and this was a distinct difference from the national comparison group of this age. Among 80 per cent of the interviewed claim that they are worried about their health and that is strikingly much for such a young age group. Also the level of stomach pain, sleeping disorders, anguish and stress was considerably higher among the interviewed. Health and quality of life are interrelated and therefore hard to distinguish in this study. The interviewed had, for example, substantially more sleep related disorders, for instance insomnia, than the comparison group on national level. Their explanation to this was that the constant worries about economy and unpaid bills made it impossible to relax and fall asleep as the level of anguish was too high. This caused constant tiredness which in itself decreased their quality of life and motivation and energy to seek employment. The difficult economic situation was to a much larger degree than we had thought related to their health problems. A majority for instance claimed that they needed dental care but couldn´t afford a visit to the dentist.

Low quality of life can be measured on many different variables and a clear definition is quite impossible to construct but it was obvious in all comparisons against the national group that the interviewed had a life situation that was much more troubled than the average. They are for instance less satisfied with their economy, housing, leisure time, friends and the society in general. They also have a considerably lower degree of trust towards other people and experience to a lesser extent than the comparison group that they have influence over their own life course and conditions. Despite their problematic situation the majority still express a positive expectation of the future and the hope of entering the labour market is still very high among a majority.

Conclusions

Some young adults can't manage the transition to adulthood successfully as they often have several obstacles that prevent them from finding a source of income. Our conclusions in this paper stated a development towards an increased polarisation among young people between the majority who manage well and those that remain unemployed and experience poor living conditions. For this marginalised group as well as for those who chose to study the establishment into adult life is substantially prolonged and postponed compared to earlier generations on several variables such as living independently from ones parents and having own children. Stable gainful employment and housing arrangements are also progressively established later in life. It seem as if youth has evolved into being a much longer and more unpredictable life phase than earlier (Salonen 2003). This is not something that is inherently negative or solely related to the labour market. It is also caused by changes in attitudes and culture among the younger generation where many embrace their individuality by travelling, studying and remaining in a phase with few commitments to family and employers. For many it is a self-chosen and positive experience but for those unable or unwilling to enjoy this more reflexive lifestyle the prolonged and winding road to adulthood can be very painful.

The group we refer to are those who unwillingly are excluded from opportunities both on the labour market and in higher education and who lack network and family background that could facilitate establishment and therefore has remained in benefit dependency since they were teenagers. A recent study from The National Board for Youth Affairs showed that between 60-85 per cent of all employments are based on personal connections (Ungdomsstyrelsen 2005) which benefit those who have parents with a strong and stable position on the labour market. Postmodern theorists (Ziehe 1992) have often claimed that the significance of class is diminishing and conscious creations of individual life biographies will instead be the most important factor in the life courses of youth (Elm Larsen et al 2000). The welfare crisis in Sweden during the early 1990s caused a development in the opposite direction as class (and ethnicity) undoubtedly was of decisive importance for the development of opportunities and living conditions during the years of welfare crisis. One of our main conclusions in this article is that, despite the criticism towards being "old fashioned" class analyses still are very

relevant in understanding the lives of those who become early excluded. In addition to those more traditional analyses of stratification and inequality perceived as a vertical relation one must also combine this with more multidimensional and dynamic theories on marginalisation processes from a more horizontal perspective (Elm Larsen et al 2000). Differentiation in a post-industrialised society is more complex as vulnerable groups move between being included and excluded from access to major social and occupational opportunities in society for example housing, social citizenship and employment. Establishment in work life for youths has progressively become more insecure and temporary even for those with the required formal competence, social skills and cultural capital and for the group that are the main focus of this study, the persistent marginalised, establishment has not taken place at all.

The results from this study must be interpreted as a statement that effects of long term early exclusion were extensive for those affected in the analysed cohort and among the interviewed. The multidimensional approach of the study enabled a broad perspective where many different variables and living conditions were included and it was obvious that the early exclusion from the labour market caused varying degrees of marginalisation and in some cases even social exclusion that might result in a life long permanent position on the margins of the welfare society. The descriptions of this group have often focused on their individual dysfunctions in terms of having low education, lacking skills in applying for work etc. and this might very well be true but it is also a bit paradoxical that this development take place at the same time as the structural conditions on the labour market changed radically. The majority of those who were early excluded probably would probably have found gainful employment if their establishment on the labour market had taken place in a more favourable macro-economical cycle a few years earlier.

The structural changes and requirements that has developed on the labour market with increasing demands and competition will probably persist which raise questions on how those studied in this research project and the youth in future generations with low formal skills and vulnerable positions will manage to find employment. The increasing competence gap between youth with incomplete upper secondary or just compulsory education and the large group of those with university degrees is a risk factor for a development towards a growing polarisation of opportunities and living conditions within the young population. The demographical development we stand before in Sweden is a contributing factor in the risk scenario for those with a vulnerable position as the young population will increase

considerably over many years ahead. For example, the age group 20-24 will increase by 25 % from 2002 (517 000) to 2013 (650 000) (Salonen 2003). This may cause establishment problems for the less attractive share of them on the future labour market especially if Sweden experiences another economic recession of the same proportion as during the 1990s. The insecure position on the labour market that many youth experience with unemployment or temporary jobs disqualify them from the safety net that require stable employment. The long term effects of early exclusion from the labour market for the cohorts studied in this research project were extensive. Their living conditions and quality of life on the studied variables were considerably different from those in the same cohorts that managed better. Their winding road towards inclusion and establishment has been painful and caused lot of suffering as an existence on welfare benefit is difficult to cope with when it endures for more than ten years without any improvement in sight. A challenge for the future with its growing number of youths is to minimize the numbers of excluded from the labour market and adjust the “universal” welfare safety net to include youth who are in the process of becoming established as it progressively has become a life phase that often last for up to ten years. The living conditions in youth is of major importance for the development of a prosperous adulthood.

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