Making the Poor Work

Social Assistance and Activation Programs in Sweden

Anders Giertz

Lund Dissertations in Social Work, No 19
Lund University
Sweden

Cover design: Eva Broms
Printing: KFS AB, Lund 2004
Publisher: School of Social Work, Lund University
Box 23, 221 00 Lund, Sweden
Tel. +46 (0)46 222 0000
www.soch.lu.se

ISSN 1650-3872
ISBN 91-89604-25-3

Contents

Part I Problems and Concepts

1. Introduction 1
2. Poverty, Marginalisation and Social Exclusion 7
3. Social Assistance and Activation Programs 21

Part II Scope and Dynamics of Social Assistance

4. Social Assistance and Unemployment 41
5. Social Assistance and Immigration 77
6. From the National to the Local Level
   – Social Assistance in Malmö 93
7. The dynamics of social assistance 125

Part III Do activation programs reduce social assistance?

8. Evaluating the Impact of Activation Programs 157
9. Malmö Job Search and Counselling Program 177

10. Discussion 203

Appendix 1. Datasets 211
Appendix 2. Technical Details on the Malmö Program 217

Acknowledgements

I especially want to thank my supervisor, Professor Tapio Salonen, for his support, patience and optimism, as well as for his substantial contributions. I also thank Professors Björn Gustafsson, Sune Sunesson, and Björn Holmquist for valuable comments and advice. Remarks by Professors Gunnar Olofsson and Hans Swärd on an earlier draft were very useful.
Thanks also to Katarina Thorén and Lena Persson who have helped me in the last minute by reading some chapters of the manuscript.
Of course, I am responsible for all remaining errors and shortcomings.

The collection of the MLS data had been impossible without the determined and careful work of Inger Wilhelmsson, project manager of MLS. I also want to thank Statistics Sweden for excellent service with compilation of national data.

This work has been supported by grants from the Swedish Council for Social Research (now Swedish Council for Working Life and Social Research). Project commissions from Socialstyrelsen (The National Board of Health and Welfare) and Malmö stad (City Administration of Malmö) have been valuable experiences and indispensable for data collection. I am especially grateful to the late Mats Andersson at the City Administration for his support and unusual understanding of the problems of knowledge development and utilisation.

1. Introduction

Making the poor work and improving them have been major issues throughout the history of poor relief. Such policies have been common in history and first emerged during the formation of commercial and industrial towns with a labour market in the fourteenth century. Government, the majority of citizens, and poor relief officers considered able-bodied poor as a serious problem, as individuals who could not be excused by sickness or old age. It is still so.

My project did not start in early modern history, it begun when I performed a rather practical task. The Social Services in Malmö carried out a welfare-to-work program for long-term recipients of social assistance. This was in the beginning of the 1990s, when unemployment still was very low, and before the severe recession shortly afterwards. Social workers in the program were convinced that the program was effectively helping participants towards employment. I regarded that as reasonable, many of them were experienced and followed general principles of social work: assessment, regular client contact, information and motivational work, and co-operation with other public agencies.

When analysing the data, I found no effect of the intervention, although a small positive effect would be possible. This was contrary to common sense in social work, and I felt not entirely confident on the result. Was the regression analysis correct? Could the comparison group be seriously biased? If my analysis was right, did it say something only about this program or point to a more general problem in social work with disadvantaged without work?

In the beginning, my problem was chiefly technical. But external conditions changed rapidly at this time and unemployment suddenly climbed to levels not seen in Sweden since the depression of the 1930s. (or to a slightly elevated European level of the 1990s). During the previous decades, the Social Services had dealt sparsely with employment issues, and referred to the Employment Service for job search, counselling and training. Now, activation programs with job-search and training for recipients of social assistance flourished within the Social Services. At the

same time, the demand for jobs exceeded the supply by many times. In the extreme job-search programs, the recipients should search for work fulltime. One can doubt if it is rational to invest in increased personnel to manage job-search when there is a lack of available jobs. Would it not be more economically rational that the recipients, who are most motivated to work, get the jobs? Some companies stopped advertising for low skill jobs, because large numbers of applicants blocked their switchboards. When a recipient has received two dozens of negative answers to job applications in a month, is the requirement of two additional dozens in the next month good for self-esteem and the development of appropriate job-search behaviour?

These experiences lead me to study labour market programs for the disadvantaged, primarily recipients of means-tested assistance, in different countries. Later, I recognised essential similarities between contemporary programs for poor and earlier poor-relief practices. Ideas about the poor and proper management of them may be more important than the effectiveness of the programs. Indeed, evaluations of these programs can collect useful knowledge, but do not lead to an understanding of why these programs exist.

The starting point is a number of questions related to the dramatic increase of social assistance and the emerging welfare-to-work programs:

- Are the programs effective in increasing work and reducing poverty of recipients?
- How large are the target groups for these programs and how much has long-term receipt of social assistance grown during the 1990s?
- How are these activation programs situated in a context of labour market marginalisation and the welfare state?
- Does the introduction of activation programs mean a return of traditions from poor-relief like the workhouse, or are they qualitatively different?

The book is divided in three parts. The first part starts with a discussion of the concepts of poverty, marginalisation and social exclusion (chapter

two). These concepts are often used in studies on social assistance, unemployment, and groups with a vulnerable social and economic situation. Are these concepts contradictory or complementary, or is their usefulness dependant on context?

Chapter three is an overview of the historic development of means-tested relief and the criteria for eligibility regarding social assistance and previous systems of poor relief. The chapter is concentrated on the revival of work-oriented practices in connection with social assistance during the 1980s and 1990s in Sweden. Changes in eligibility criteria and standard amounts for social assistance are also reviewed. The presentation is concentrated on activation programs for recipients of social assistance, but programs organised by the National Labour Market Board are also discussed, with special attention to a new program, The Activation Guarantee.

The second part of the dissertation will describe and discuss some important structural conditions related to social assistance. A large part of the recipients of social assistance are of working-age and healthy. They are unemployed and sometimes participating in introductory programs for immigrants, or other kinds of activation programs. Very few of the recipients are working poor, and the others are excluded or have a marginal position on the labour market.

The objective of this part of the book is to describe the situation and changes in the socioeconomic conditions of groups with a marginal position on the labour market, the objects of activation policies. The presentation will mainly be focused on recipients of social assistance, a disadvantaged group among the unemployed, but also include some comparison with other unemployed.

Chapter four concentrates on the relationship between social assistance and unemployment during the last three decades of the twentieth century. Research has revealed a consistent, although varying, relationship between unemployment and social assistance during the twentieth century in Sweden. Some studies in social work showed no significant relation between unemployment and social assistance in the 1980's on the municipal level. Was this an exception to a general relationship of was the non-correlation spurious and hidden in the complex interdependence of social processes?

The next chapter will concentrate on receipt of social assistance among foreign citizens compared to Swedish citizens. It is well known that the foreign citizens had a higher proportion of social assistance than natives since the 1980's. Obvious reasons are that refugees are supported by social assistance during an introductory phase as well as entrance problems on the labour market. I will here study how the labour market crises affected the risk of social assistance in different groups, according to citizenship and age. Swedish citizens were largely unaffected, with the exception of youth, while social assistance increased dramatically among foreign citizens in most age groups.

Chapter six will specifically concentrate on social assistance and unemployment in Malmö. Malmö is exceptional in the aspect that the city had the highest rate of social assistance in Sweden for decades. In the opening of the chapter, I will show that social assistance in Malmö and subparts of Malmö can be predicted accurately in a regression model based on structural conditions as unemployment, immigration, age distribution and single mothers. Therefore, Malmö can be regarded as a case that is homogeneous rather than heterogeneous in relation to other Swedish municipalities. We do not need assumptions of specific mechanisms that are operating in Malmö, but not elsewhere.

Secondly, the extent of social assistance and unemployment in Malmö will be described. Long-term and permanent receipt of social assistance seems to prevail at levels that are exceptional in the history of the city. High rates of unemployment and refugee immigration are evident explanations. Demographic factors are also important. Malmö is integrated in a region with independent suburbs and other cities. Spatial segregation and differential in and out migration will be analysed as a possible cause of the high rate of social assistance in Malmö.

In the next section, the socioeconomic conditions of disadvantaged group will be studied longitudinally during the 1990s. Recipients of social assistance at the beginning of the decade will be compared to recipients of unemployment insurance and the rest of the population. The leading question is if these groups tend to integrate into the labour market or will continue in a marginal position. It will also be possible to study how the unemployment crises affected persons who were established in the labour market. Exclusion of the push-out type should be visible in decreasing work income during the crises.

Chapter seven treats the temporal aspect of social assistance receipt, the duration of assistance. The consequences are very different, if receipt is short-time or long-term. This chapter is focused on duration analysis of social assistance spells in relation to variables on human capital, and the position on the labour market as well as in the social insurance system. Durations of single and multiple spells will be analysed. Two different approaches will be tried, social assistance described as patterns of spells and a risk model that relates the duration of social assistance to determining factors. Finally, the duration model is used to test hypotheses on discrimination of immigrants and the dependency hypothesis of social assistance.

The third part is devoted to activation programs as a method to move the recipients of social assistance into the labour market. Participation in activation programs has become common in the municipalities in the form of work practice, educational activities or assisted job-search. We know very little about the effects of these programs on participants' well-being and future work and incomes.

A summary of evaluations of welfare-to-work programs for recipients of means-tested assistance is presented in chapter eight. Most of these results come from social experiments in USA. It should be preferable to build more on evaluations from European countries, but there are few methodologically adequate evaluations, and most suffer from problems with selection bias. This chapter also describes advances in design of evaluations and analysis of data in USA. There are two main approaches: experimental evaluation with a randomised control group, and comparison group designs where the comparison group is non-random and may have a bias of unknown magnitude. This is the basic problem of the comparison group design, while attaining realistic and ethically acceptable conditions is a problem of the experimental design.

Chapter nine is an evaluation of a job-search and counselling program for long-term recipients in Malmö in the beginning of the 1990s. The impact evaluation did not show any evidence of decreasing social assistance after participation in the program. However, this result is dependent on the adequacy of the quasi-experimental comparison group. This chapter is focused on a discussion of problems and validity of the evaluation rather than drawing definitive conclusions.

2. Poverty, marginalisation and social exclusion

This study is based on a number of projects focused on social assistance in the 1990s. The importance of social assistance as a part of social work increased during this period. The number of recipients rose fast during the beginning of the 1990s and new policies of activation implied the creation of new methods of social work in addition to control of eligibility and administration of payments. A main question is how social assistance is related to subsystems as the labour market and social insurance and how it can be analysed by concepts as poverty, marginalisation and social exclusion.

This chapter will start with a short review on the use of the concepts of poverty, marginalisation and social exclusion in Swedish social research. It will continue with a theoretical discussion that attempts to clarify the meaning of the concept and how they relate to each other. A final part will discuss the concept of social exclusion in relation to its use in EU and the national action programs for combating social exclusion, the evaluation of such programs and governmental measurement and monitoring of social exclusion.

Social assistance has its origin in poor relief as well as the activation programs in the workhouses of the nineteenth century. Analysis and understanding of social assistance has traditionally been related to the concept of poverty. In the 1960s and 1970s, social assistance was still considered as a remnant of poverty that could be abolished with economic development and welfare policy (Inghe & Inghe 1967, Korpi 1971). These studies are from a time when sick and old people still comprised a substantial share of the recipients. Twenty years later, Halleröd (1991) found a much more complex relation between poverty and social assistance and only small overlapping between recipients of social assistance and those in poverty according to an income definition. Receipt was often short time and the comparison made on yearly income with social assis-

tance included. It is usual that there are rather large groups positioned slightly below or above the poverty line and the overlap should be small in a situation where the benefit amount and the poverty line are close. The overlap has probably increased in the 1990s with more long-term receipt and some decline of the standard benefit amount relative to mean income (see chapter 3). Giertz (2001c) in a study of working-age adult in Malmö in 1996 found that 57 percent of the poor received social assistance while it was rather unusual that non-poor received social assistance. The poverty rate was 14 percent in the working-age population but would rise to 20 percent with social assistance excluded (poverty line was 60 percent of the mean disposable income). The relation between poverty and social assistance is still strong.

The composition of the caseload changed considerably between the 1950s and the 1980s, from dominance of old aged with insufficient pension to young unemployed and a substantial share of immigrants especially in the 1990s. This implied a shift in perspective from poverty to marginalisation. Salonen (1993) analysed social assistance in a perspective of how problems of household provision are related to the general systems of social insurance and described groups with a marginal relation to these systems as well as the labour market. Isaksson & Svedberg (1989) studied young long-term recipients of social assistance and uncovered marginal positions characterised by patterns of short periods of work, social assistance or other provision following upon each other. Svedberg 1995) made a review and analysis of the concept of marginality. In his interpretation, marginality meant a position between a state of integration in society or a specific arena on one side and on the other side a position where the individual is permanently excluded (Sw. utslagen). Marginality was conceived in a dynamic way in Svedberg's analysis and movement was possible towards integration as well as exclusion.

The concept of social exclusion was hardly used in Swedish research until the late 1990s (based on the literature review in Edgren-Schori 2000). Halleröd (1997) compared the concepts of poverty, marginalisation and social exclusion in a major publication by Statistics Sweden on the transformation of welfare and inequality. This article focused mainly on poverty and deprivation but Halleröd made a positive evaluation of the concept of social exclusion and argued that it can contribute to our understanding of poverty and exclusion and introduces a wider perspective for analysis of process.

Svedberg (1998) made a critical discussion on concepts as a background material for the official *Social rapport 1997* published by the National Board of Health and Welfare (Socialstyrelsen 1997). This is hardly used in the report, where concept of social exclusion is discussed very shortly and mainly interpreted as reflecting increasing poverty and unemployment in countries as UK and France. The use of the underclass concept in USA is interpreted in a similar way. The preferred concept in this report is marginalisation that is defined as an accumulation of problems for an individual or a household with some time of duration. This approach is more reminding of the concept of multiple deprivation or disadvantage than marginalisation in a dynamic perspective, e.g. Svedberg and Salonen. In the next edition of the report from 2001, the same indicators approach is subsumed under the concept of vulnerability (Sw. utsatthet). Marginality seems here mainly be introduced as a new word while these reports substantially rely on empirical social indicators in the tradition of the Scandinavian level-of-living approach as described by Vogel (2002). However, it may be promising that this official social report pays attention to concept as marginalisation and social exclusion; and the level-of-living approach and the indicator data collected by Statistics Sweden are very useful.

The dominating paradigm in Sweden has been mainly concerned with inequality in living conditions and low-income groups rather than poverty, which was assumed to be rare or soon extinguished. This is true in the sense of absolute poverty or the extreme poverty that was common in the early twentieth century, but not if we use modern poverty concepts where poverty is defined as a lack of material resources that are considered normal and necessary in a society and a lack of resources that may impede social participation (e.g. the poverty concept of Townsend 1979). The emergence of new groups with marginal labour market positions and very low incomes mean that the concept of poverty is still relevant. Extensive evidence on these groups will be presented in this study.

In the 1960s and 1970s, a concept similar to social exclusion was popular in Sweden, the concept of "utslagning" ("outcasting" or elemination). This is a process where a person becomes excluded from society and ends up as an outcast. The word "utslagning" has a meaning that suggests that active agents power the process, or at least are disinterested in inhibiting it. Semantically, the concept also presupposes that the individual was included in society before he or she was cast out. The

concept of "utslagning" was frequently used in left political discourse as well as in daily discussions of social workers, and still is rather common[1] . It was seldom used in scientific studies. One example is a study on unemployment and exclusion from the labour market (Berglind & Lindquist 1972). The authors admit that the concept of elimination (their own translation in the English summary) is ideologically loaded but argue that analysing the problem in terms of limited work capacity and handicaps is also ideologically biased and explaining away the problem by finding faults among the affected, while the real problem may be located in work conditions.

The concept of elimination has major weaknesses that make it less useful. The word itself suggests that active agents drive the process. This is possible in some cases but is a too strong presumption to make the concept generally useful, as processes of structural change are pervasive in relation to phenomena as unemployment. The second weakness is that the word implies that there has been a state of inclusion before exclusion. Such an assumption would be incompatible to many of the empirical results that will be presented in this study. However, the concept of elimination also has strengths as the focus on process and social participation. These can be preserved and incorporated in a more elaborate concept of social exclusion.

Conceptual discussion

The concepts of poverty, marginalisation and social exclusion overlap and diverge in a number of dimensions that make comparison complex. Furthermore, there is no fixed and generally accepted definition of either concept. Definitions vary according to the context they are used in and are affected by research traditions, cooperation with governmental agencies and ideology. The member states of EU have agreed to combat poverty and social exclusion and EU agencies and national governments are creating monitoring procedures. This commitment results in increased funding for studies of social exclusion that will lead to an accumulation and knowledge, and potentially improvement in ways to combat social exclusion. There is also a risk that research may too much adapt to and

[1] In the Swedish language version of Sweden's Action Plan Against Poverty and Social Exclusion, social exclusion is translated with "utslagning". See further analysis at the end of this chapter.

serve administrative and political interests, which sometimes are directed to covering up the extent of social exclusion rather than diminishing it.
It is often stated that social exclusion is a concept that is focused on social relations and process, and that it is dynamic and multidimensional in contrast to the concept of poverty that is static and often only describes one dimension, income (Room 1995). This argument is easy to make if the reference is a definition of absolute poverty or a simple measure of relative poverty in the form of poverty line, where people are categorised as poor or not poor only according to if income is below or above that line. This measurement of poverty is obviously crude and indirect. It is crude because data on income may be erroneous because of tax fraud or informal monetary income or income in kind that is not recorded. It is an indirect measure that does not capture the real living situation of the household, but only the amount of money it disposes (Ringen 1988). Obviously, households cope with the same amount of money in different ways and this creates a difference between poverty estimated by indirect measures and the real living conditions of the household. Measurement of poverty can also be static and only give a description at a single point in time. Finally, it can create an artificial dichotomy between poor and non-poor while the studied individuals vary continually and not only on one scale but on multiple scales. These limitations may be serious or not depending on how and in which context the concept of poverty is used.

For an assessment of poverty measures, it is necessary to consider the purpose and the context. Seebohm Rowntree set a very low poverty line in his classic study of poverty in York, a line at the level of survival (Rowntree 1901). The intention seems to have been to choose a level so low that no one could criticize it for including items that could be considered as unnecessary for the lower classes in society. Still, the study revealed widespread poverty in the population of York with a considerable part of the working class below the threshold of survival. With increasing material standard, the absolute poverty measures have been substituted by relative measures, usually based on indirect measures of poverty such as income. An obvious criticism is that such studies come close to studies of inequality in the income distribution and that low income is not necessarily equivalent with poverty. Poverty studies therefore have evolved in a direction of inclusion of more comprehensive indicators as access to basic necessities such as clothing, housing, transportation, services, health and social relations. The aim of such studies can be to give a broad description

of living conditions, with attention to remaining shortcomings, as in the Swedish level of living studies, or to specially address deprivation and multiple deprivation as in the studies by Townsend (1979). Studies of poverty can also be dynamic and analyse movement into and out of poverty as well as the temporal aspects of poverty (e.g. Duncan 1984, Leisering & Leibfried 1999).

There is also an alternative definition of poverty by Sen (1992, 2000) that is more concentrated on social aspects than the conventional ones. The conventional definitions of poverty focus on material consumption and resources while Sen regards capability deprivation as the central point. Material resources are not here primarily assessed from the perspective of consumption and a set of standard commodities. The important point of view is that material resources are not only necessary for basic needs but also for participation in social life and that lack of resources has negative consequences for individuals' opportunities to realise their capabilities.

This means that an extended concept of poverty can capture both material conditions and social relations in a cross-sectional as well as a longitudinal perspective and also the dynamics of change. What can the concept of social exclusion add to this? The answer can be nothing or that it is an important step forwards. Definitions of social exclusion vary as much as definitions of poverty. There are indeed reasons to be sceptical to the language of social exclusion that can be heavily rhetorical. Levitas (1999) argue that instances of the social exclusion approach can be very close to the perspective of multiple deprivation. It should be obvious that the same set of indicators can be interpreted in a perspective of social exclusion as well as multiple deprivation. Sen is also critical of loose and indiscriminate use of the concept:

> Social exclusion can indeed arise in a variety of ways, and it is important to recognize the versatility of the idea and its reach. However, there is also a need for caution in not using the term too indiscriminately (by skilfully using the language of social exclusion to describe every kind of deprivation – whether or not relational features are important in its genesis). Indeed, the language of exclusion is so versatile and adaptable that there may be a temptation to dress up every deprivation as a case of social exclusion. There is, I fear, some evidence in the vast – and rapidly growing – literature on

> social exclusion that the language has run well ahead of the creative ideas involved. (Sen 2000, p. 9)

I believe that the concept of poverty is still useful, at least as long there are individuals and families with severe difficulties to make ends meet, and this problem persists also in the advanced Western economies (I do not intend to neglect the much more severe problems in developing countries, but they are out of the scope of this study). The persistence of poverty and disadvantage in affluent societies is a reason to look beyond the poverty concept that is atomistic with the individual or the household as the unit of analysis. It is important to monitor poverty but the concept of poverty is not always helpful in understanding the processes that create poverty. In the perspective of poverty, skills and unemployment etc. are characteristic of the individual. But obviously, employment and unemployment are not an inherent characteristic of an individual but a result of relations between individuals and employers and also to a large extent determined by structural conditions that these actors have no control over.

Room (1999) lists five advantages of the reconfiguration from the perspective of poverty to social exclusion:

- From financial to multi-dimensional disadvantage
- From a static to a dynamic analysis
- From a focus on the resources of the individual or household to a concern also with those of the local community
- From distributional to relational dimensions of stratification and disadvantage
- From a continuum of inequality to catastrophic rupture

Some of Room's points are strong whereas others are less convincing, unless the comparison refers to restricted concepts of poverty. Descriptions of multi-dimensional disadvantage are quite common in studies of poverty. Also, there is no contradiction between the concept of poverty and dynamic analysis. Absence of dynamic analysis has more to do with lack of data and short term project funding than limitations in the concept of poverty. The third and fourth points are distinct advantages of the

social exclusion paradigm. The last point is controversial. Room states that income inequality is continuous while exclusion rather is binary, a person is excluded from an arena or not. If exclusion is binary, this should result in very fast shifts between states if there is no zone between these states, and this is problematic in relation to that processes of exclusion and exclusion often are long-term.

Room adequately objects to using social exclusion as a synonym for disadvantage and will reserve it for "multi-dimensional disadvantage, of such duration, and reinforced by such material and cultural degradation of the neighbourhoods in which they live, that their relational links with the wider society are ruptured to a degree which is to some considerable degree irreversible". Room mentions Wilson's studies of the Chicago ghettos as an example (Wilson 1987). Irreversibility of these conditions is a possibility as well as Massey's pessimistic view of the future with increasing inequality and segregation where poverty becomes more spatially concentrated to disadvantaged areas, "creating a deeply divided and increasingly violent social world" (Massey 1996). However, these are empirical questions and it is hard to understand why irreversibility should be included in the definition. Exclusion is a serious social and psychological event irrespective of whether it will continue or discontinue.

The most theoretically elaborated definition of exclusion so far is a recent presentation from INPART (Inclusion through Participation), an EU funded international research group (van Berkel & Hornemann Møller 2002). They regard exclusion and inclusion as opposites, while integration is a broader concept where it is also necessary to distinguish between system integration and social integration (van Berkel, Hornemann Møller & Williams 2002). System integration denotes the relationships between different subsystems in the society at a structural level while social integration is seen as involving more or less orderly of conflicting relations between collective actors in the social system. Integration in this sense is not used to denote the attachment of individuals to different subsystems in society. However, individuals are analysed in the dimension of inclusion and exclusion that represents states. However, there is also a zone of marginality between inclusion and exclusion. Processes of marginalisation can change an individual's position in system over time. Marginalisation is then a process whereby people included in the system move to or become pushed into marginality, a process that may continue to exclusion. The process can also go in the other direction, from exclu-

sion to marginality and eventually inclusion. It is not necessary that the process go through all stages. Some remain in a state of marginality without ever being excluded but a fast movement from inclusion to exclusion is also possible. The characteristics of these movements are not determined by theory but by empirical events in society.

The authors argue that it is an advantage to conceive inclusion – marginality – exclusion as a continuum instead of a dichotomy as suggested by Room. It is not possible to make a sharp distinction between the three zones and a continuum is more feasible in describing real life positions than a dichotomy. The concepts are relative and a person can be more or less included, marginalised or excluded. It is not meaningful to talk about marginality or exclusion without relation to specific subsystems. These concepts also have a broad applicability:

> In our view, therefore, exclusion, marginality and inclusion are seen as relative concepts that are related to each other. They can be applied specifically to each of modernity's almost unlimited number of segmented, hierarchically and functionally differentiated subsystems where the position of each individual within each subsystem is based on his/her possession of different types of capital. This, for us, is superior to seeing exclusion, marginality and inclusion as autonomous and relatively isolated phenomena. (van Berkel, Hornemann Møller & Williams 2002).

In this perspective, marginality and exclusion can be linked to theories of structure and change of the studied subsystem. There are reasons for the high prevalence of social assistance and exclusion or marginalisation in relation to the labour market in Malmö, which will be presented in this study. Most are not specific for Malmö as the post-Fordistic transformation that resulted in a loss of most of the industrial jobs in the city, extensive immigration that does not result in employment and a for Malmö unfavourable spatial segregation with wealthy suburbs and a concentration of poverty and exclusion in Malmö. It is very clear that these processes can be linked to marginalisation and exclusion in Malmö and, they are not isolated phenomena.

An important aspect is if exclusion is good or bad? There is no general answer to this question and exclusion is not necessarily bad. Exclusion can

be voluntary, for example not everyone wants to be a member of a trade union or a golf club. Some people do not want to be included in mainstream society and prefer an oppositional position that may be linked to marginality or exclusion. To what extent work is voluntary is a complex question, but most exclusion seems to be involuntary from the point of view of the excluded individual. Most unemployment schemes also put pressures on unemployed to accept work and activation programs to create disincentives for voluntary exclusion from work.

It is conceptually imperative to distinguish between exclusion and unfavourable inclusion, which has been pointed out by Sen (2002). Examples of unfavourable inclusion are very low wages for working poor or dangerous working conditions. Although these conditions obviously are problematic, they cannot be subsumed under the heading of social exclusion. Indeed there is a danger that the concept of social exclusion can be used as an all-encompassing umbrella concept for everything that is regarded as disreputable or problematic.

Finally, there is a question where exclusion occurs with respect to subsystems in society and the life-course. Subsystems may differ in the extent of exclusion, for example publicly employed may have less risk of unemployment than privately employed. The other aspect is how periods of exclusion and marginalisation are patterned in the life-course. Are they evenly spread or dominating in one or more phases in the life-course? Voluntary and involuntary exclusion from the labour market is common among older employed, resulting in low actual pension ages in many countries. Exclusion and marginalisation are also common among young people, especially for those with low education, which indicates barriers for entry to the labour market. Immigrants have similar problems that seem to be more related to the time of arrival and residence in the new country than to age and with high rates of exclusion and marginalisation in all age groups. Therefore, it is essential to study exclusion in a life-course perspective and distinguish between entry problems connected to closures and barriers to employment at young age and processes of exclusion at higher ages that may have more of a push-out character.

EU and social exclusion

A complex web of actors influences research, policy and discourse on social exclusion. EU is a very important actor and has formulated objectives to combat social exclusion. Article 34 in the "Charter of Fundamental Rights of the European Union" states a right to social security, right to social and housing assistance and an ambition to combat social exclusion (EU 2000a). The European Social Agenda from the European Council meeting in Nice 2000 also includes a decision to implement an open method of coordination with national action plans for combating poverty and social exclusion (EU 2000b). Furthermore, the goal of combating social exclusion was included in The Treaty of Nice from 2001 (EU 2001).

It is well known that goals can be officially acknowledged with little subsequent action. Although it is impossible to know what effect the open method of coordination will have, it will require more of member states than declarations only. Indicators will be set up to measure and monitor the development of social exclusion and the member states have to set up action planes for fighting social exclusion. The member states still decide on social policy and the shaping of welfare rights and institution. However, they have agreed to monitor the state of social exclusion and how it changes over time. Member states also will receive external criticism and recommendations on policy. In an article by de la Porte, Pochet & Room (2001) it is argued that the development of the open method of coordination will be crucially dependant on public involvement in the scrutinizing of governmental policy and action on social exclusion.

The discourse of social exclusion has been most influential in France. The concept has roots in the sociological tradition of Durkheim and his work on social cohesion and in the Republican tradition that is more directed to participation and solidarity than regarding citizens as bearers of rights (Silver 1994). Emphasis on social exclusion has also been more outspoken in the UK after the Labour party victory. Prime Minister Tony Blair set up a Social Exclusion Unit (SEU) in 1997 that makes regular reports on social exclusion and works with project to coordinate policy across departments. A special Centre for Analysis of Social Exclusion has also been established at the London School of Economics.

SEU works according to the Government's definition of social exclusion:

> A shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime, bad health and family breakdown. (Social Exclusion Unit 2001, p. 10).

This definition reveals a focus on segregated areas with a high concentration of disadvantage, which is commendable. However, the definition and reports from SEU also indicate that a lot of problems are subsumed under the heading of social exclusion in a way that reminds more of descriptions of states of multiple deprivation among areas or individuals rather than focus on process. Other problems that get special attention are "rough sleeping" (homeless sleeping at public places) and teenage pregnancy. There is a risk that the concept of social exclusion will become associated will improper behaviour in general in a similar way that the underclass concept in USA became an umbrella term for everything the general public dislikes, reflecting and perhaps generating fear for the dangerous classes. On the other side SEU can be quite frank on the situation: "One of the things which has marked this country out in comparison with the rest of Europe is its high level of social exclusion." (Social Exclusion Unit 2001, p. 10). They also present a number of diagrams where UK often compares very unfavourably to other European countries.

The concepts of poverty and social exclusion have hardly been used in official Swedish publications. An exception is Sweden's Action Plan Against Poverty and Social Exclusion (Regeringen 2001). However, the concepts are mostly used in the title of the publication and not much in the document, and then only as replacement of terms rather than concepts used in an analytical perspective.

Much of the document is used to demonstrate that social conditions are good, sometimes with some deficiencies, but minor in comparison with other countries. Swedish welfare state arrangements are still far-reaching, also after the retrenchments during the 1990s. But there is an unwillingness to admit the deterioration of the 1990s, and if admitted, the decline is assumed to soon be recovered by successful development of economy and employment. The report presents official Swedish statistics that shows increasing rates of relative poverty during the 1990s. Here, official Swedish statistics seems to be mistrusted in the Action Plan and alternative calculations from the Ministry of Finance are presented, based

on surveys of household income. The percentage of the population with incomes lower then the social assistance norm did not increase as much as the poverty rates estimated by Statistics Sweden, but with students excluded in the former measure. It is not explained why students are excluded and one can wonder why. Finally, estimates based on a "corrected income definition" are presented and showing a continuous decrease of relative poverty during the 1990s, which is amazing with the respect to the sharp increases in social assistance and unemployment and rising income inequality. The definition of corrected income is described in an unintelligible sentence in a footnote, although there is a reference to the Spring Finance Bill. The reader remains in confusion if this is a valid result or some calculation that is politically useful in this context, but used as a cover up.

Child poverty is described as very low in Sweden and as lowest among OECD countries according to an UNICEF report. The Action Plan relies on the UNICEF statistics because there is no official statistics on child poverty in Sweden, which is somewhat dubious because the report is based on data requested from governmental agencies, although the data sources are not described in detail. This question is especially relevant as Salonen (2002) estimated much higher levels of child poverty based on data from Statistics Sweden.

In the Joint Report on Social Inclusion, very long-term unemployment (> 24 months) is reported as 0.0 percent of the active population for Sweden (EU 2002). This must be based on official Swedish data where long-term unemployment is impossible by definition because it is broken by activation for those registered at the Employment Office, while for example some unemployed recipients of social assistance not even are accepted as unemployed because of low Swedish skills or not job ready for other reasons. This way to produce statistics is hardly trustworthy and all other countries reported positive figures.

Most measures to combat social exclusion in the action plan have very limited scope, except the spectacular goal of halving welfare dependency[2]

[2] An interesting circumstance it that the concepts of poverty and social exclusion are used reluctantly in the report, while the goal of halving social assistance is presented as halving welfare dependency, a terminology used extensively in USA where welfare is often regarded as the same as means-tested assistance, but inappropriate for an advanced welfare state where the means-tested assistance only is a small part of the total welfare commitment.

between 1999 and 2004. An indicator based on full-year equivalents of social assistance is described with the intention to be used for evaluation of this goal. Some negative life circumstances for recipients of social assistance are described, as much increased mortality. Very surprisingly, nothing is said about the conditions for goal achievement or actions to be taken to achieve the goal. The action plan seems to be a document that has been produced under great haste and pressure to comply with EU demands rather than to seriously analyse poverty and social exclusion and create actions to reduce them.

Summary

The concepts of poverty, marginalisation and social exclusion are discussed. The concept of poverty is still useful but marginalisation and social exclusion are concepts that usually are more suitable for analysing current problems of long-term unemployment, immigration and entry problems for youth on the labour market as well as other arenas.

The INPART definition of exclusion is recognised as a precise definition with general applicability on many arenas (van Berkel & Hornemann Møller 2002). Inclusion and exclusion are opposites and marginality is a zone between these states. Exclusion is related to the individual's position in different subsystems and not a general or isolated property of the individual. Inclusion, exclusion and marginality are concepts that are related to individuals' positions while integration is a concept that is used to analyse how subsystems relate to each other.

The chapter ends with an examination of how the concept of social exclusion is used in policy contexts related to EU and examples are presented where social exclusion is used as an umbrella term or a synonym for multiple deprivation or in a similar way as underclass in the US political discourse. The concept of exclusion can be useful for social work, but it also important to be careful and avoid contamination from the political discourse.

3. Social assistance and activation programs

Historical introduction

The ideas of activation and work oriented social assistance are not new and have been discussed and practiced during the last five hundred years. In the sixteenth century, the emphasis in the poor discourse shifted from the giver to the recipient. The religious glorification of poverty faded. New problems of poverty emerged in the growing commercial and industrial towns in Europe around 1500. Several basic principles of poor relief were established at this time, such as a local civil authority, the poor rate, relief work, and a discourse distinguishing between the "deserving" and "undeserving" poor. Ideas of education, training and moral instruction also have early origins. In was common that able-bodied adults were either not entitled to relief or put into relief work.

In the self-image of social work, modern "progressive" social assistance systems are often regarded as essentially different from the poor relief practice of the nineteenth century. It is indisputable that essential improvements have been brought about, but essential principles of remain unbroken or modified. There are aspects of continuity as well as discontinuity.

England was the first country in the world that encountered the social and demographic consequences of the labour market and large-scale industrialisation. Within forty years, two entirely new and contrary systems were introduced. The principles of the Speenhamland system of 1795 are essentially similar to modern social assistance systems. It embodied a minimum living standard that was indexed to the price of bread, and equivalence scales for household members were used. All citizens below the income standard were eligible, working or not[3].

[3] This is an idealised description of the system, more referring to the objectives than the implementation. The critics of the system described it in a way that gave an impression

The critique of the Speenhamland system was similar to current criticisms against welfare systems. It disturbed labour market mobility and wage formation, it undermined initiative and work moral, and it was expensive. The Speenhamland system was abolished in 1834, and replaced by the workhouse system. The massive criticism of Speenhamland became dominating in history for more than one hundred years, although punctuated by modern research in economic history (Boyer 1990).

Poor relief was offered in the workhouse, while outdoor relief should be minimised and ultimately abolished. The poor in the workhouse should work according to their capacity. Conditions in the workhouse were designed to be less eligible than the conditions of a worker with the lowest wage. Able-bodied poor had to perform a work test before entry. Assessment and separation of "deserving" and the "undeserving" poor was considered unnecessary, because the work test and the less eligible conditions in the workhouse discouraged abuse of relief. The workhouse system in England was the first nationally regulated and uniform system of poor relief.

I regard these two systems as prototypes for means-tested systems. The Speenhamland system is a prototype for a universal system of income support with no or weak auxiliary behavioural demands. Historically, this type of system has been unusual. The workhouse system is a prototype for work-oriented relief. The workhouses were deterrent and the poor avoided them. The achievement of other objectives was less successful. The quality of care was inferior, and very different categories of inmates were mixed in big groups with very limited privacy. The workhouse was not profitable. Most inmates were old or children and the able-bodied avoided it except when unemployment was high. Labour that is unprofitable on the market continues to unprofitable in a public institution (Crowther 1981, Katz 1986). Workhouses were commonly used in Sweden (Åman 1976, Bjurling 1956).

---

that the principles were fully realised. The system was mostly used as a wage compensation for agricultural workers during the winter and in years with high corn prices (Boyer 1990).

Social assistance in the Welfare State

During the second half of the twentieth century, one can distinguish two different trends in entitlement to means-tested assistance for able-bodied adults. First, the right to assistance was extended and the emphasis in assessment shifted from a rigorous means test to a more schematic assessment. Low unemployment and availability of simple manual jobs were conditions for an easy transition to the labour market. Second, workhouses had been closed down and work demands were reduced to job search for those who were able to work.

The abolition of poverty was stated as a realistic goal after the Second World War, a goal that could be achieved within one or a few decades. The fast growing economy increased the material standard among the working population and the evolution of the welfare state increased the proportion of the population covered by social insurance as well as the level of the compensation. The expectations of the future were optimistic and the abolition of poverty was an expected outcome in social-democratic welfare states like Sweden as well as in much more liberal regimes as USA. President Johnson declared in 1964 that:

> We cannot and need not wait for the gradual growth of the economy to lift this forgotten fifth of our Nation above the poverty line… We know what must be done, and this Nation of abundance can surely afford to do it. (Cited from Danziger & Gottschalk 1995, p. 18).

The War on Poverty started and unusually large amounts were funded for public welfare and community development. Of course, presidential declarations are rhetoric. Gans (1995) tells that he and others that participated used to call it the "Skirmish on Poverty". However, there was a widespread conviction in USA and Europe that poverty could be reduced to a minimum or abolished. Economist James Tobin recalls that he wrote an article in 1967, projecting that poverty could be conquered in 1976 (Tobin 1994).

In Sweden, the term poor relief was substituted by social assistance in 1956. Assistance was statutory for children, sick and old while still dependent on municipal discretion for able-bodied without children. Not

until 1982, social assistance became a right for all persons living in the municipality (Social Services Act 1980, in force 1982). Social assistance was still means-tested and persons with savings or valuable possessions were not eligible. Great Britain started earlier and moved in a more radical direction. The Poor Law was abolished in 1948. The income-tested scheme of Supplementary Benefit was introduced. Eligibility was dependent on income, savings were allowed and no behavioural demands made on job seeking.

All of these systems have changed, at least in regard to job-search and participation in training. In a number of countries the trend changed toward introduction of different kinds of activation measures in the 1980s and 1990s. Why did this happen? There is one simple explanation. The composition of persons on social assistance changed from being dominated by poor pensioners to young unemployed and immigrants. It can be assumed to be a rational policy to put these persons in training and prepare them for the labour market. A changing caseload is a good motive for modification of the measures to meet the needs of the recipients. Welfare dependency can be perceived as a threat and authorities then have to fight it. The usually less than mediocre impact of such measures casts some doubts on this explanation (see chapter eight). Many actors in this arena have probably good intentions, but the rational policy explanation leads to an incomplete understanding. Digby (1989 p. 126) reminds of a historic parallel:

Debates in the late 1980s on the future of welfare have some striking parallels with those in the early 1830s which forced the change from the traditional, Elizabethan system of relieving the poor to the workhouse-dominated system of the Victorians. The Old Poor Law was then discredited as a welfare system out of control, by allegations of swollen poor rates, an insufficient bureaucracy, ever-increasing pauperism and - worst of all - an ensuing welfare dependency that harmed the economy.

Work and training are often offered with the motivation that it is in the interest of the recipients. This is not the only motive, economic and moral aspects are as important. Economists often claim that benefits create disincentives of work and are harmful for the general economy and also for the recipient in the long run. These disincentives are usually weak (Moffitt 1992) and must be weighted to the harm it makes to deny assistance or give insufficient assistance which the consequence that recipients still live in deprivation.

The other aspect is moral. Poverty has often been comprehended in a moral perspective with an intricate discourse on the rights and obligations of recipients as well as the community (Himmelfarb 1985, Handler & Hasenfeld 1991). In this discourse, recipients can always be suspected to cheat and there must be a screening to sort out those who are worthy, i.e. are doing there best to find work and provision but fail. It is difficult or impossible to correctly evaluate the moral character of the recipients, and thus, the work test is the most effective way. Those who refuse to work, previously in workhouses, and nowadays to participate in activation programs, can be assumed not to be needy. These activation programs clearly have a moral function, although the impact on income and future work is more uncertain (see chapter eight). To the extent that increased disincentives of benefit take-up and activation program have an effect, they push people into the low-wage labour market, increases competition and press down wages for the poor (Solow 1998).

Sweden

A universal right to social assistance was established in 1980 in the Social Services Act (in force from 1982). This right applied to any person living in a municipality, including foreign citizens with permission of residence. Previously, assistance to a healthy adult without children was voluntary to the municipality, although assistance was actually given in many of these cases, but with a high degree of discretion for the municipality.

The Social Services Act is a "framework" law stating general intentions rather than stipulating specific criteria for eligibility and the form of assistance. The rhetoric in the first paragraph states that: "society's social services shall on the basis of democracy and solidarity promote peoples economic and social security, equality in living conditions and active participation in social life". This objective applies to social assistance, childcare, elderly care and other forms of help as well. A person without means has a right to economic support if other kinds of support are unavailable, meaning that compensation from social insurance should be the primary alternative when eligible. Parents have no obligation to support children after the age of 18 (or 20 if still in secondary school) and children are not obliged to support parents. Mutual obligations of support

are only legally binding within the core family unit, a striking difference compared to some continental countries.

Although not straightforwardly stated in the law, minor savings are not allowed. The applicant has to exhaust all savings and realise valuable assets before becoming eligible to assistance[4] On the other hand, when the applicant becomes eligible, the benefit shall give a reasonable level of living rather than a minimal level. The law does not specify what a reasonable level of living is; neither was any directives made in governmental verdicts[5] . There was a large span between the rhetoric of the law and municipal implementation, usually based on previous, slightly modified practice.

Contrasting interests as local social workers and their managers, the municipal political board and central authorities determine the application of the law. Municipalities have the full responsibility for the funding of social assistance, but have limited discretion on decisions on social assistance. Two other key actors intervened: the National Board of Health and Social Services (Socialstyrelsen) and the Supreme Administrative Court (Regerinsrätten), both central governmental authorities.

The National Board of Health and Welfare (NBHW) interpreted the legal statement of a reasonable level of living and made recommendations on the amount of social assistance. The recommendations were based on consumption studies of the Swedish Consumer Agency. The Supreme Administrative Court judged that the municipalities should follow this interpretation. The judgement was partly ambiguous and stated that local conditions could be considered when setting the social assistance amount.

This judgement had no direct influence on municipal decisions on the amount of assistance. The political board in the municipality decided on the norm amount and in this respect the municipality was supreme in relation to the courts. However, an individual who received a lower amount than recommended by the National Board of Health and Social Services could apply to an administrative court that routinely overruled the municipal decision. Only a small minority of the recipients used the option to appeal to a court, although the formal procedure was simple. The additional benefit amount was usually small, many recipients had

---

[4] For cash possessions and bank accounts the upper limit is zero or assistance is subtracted by the available amount, normal furniture (including a TV-set etc.) is allowed and an old car accepted when needed for work or childcare transport.

[5] The law was changed in 1997 and the Government determines a national norm amount.

vague knowledge about their rights and they might fear that an application could lead to unfavourable treatment by social workers. Nevertheless, the amount was small with a long waiting time for a decision from an administrative court.

The controversy on the amount of social assistance lasted almost two decades, although the municipal amount was usually only slightly lower than the national recommendation; in most cases five to fifteen percent lower[6] . In this perspective, it is not surprising that there was a substantial discretion regarding behavioural demands for entitlement to social assistance. There was a weak connection between social assistance and work demands in the beginning of the 1980s. In principle, the responsibility was divided between the Social Services Office and the Employment Office. The first paid benefits to unemployed without unemployment insurance or insurance insufficient for living, and the second handled job referrals and potential training or educational programs. Able-bodied unemployed received social assistance, but the duration was expected to be short and jobs readily available when the recipient searched for work.

At the same time, unemployment increased primarily among young persons with low education and short labour market experience. Social assistance peaked in 1986 with 6.8 percent of the population in Sweden receiving assistance at least once during the year and 12.6 percent in Malmö; figures were generally higher in large cities and among the young and immigrant population. Short and medium-time receipt dominated, but there were also a substantial number of long-time recipients during the 1980s[7]. Many of these recipients were young, unemployed who received assistance during many months each calendar year. Social assistance was

[6] Decisions on social assistance were discretionary on at least three levels, the municipal political board, the local office and the individual social worker. Research on social workers decision-making has revealed considerable variability between individual social workers, even in the same team (Gustafsson, Hydén & Salonen 1993, Hydén 1996). Hydén's results pointed to increased restriction in cases that could be morally dubious regarding work motivation or heavy alcohol consumption (before as well as after mass unemployment). These studies were based on short vignettes in an artificial situation. It is uncertain to what extent they can be generalised to real decision-making. If they can be, the conclusion is that decisions on social assistance had a high degree of arbitrariness, both regarding eligibility and the amount paid.

[7] I estimated that at least 100.000 household in 1985 were within a spell with a duration of five years (at least one month during each year, forewords and backwards to 1985). The data source is a 10% random sample from the Social Assistance Database at Statistics Sweden.

officially regarded as a residual scheme to be used in exceptional and unpredicted situations not covered by social insurance. Now, social assistance had become a major or recurrent source of provision for a large part of the population with a marginal position on the labour market.

Unemployed recipients of social assistance often had limited availability to the training programs run by the Employment Office, or at least secondary priority compared to unemployed covered by insurance. In the logic of activation and municipal ambitions to reduce unemployment, cut costs and increase taxes, it was rational to start job-search and training programs. It seems to have been a self-evident truth that these programs have an impact on unemployment and earnings.

Development in the social services had been concentrated to treatment and counselling programs for families, youth and drug users from the end of the 1960s. The focus was on open programs for families and institutional programs for criminal youth and for drug users. Heavy intervention programs were preferred, the therapeutic community or intensive, structured programs in open care. These programs were targeted to persons with severe psychosocial problems rather than the unemployed.

There is no clear border between recipients with psychosocial problems and long-term unemployed recipients of social assistance. The groups overlapped while the main problems could be very different, from psychic and drug problems to low education, problems associated with immigrant origin, lacking labour market experience and different combinations of these disadvantages. It is not surprising that the first welfare-to-work programs within the social services concentrated on recipients with psychosocial problems rather than unemployment. It is often difficult in practice to distinguish between problems of unemployment and psychosocial problems. Unemployed persons are more likely than others to have psychosocial problems; they can have problems that make them less employable or get problems that result from unemployment. Studies on social assistance indicate a considerable disagreement between social workers and recipients about the reason for assistance. Puide (1985) found that 84 percent of recipients, according to their own view, sought help for economic or other specific problems while social workers only regarded this as a main problem in 52 percent of the cases and were much more prone to emphasise psychological aspects. Bergmark (1991) found similar disagreements.

In this ambiguous context, a large number of local welfare-to-work programs started in the second half of the 1980s. NBHW has made a valuable contribution in describing several projects during the 1980s (Socialstyrelsen 1990). Many of these projects concentrated on broad target groups of recipients where unemployment may coincide with psychosocial problems. However, there is a continuum of projects from on one side those directed to drug users and on the opposite side programs directed to students without employment during the summer vacation.

NBHW analysis of these new welfare-to-work programs starts with an overview of research on social work with social assistance at the social service offices. The results of these research studies were uniformly negative in relation to the objectives of how a social assistance office ought to operate. The work was bureaucratic, decisions discretionary and recipients often experienced distress or shame (Sunesson 1981, Marklund, Nordenstam & Penton 1984, Sunesson 1985, Larsson & Morén 1988, Nilsson 1989, Jönsson 2003).

The report from NBHW appraised treatment projects as a promising alternative to the Social Office. Social workers located in informal localities could implement the significant goals of social work in a democratic way. In the self-consciousness of "progressive" social workers, this was a natural development of social work. However, two main questions remained unanswered, probably because social workers and authorities regarded them as unproblematic. The first is how these kinds of programs are related to increased control and discipline of recipients. The second question is if these programs had any impact on employment and incomes.

The question about control and discipline is complicated. Participation was formally voluntary, but social workers had obvious possibilities to persuade recipients of social assistance to participate. The social worker was an expert and a person who could refer to considerable personal or organisational experience of how to deal with unemployment problems. The recipient knew very little about how the program really worked. To deny participation would be an indication of low motivation. The recipient might also suspect that denial of participation could affect future decisions on social assistance negatively.

These programs were implemented before the mass unemployment of the 1990s. Every healthy adult without special problems could get a job. It

seems rational and in the interest of the participants to invest in a program that increases their competence and makes them more employable. Social workers could be very optimistic, one said:

> We have earlier remarked that this work is not essentially complicated or difficult in any way, it is rather fairly simple. The point is that you must believe in what you do and be engaged - make initiatives, make propositions etc. It would be very easy for us to let everything "roll on", not to make demands etc. This seems often most simple and smooth - in a very short perspective, because the client then comes back again and again. For most clients, the fact is that the longer the time of dependence on social assistance, the more passive he becomes and looses faith in his own ability to get a job. (Socialstyrelsen 1990, p. 75).

In this perspective, the main problem is the morality of the social worker who can choose between doing a good job or leave the recipient in the fate of welfare dependence, passivity and low self-confidence. This voluntarism was rather common among social workers, although this citation may be somewhat drastic. Others believed that the task was hard, but possible.

Optimism and enthusiasm are important values in social work. Even the best program ideas or methods can become futile when managed by bureaucratic, incompetent or "immoral" social workers. Good social work can relieve distress and improve the short-term welfare of the poor. Social work may also be able to further transition to the labour market when there is a demand for unemployed workers, and even those with limited experience and on social assistance. It cannot, however, change the structural conditions of society, e.g. create market work or substantially change employers' recruitment criteria.

The extent of these treatment, training and job-search programs increased considerably after the mass unemployment of the early 1990s. The mix of problems among recipients of social assistance changed and an increasing proportion were unemployed without any other significant disadvantage, with an exception for lack of skills in Swedish for persons of foreign origin. There is no national and often even no local statistics about the number of recipients participating in such programs. Reasons

are that the programs were new and often temporary while statistical recording procedures change slowly[8] . The border between participation in a program and job-search managed within ordinary administration was also blurred. These were the low-tier programs with independent municipal organisation and funding.

Municipalities also had access to governmental or co-founded programs. In April 1996, 231 thousand persons were in labour market policy measures. Of these, 89 thousand or 39 percent were municipally organised with partial funding from the government, a substantial rise from 64 thousand the previous year (Svenska Kommunförbundet 1996). Additionally, one thousand persons were engaged in municipal relief work without governmental funding. The statistics refer to a single point in time. Measures were short time, typically between three and six months and the yearly number of participants considerably larger. A crude approximation is that half a million persons participated during a calendar year[9] . This is a very large number in relation to a labour force of about four million.

Even with consideration of the large number of labour market policy measures, it was difficult for social assistance recipients to get access. Municipalities considered low-level programs better than passivity. Two main models emerged, the Hallstahammar and Uppsala models (names refer to the municipalities of origin).

The Hallstahammar model required recipients to work. However, it was a mixture of activities that was not work or education, a "combination of work, social training, studies or some other pedagogical elements as household planning and social information" (Socialstyrelsen 1990, p. 118). Youth worked between 8.15 and 15.00. The staff had a severe confusion about the difference between wages and means-tested benefits: "wages are paid in the form of social assistance and an addition of 25 Crowns a day as an incentive". The rhetoric of symbolic identity of program and work activities seems to be common in Sweden as well as in other countries as Denmark and USA (Miller 1991). The similarities between the Hallstahammar model and workfare in USA are evident. However, I have never seen any evidence or inspiration from USA, of even a hint to it,

---

[8] As an example, Malmö has introduced a new administrative system for the Work and Development centres that started in 2000. These are activation centres mainly for recipients of social assistance.

[9] Participation was lower in the summer and around Christmas and some persons can have participated more than once.

either regarding the original implementation or follow-ups. Some social work methods have been imported from USA, as the American type of therapeutic community, the Minnesota model of treatment of chemical dependence and methods for incest prevention and assessment. In the workfare case, developments seem to have been independent as an extension of the Swedish principle of "work and competence" from labour market policy to social work.

The Uppsala model is a job search program. It was implemented within normal assessment of social assistance, although additional personnel could be needed to give enough time to monitor recipients intensively. The basic assumption is that traditional administration of social assistance is a routine payment of money, making no demands on recipients and thereby treating them like "children". They end up in passivity and with lacking self-respect. Contrarily, they should be treated as "adult", making demands upon them that give them self-confidence back and prove that they can archive something[10] . The main element of the method is to demand that the recipient seek work intensively. This is regarded as a "full-time work" and should be monitored by social workers. Failure to comply may result in withdrawal of social assistance. Another characteristic is that all decisions on social assistance are maid in a working group meeting instead by the individual social worker, motivated by that it is good to "sleep on a decision" instead of making it hastily. (Rönnlund 1992). That may be true sometimes but the procedure rather seems to be designed to force social worker to conform to group pressure and a restrictive practice.

Proponents of the Uppsala model promised a drastic reduction in the cost of social assistance as well as significant improvement of the lives of recipients. The few serious evaluations that exist show that these models have no or very limited impact (see chapter eight). Nevertheless, the belief in them is still strong and they are practised in a large number of municipalities in modified forms.

A third method is to create temporary municipal jobs for recipients of social assistance, e.g. in large cities with high social assistance as Göteborg

[10] This is obviously a rhetorical statement. It would be more natural to regard children as lacking responsibility and not always knowing their own best. Adult should know that they have to seek work to get a work and make appropriate actions. It is implicit in the rhetoric that recipients really are more like children than adult and that they must be learned and forced to act as adults.

and Malmö (Persson 1999) but also in medium size municipalities (Hallström 1997). The municipality then treats the recipient as a regular employee with a wage accepted by unions, social insurance, and the right to join a union. The employment lasts for six to twelve months and this could give a possibility of a realistic labour market experience and enhancement of knowledge. The motivation for this measure is not entirely altruistic or based on solidarity. After finishing employment, the recipient is out of social assistance and qualified for governmental unemployment insurance. In the short-term this method is much more expensive for the municipality than the other methods. But after the initial investment the former recipient should be out of social assistance for at least some years. If this form of employment increases future employability, it can be cost-effective for the municipality, the government and the employee (at least under the assumption of no displacement effect). If not, the municipality and the employee are winners and the government the looser. This method has only been implemented in small scale and sizeable extension could be counteracted by the government, regarding it as passing on costs from municipalities to the government[11] .

The legal status of enforcing participation in workfare and very intensive job-search programs has been ambiguous. Two cases went to the Supreme Administrative Court but with different judgements in spite of the similarity of the cases (Regeringsrättens årsbok).

The legal situation was ambiguous in at least two aspects. The first is the right of the municipality to make demands on recipients of social assistance to participate in activation programs. The second is that there was still considerable resistance in some municipalities in applying the social assistance amount recommended by NBHW. The situation became even more complex when the Supreme Administrative Court approved a lower amount during short periods of social assistance (popularly called the Tingsryd norm).

Two important changes in the Social Services Act in 1997 overruled these disputes (changes were in force from 1998). The Government now stipulates a fixed amount of social assistance for basic living costs that is applied on the national level (Sw. riksnorm or national norm). The municipality has discretion to decide on all other forms of assistance as

[11] The subsidised employment program in Malmö was discontinued after a few years when the government changed the rules for municipal grants.

renewal of furniture, dental care, and treatment costs. The applicant's right to apply to a court over the later type of decisions was withdrawn (although later re-established after massive criticism of deterioration of civil rights). The name of the assistance scheme was changed to provision support (Sw. försörjningsstöd) but will still be named social assistance in this text as the change of name is not associated with any major change of the system. The new legislation was a compromise between municipal strivings for independence and the Government's aim to establish a national minimum level of assistance. The compromise was facilitated by a decrease in the amount compared to the earlier recommendation of NBHW. The cut in the amount was motivated by a study of price changes in component costs for the items included in the social assistance norm (Socialstyrelsen 1995). The norm amount had been adjusted according to the consumer price index since the beginning of the 1980s. As the composition of the consumption baskets differed for social assistance and the consumer price index, the consumer price adjustment had lead to greater increases than if calculated solely on the components in the social assistance basket (a major difference is that rent is included in the CPI but not in the basic social assistance amount, the real rent cost is thereafter added in the calculation of social assistance). With this reasoning, the cut in the amount was not really a cut but rather a correction and return to the original intention. This kind of reasoning comes surprisingly close to the calculations underlying the poverty line in USA. The poverty line was constructed in the beginning of the 1960s and defined basically as an amount of money that is three times higher than the cost of food. Since then, the composition of the consumption basket has changed considerably with a declining food component ratio. In the Swedish case it means that recipients of social assistance, for example, are not expected to have a computer and internet access, although it is an official, or at least a semi-official goal that every citizen shall participate in and improve competence in the new information technology.

The other significant change in the Social Assistance Act is the new legislation on participation in activation programs. An unemployed who is not participating in a national labour market program can now be obliged to participate in municipal activation programs if (s)he:

1) Is younger than 25 years
2) Is 25 years or older but has special need of competence increasing measures.
3) Is a student with study allowances but without a job during a study break (usually the summer vacation).
(Socialtjänstlag 2001:453, 4th chapter, 4 §)[12]

Every young person or student with a study break can be obliged to participate in activation programs. The ambition to help young unemployed to increase their competence and get a job is quite understandable, although there is no evidence that these activation programs are effective. It is reasonable to assume that participants in these programs have been unemployed for some time and have severe employment problems rather than a short break between job episodes. The inclusion of students is more puzzling. It has normally been easy for post secondary school students to find a summer job but in the severe recession of the 1990s, temporary jobs were scare. The number of students with social assistance during the summer increased sharply in some municipalities with large universities. In Lund for example, special work practice programs were arranged for students where they worked in the services of the city. The motive can hardly have been that these students, during the rest of the year engaged in ordinary studies, were in special need of labour market measures. The period or receipt is short, one or two months. Only two possible motives remain. The first is the hard-core workfare policy that people shall work off the benefits they receive. The second and complementary motive is that such workfare arrangements counteract abuse of the system as taking a long vacation instead of summer work. The abuse motive is seldom mentioned in official document but social workers tell informally that activation can also be effective in counteracting concurrent receipt of social assistance and incomes from work in the black market.

Youth under 25 years are obliged to participate in activation. It is stated in the Social Services Act that the activation programs shall aim to increase competence and further the individual's future prospect of self-provision by finding work or entering an education. The program shall also be shaped in a way that takes reasonable consideration to the

[12] The paragraph numbers are from the current version of the law and differ from the 1997 version, but the text is identical in this part of the law.

individual's preference and capability. However, the obligation is not mutual and the municipality is not forced to provide training programs.

The demands on persons older than 25 years are weaker but the conditions are essentially the same. If a recipient does not find work or another alternative as education relatively fast, (s)he can routinely be diagnosed as in need of competence increasing measures.

Social assistance can be denied or reduced if the individual refuses or fails to participate in the measure without an acceptable reason (4th chapter 5 §).

The Swedish law has a more paternalistic flavour than the Danish. The relation is not reciprocal in Sweden and the municipality can demand participation while the individual has no right to require participation in a training program. The Danish law is based on a mutual obligation; the individual has to participate but has also a right to a minimum amount of training (Boje & Åberg 1999).

Similar demands on activation are now common in European countries and USA (Lødemel 1997, Lødemel & Trickey 2001). USA has a remarkably residual and workfare oriented system in relation to the advanced economy and only families with children are granted a right to means tested assistance (TANF). Mainly single women with children are recipients, they are required to participate in work programs and assistance is limited to five years during lifetime (with a possibility of exception in special cases).

National labour market measures

The programs described above are local and municipal as well as targeted to recipients of social assistance. Labour market programs financed by the Government, although in cooperation with local actors, are of much greater volume. The Swedish labour market policy has been described and analysed in numerous studies and measures have to some extent been offered to recipients of social assistance; an example is relief work (Trygghed 1996). I will here concentrate on the Activation Guarantee that was introduced in 2001 and is unique from an activation perspective. A short review of evaluations of the impact of labour market programs is presented in chapter eight.

Sweden has for decades had a large volume of active programs for unemployed in relation to other countries. The mass unemployment of the 1990s put hard strain on this system and volume was given precedence over program quality. An obvious motivation for these programs was to increase knowledge and skills and facilitate employment. There was also a second motive as participation in a program re-qualified for a new period of unemployment compensation when the previous period was exhausted, usually after 300 days.

There have been several criticisms of these programs apart from the aspect of impact that will be reviewed later. Municipalities argued that recipients of social assistance had unequal access to them and unemployed with insurance had priority as a method to re-qualify for unemployment insurance. This critiques was also issued regarding the Activation Guarantee (Svenska Kommunförbundet 2001).

Criticisms of disincentives were also common, especially that it was possible to receive the unemployment compensation for very long times, which impeded movement from municipalities with low labour demand and change of occupation. Unemployment insurance is administered by the labour unions that prefer to handle these issues softly rather than being tough on their own members. Counsellors at the employment offices wanted to retain confidence and preferred cooperation over control. Reporting refusal of job refers resulted in that the unemployed lost all compensation.

Recent legislation has dealt with these problems. After a change in the Unemployment Insurance Act in 2000, participation in labour market programs does not re-qualify for a new period of unemployment compensation. The insurance period is limited to 300 days, with a possibility of renewal, but only once. If the unemployed refuses a job referral without good reason, the compensation can be cut down in steps, the first time with 25 percent during 40 days, the second time with 50 percent during 40 days and inhibited the third time (Lag (1997:238) om arbetslöshetsförsäkring, with amendments according to Lag (2000:1460). It was reasoned that this gradual approach would make it easier to apply sanctions for officials at the unemployment office. To strengthen the system, new regulations increased control over the union's unemployment insurance administration.

There was substantial opposition against the removal of the re-qualification option and the introduction of a time limit for unemploy-

ment compensation from labour unions and voters on the left. The Activation Guarantee was designed in a way that could calm, but not entirely satisfy, this opposition. Unemployed that approached the time limit were transferred to the Activation Guarantee and could keep compensation as long as they participated. Unemployment compensation was renamed as activation support but paid with the same amount as previous unemployment compensation.

The Activation Guarantee is designed for very long time unemployed that previously have participated in training programs and job search and failed to find a job. One motivation was that the Activation Guarantee should break round-turn between periods on unemployment insurance and periods in training programs. This goal was maintained by keeping the unemployed in the Activation Guarantee continuously without breaks (although a four weeks yearly vacation break was introduced later). The unemployed remains in the Activation Guarantee until (s)he enters an education without activation support or gets a job on the open market and works at least six months. Six months of work are required for qualifying for unemployment insurance, if the period is shorter the unemployed returns to the Activation Guarantee. There is also an option to leave the Activation Guarantee voluntarily, which results in loss of all economic compensation.

Participants in the Activation Guarantee have access to the ordinary training programs for unemployed, which should be combined with job search in parallel or in separate periods. The main difference between participants in the Activation Guarantee and other unemployed seems to be that the former can be demanded to participate 40 hours a week during the entire period and be present fulltime at special job search centres while the later have a freer disposal of time when not participating in training programs. Participants are closed up in the program in a way that is unique and reminds of Bentham's utopian workhouses where people should stay and work until they improved and were ready for work on the market (Bentham 1841, orig. 1798).

Participants in the Activation Guarantee are placed in different tiers of compensation. Those who had unemployment insurance previously, receive the same amount as activation support. Those who are not insured receive a much lower amount that often must be complemented with social assistance. In November 2000, 39 thousand participated which is near one percent of the labour force.

Two main features of the Activation Guarantee are that the participant and the counsellor create an individual action plan and the opportunities for subsidised employment. When in subsidised employment, the participant is still enrolled in the Activation Guarantee but has a wage instead of activation support. In an evaluation of the Activation Guarantee in its early phase, it was found that 39 percent of the participants did not even know that they had or should have an individual action plan (Fröberg & Lindqvist 2002) .An effect evaluation showed a positive effect but the entire effect could be linked to subsidised employment with probable displacement effects for other workers and it is quite likely that the main effect of the program is the threat on those who are not yet included in it, with increased job search and lower demands on potential jobs to avoid being closed up in the Activation Guarantee (Hägglund 2002).

With all these changes in policy, the Government is close to success in setting a time limit for unemployment compensation. The time limit is already introduced in legislation on unemployment insurance. Measures have been taken to get increased control over which jobs the unemployed must accept as well as more effective sanctions for refusal. The Government has made no promises on the duration of the Activation Guarantee more than to keep it as long as there is need for it. The removal of the Activation Guarantee would probably have no or little effect on the employment of the participants but will lead to decreased economic compensation, in same cases very substantially, and turn over many to social assistance. It would also indicate a transformation of the Swedish welfare state from a more universal to a particularistic orientation with strong elements of workfare and means-testing. It is also possible to interpret this change as failure of the previous Swedish labour market policy with generous unemployment benefits, a system that broke down when unemployment became a serious problem and long-term unemployment more common.

Summary

During the 1980s and especially the 1990s, municipalities and government have become more focused on activation of unemployed recipients of social assistance rather than income support. An overview of the development of local activation programs and increasing demands on job-search is presented. The changes of local practices were accompanied by

modifications of the Social Services Act, which support activation demands. The standard amount of social assistance is in now set after a national standard but activation policies and implementation of activation programs is the responsibility of the municipality, with a high degree of independence. The existence of such municipal programs also reveals that there is limited availability to programs organised by the Labour Market Board for unemployed recipients of social assistance.

Finally, a national program for long-term unemployed, the Activation Guarantee, is described as an extreme example of activation practice without time-limit.

4. Social assistance and unemployment

General framework

The relation between social assistance and unemployment is complex. To start with, only a part of the recipients of social assistance are unemployed and not all of them are registered at the Employment Office and then not included in the statistics of the Labour Market Board. Newly arrived refugees who participate in introductory programs are not included in the labour force. Some recipients are working poor, as single mothers with part-time or low-paid jobs. Secondly, only a part of the registered unemployed receives social assistance and this proportion tends to vary with time and local conditions; there is a higher proportion of unemployed with social assistance in large cities compared to small municipalities. Thirdly, high unemployment may force persons out of the labour market toward activities as studies and unpaid homework.

Between 1990 and 1997, the labour force decreased from 84.5 to 76.8 percent of the population (16 - 64 years) according to the AKU surveys[13]. The reduction was much larger among young persons: from 82.3 to 63.0 percent for the ages between 20 and 24 and participation halved for persons under 20 years, from 50.2 to 24.6 percent.

The recession of the 1990s lead to a decrease of the number of persons in the labour force from 4560 to 4264 thousand, while the number of unemployed increased from 75 to 342 thousand (the unemployed are included in the labour force). In the same period, persons not belonging to the labour force raised from 836 thousand to 1286 thousand. The working age population increased with 124 thousand, while the number of unemployed and persons outside of the labour force rose with 717

[13] Arbetskraftsundersökningarna (AKU), monthly labour force surveys managed by Statistics Sweden. Unemployment is defined in relation to job search and not registration at the Employment Office in these surveys.

thousand. While the unemployment rate rose from 1.6 to 8.0 percent, the labour force fell from 84.5 to 76.8 percent of the working-age population. A partial explanation for the decrease of the labour force is that the persons who participated in labour market measures, such as on-the-job training and education, were classified as outside of the labour force in the AKU surveys. Others had turned to studies or unpaid homework.

In summary, unemployment increased with 6.4 percent and the labour force decreased 7.7 percent, meaning that the working population diminished by roughly one seventh during a period of seven years (data from AKU). This dramatic change increased the number of recipients of unemployment benefit and social assistance considerably.

Hypothetically, the relation between unemployment and social assistance could be anything from non-existing to perfect. In traditional poor relief, help should only be given to sick and disabled, and not to the able-bodied. If this principle is implemented, there is no relation between the number of relief recipients and the number of unemployed. However, it has historically been impossible to deny help to the unemployed without exception. In times of high unemployment, the poor became numerous, and perceived as a threat to social order and starving beggars regarded as a disturbance for the other citizens. Poor relief could then be extended to the able-bodied unemployed or special work-relief programs created (Geremek 1991, Piven & Cloward 1993).

On the other extreme, all unemployed ready to take a job could receive a reasonable unemployment benefit without regard to previous work history. Unemployed would then receive social assistance seldom and only in special situations as large family size or to cover special needs. This policy threatens to augment the number of unemployed and the official unemployment rate, something that governments usually do not like. In the Swedish case of 1997, the unemployment rate of 8.0 percent could be further elevated by some part of the 7.7 percent of the working-age population who left the labour force since 1990. There would be no relation between social assistance and unemployment if all unemployed received a special benefit and were not entitled to social assistance.

Some possible combinations between social assistance and non-employment are outlined in table 4.1. The classification of social assistance is simple, a person or household receives it or not. The relation between being unemployed and officially registered as unemployed is more complicated. Only some of the unemployed are officially registered

at the local Employment Office, and this registration is a requirement for receiving unemployment benefit. If the benefit is lower than the level of social assistance, the household is entitled to complementary social assistance. According to the level of the unemployment benefit and the total family income, these unemployed persons always belong to categories A or B in the table.

Table 4.1 Social assistance and non-employment.

		Non-employed	
		Registered as unemployed	*Not registered*
Social assistance	*Yes*	A. Unemployed with no or low unemployment benefit	C. Able-bodied with negligible chance to get a job (or not conforming to the registration demand) D. Swedish for immigrants E. Parent with a small child F. Sick, handicapped or disabled
	No	B. Unemployed with high unemployment benefit or savings	Other working-age persons not in the labour force as: G. Students H. Participants in some labour market measures I. Provided for by the family, e.g. housewives J. Sick, handicapped or disabled K. Work in the black market L. Out-laws

Unemployed with social assistance and unemployment benefit should belong to category A in table 4.1. The Social Assistance Offices by principle require that recipients shall register as unemployed and search for jobs. However, there are exceptions to this. The recipient may regard

the contact with the Employment Office as useless, and the social workers do not always control registration regularly. In other cases, the recipient may be relieved from the demand of registration when the chances of getting a job are minimal.

Other recipients are excused from the work demand for other reasons. Newly arrived refugees begin with a Swedish course and other special programs intended to promote integration in the Swedish society and labour market entry (category D, not only refugees in the legal sense are included here but also close relatives who get a permission to immigrate). Also some other groups receive social assistance without the demand to work, such as parents with small children or persons who are sick or disabled.

Groups without social assistance and not registered as unemployed are listed in the lower right cell of table 4.1. High unemployment and low demand for low-educated workers have lead to a large increase in the number of students in upper secondary school education for adult and in university education. Youth are expected to finish secondary school (in total 12 years of education) before they enter the labour market, which was not the case in the 1980s. A young person is not legally obliged to study in upper secondary school but had small opportunities to find a job in the 1990s and was not entitled to unemployment benefit before the age of twenty. Some participants in labour market measures, such as labour market training and education, are classified in the same way as students in the AKU surveys.

Other unemployed, especially women, may leave the labour force and get provision through the family. This is probably unusual because the Swedish wage and benefit system is based on the two-earner principle and not the family income principle. Only high-income employees can support a family with children at a normal level of living

Finally, some other groups are outside of the labour market. This is obviously the case for long time sick, handicapped and disabled with sickness benefit or disability pension. Some able-bodied work in the black labour market, but probably only for short periods or as a complement to employment or benefits. A very small group support themselves by income from criminal activities or is imprisoned.

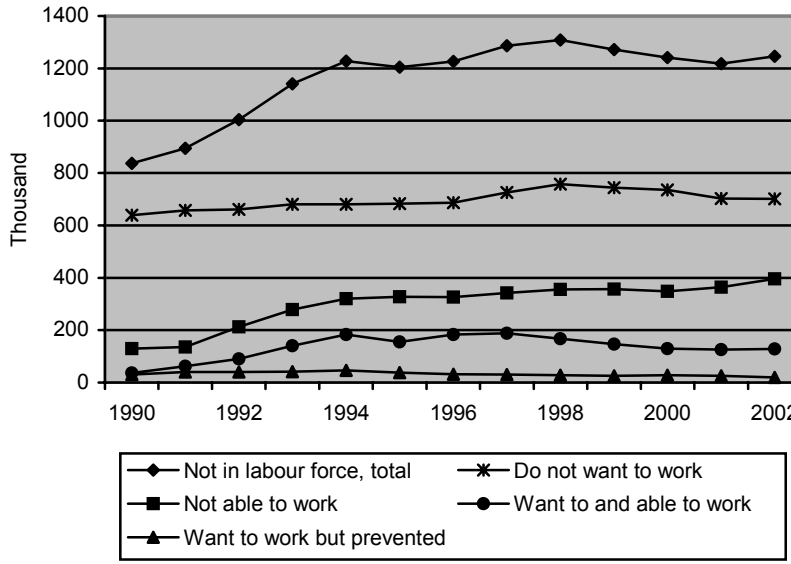
The boundaries between the unemployed and the non-employed are diffuse and sensitive to the criteria of classification. Sweden produces two forms of governmental statistics on unemployment. To start with, the

Labour Market Board (Arbetsmarknadsstyrelen) regularly publishes statistics on the number of registered unemployed ready to work, unemployed not ready to work immediately and the number in labour market measures (the later not classified as unemployed). It is only the group defined as "ready to work immediately" that is classified as openly unemployed, while for example immigrants with insufficient skills in Swedish can be classified as not ready for the labour market. Furthermore, this statistics excludes individuals without unemployment benefit, individuals who not expect to get job referrals or labour market training from the Employment Office and therefore stay away from registration. The other statistics is based on a monthly labour market survey made by Statistics Sweden. This statistics is more inclusive. Persons who answer that they searched work during the month before the interview and can begin work within two weeks are classified as unemployed. Unemployment figures from Statistics Sweden are therefore somewhat higher than the figures of the Labour Market Board. Statistics Sweden reported an unemployment rate of 8.0 percent of the labour force in 1997 while the Labour Market Board presented a rate of 6.6 percent open unemployment in the working-age population, and with an additional 3.5 percent in active labour market measures. However, Statistics Sweden excludes some of the participants in labour market training from the labour force. This may be reasonable in the sense that this can be regarded as a form of education, aiming to a long-term qualification increase. However, it is also a possibility to conceal a part of the unemployment, small in times of low unemployment, but of significant magnitude during most of the 1990s. Labour market measures have often been used with the main purpose to re-qualify the unemployed for unemployment benefit and this practice has the effect of hiding unemployment and especially long-term unemployment because the total time in unemployment is broken up by periods that are not unemployment in the administrative definition of the Labour Market Board.

Statistics Sweden also collects information on persons not classified as being in the labour force. Some results from the 1990s are quite interesting. As described earlier, the proportion of the working-age population outside the labour force increased between 1990 and 1997. At the same time, the number of persons who answered that they wanted and were able to take a job increased form 37 to 188 thousand (among persons classified as not being in the labour force). A subgroup of these is students, where numbers blew up from 8 to 103 thousand (see figure 4.2). If

this group was included in the labour force as unemployed, the unemployment rate of 1997 would rise from 8.0 to 11.9 percent. The number of persons who perceived themselves as unable to work increased almost by a factor of three, from 130 to 342 thousand. It is unlikely that the health status in the population changed more than marginally. There are two other possible explanations. It is likely that employers' requirements on work capacity increased when they could choose among many applicants, and that it was then easier for persons with a minor health problem to get a job in 1990 than in 1997. It is also possible that persons who did not find work changed their self-image and blamed themselves for the failure.

Figure 4.1 Working-age persons outside the labour force 1990 – 2002.

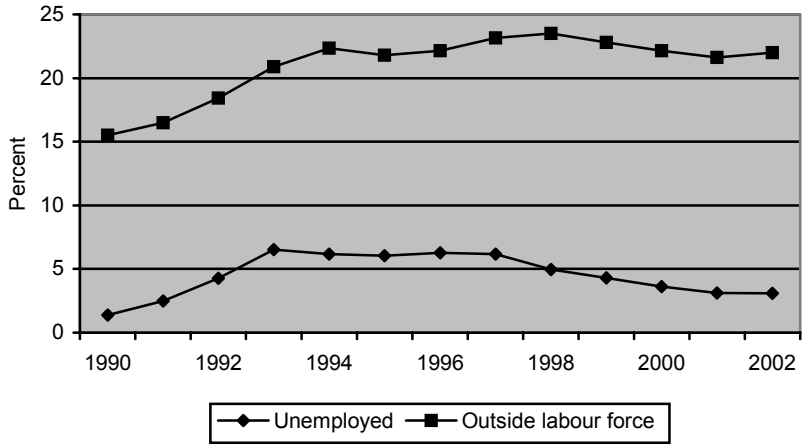


Note: Classification of motivation and ability to work is based on respondents survey answer. The total number of persons not in the labour force is the sum of the four other groups.
Source: Statistics Sweden's AKU database.

Unemployment has dropped considerably from 1998 with the recovery of the Swedish economy (figure 4.2). However, the part of the population

outside of the labour force has decreased marginally, and it is far from the level before the economic crises of the 1990s. Recovery in this aspect can at best be assumed to take a long time. The welfare system is largely based on work performance, and social assistance receipt can therefore be assumed to continue to be high compared to the time before the unemployment crises.

Figure 4.2 Unemployed and outside the labour force 1990 – 2002.



Source: Statistics Sweden's AKU database
Note: Unemployment is here calculated with the population as the base, which gives a lower figure than the usual measure with the labour force as the base.

In summary, the relation between social assistance and unemployment can be affected by several factors.

- The measurement of unemployment can affect the correlation or results of a more complex model. However, the statistics of today gives possibilities to use more comprehensive measurements than only one, official measurement of unemployment. Thus, it is possible to relate social assistance to different aspects of the labour market.

- The structure of social insurance benefits can profoundly affect the relation between social assistance and unemployment. The relation can be expected to be zero or very low if there exists a universal benefit for the unemployed, while social assistance is limited to persons who are not able-bodied, such as sick, old-aged, and working poor, especially families with many children, who get supplementary social assistance. However, the existence of dual schemes for support of the unemployed does not necessarily affect the relation. If a downturn in the economy leads to an increasing number of unemployed with benefits, there may also be a similar increase in the number of unemployed without benefits and on social assistance.
- The relation may be affected by individuals moving between the states of being in the labour force and outside the labour force. If many move out of the labour force, the official unemployment rate can decrease while the rate of social assistance increases. A more likely situation is that movements out of the labour force will reduce the relation between unemployment and social assistance.
- The relation between unemployment and social assistance may also be affected by changes in the level of the benefit. When the compensation is reduced, fewer households are eligible for social assistance. The income of most households is significantly lower than the standard amount of social assistance according to household composition[14]. Only a small number of the households seem to have disappeared from the rolls after the two reductions in the standard amount of social assistance during the 1990s. However, a great number of households without social assistance have disposable incomes near the standard norm of social assistance. Not all of these households

[14] Only 9 percent of the households on social assistance in Helsingborg had a monthly income greater than 90 percent of the "accepted level of living" (standard amount of social assistance according to family size plus actual cost of rent). The two reductions of the social assistance standard during the 1990s have each been less than 10 percent counted on the total household expenses (source: own calculation of household expenses 1995 in the Helsingborg dataset).

> are eligible, but there seems to be a large non take-up in these income categories (Gustafsson 2002). In principle, changes in the standard amount of social assistance can make a considerable number of households to appear on, or disappear from, social assistance rolls. Many of these households can be working poor or pensioners without any relation to unemployment.

Coming so far, I will give a concrete example of the occurrence of different categories of recipients of social assistance. Data comprise all households in the MLS sample entering social assistance in Malmö between 1995 and 1999. Malmö has a high rate of unemployment and refugee immigration and is not representative of Sweden. It rather gives a picture of the situation for a city with a stagnating industrial economy and high immigration. But it is in most aspects similar to many other cities, e.g. Göteborg, Landskrona and Norrköping. The immigration pattern is similar in Stockholm, but it had a more expansive economy in the end of the 1990s and less contracting in the beginning of the decade.

The adult persons in the households are classified as unemployed in more than half of the cases (table 4.2). The classification is based on social workers' assessment that the person has no employment, seems to be healthy and has no physical or mental problem that is severe enough to significantly reduce work ability. However, the individual may have low education, low skills and no work experience. We do not know if the Employment Office will evaluate the person as "ready to take a job immediately", which is a requirement for registration in the category of unemployed that is "available to the labour market". Further, we do not know what employers think and to what extent they regard these persons as employable. However, one can expect that the large majority is able to perform at least a simple, manual job if such jobs were available in quantities large enough. In fact, many immigrants have a high education and are still unemployed. An initial hypothesis is that the problem may lie more on the demand side than the supply side.

The working poor constitute a small proportion of the households. They mostly consist of couples with many children or single mothers. But together with the unemployed they cover more than six tenths of the sample.

Table 4.2 Occupational status of the adult persons in households entering social assistance in Malmö 1995 – 1999.

Category	Number	Percentage
Unemployed	1765	58.6
- of these in labour market measures	303	10.1
Working poor	251	8.3
Refugees in introductory programs	327	10.9
Parental leave	161	5.3
Studies	188	6.2
Pensioners	228	7.6
Others	71	2.4
Missing data	20	0.7
Total	3011	100,0

Note: Less than one fifth of the households are married or couples. In these households, the man is usually the reference person.
Source: The MLS data set.

Refugees in introduction programs comprise a large group considering their small proportion in the population. After their arrival to a municipality, they participate in Swedish education and live on social assistance. To the extent that they do not become employed or enter regular studies, most of them will move to the category unemployed when the introductory courses for immigrants are finished.

Altogether, this means that between two thirds and three quarters of the reference persons can be estimated to belong to or soon become a part of the labour force. They will be required to search for jobs and participate in labour market training. Many will enter the labour market, but as we will see later, there are reasons to fear that many will continue to have a marginal position in relation to the labour market.

In this chapter, the relationship between social assistance and unemployment will be studied on three levels. The first is based on national aggregate data, e.g. yearly time series for Sweden. This approach has serious limitations since it is hard to establish the direction and causality of a relationship. Furthermore, the relationship may be spurious when the

variables follow the same trend, while the reasons for changes in unemployment and receipt of social assistance are different and the persons belonging to these groups overlap only marginally. Finally, a gross correlation may conceal differential development in regions and population groups.

The second approach is to use municipal data. Thereby, the bias of differential development is greatly reduced and can be analysed. Also, a much larger number of data points can be used here. Instead of only one point for each year there is data for each municipality for each year.

Finally, individual or household data can be analysed. We can then escape the problem of aggregate analysis, that the unemployed and the recipients of social assistance may be different persons while the aggregate levels correlate and may lead to a conclusion of a relationship that is spurious in reality.

Social assistance and unemployment on the aggregate level.

Previous studies have established a positive relationship between the general level of social assistance and unemployment (Korpi 1971, Gustafsson 1983, Stenberg 1999). Gustafsson studied this relationship during the period 1912 – 1979. He used three regression models (all run with both OLS and autoregression methods). Model A was a simple regression of social assistance on unemployment, in model B a trend variable was added to filter out the effect of simultaneous but independent reduction leading to a spurious relationship. Model C also introduced a variable with unemployment lagged one year to account for a delayed effect of unemployment on social assistance. If households had savings or had to wait before receiving help, there could be a delay between the entry of unemployment and the entry of social assistance.

Gustafsson found a positive but weak relationship for the entire period between 1912 and 1979. However, the results differed widely between different sub-periods. No positive relationship could be established in any of the models for the period 1912 - 1929. One reason may be the bad quality of the unemployment data at this time, based only on unemploy-

ment figures among union members and not in all unions[15]. A more probable explanation is the policies of municipal poor help boards. Few boards assisted the unemployed in the beginning of the 1920s. It was mainly boards in the cities that begun to accept unemployed as eligible in the end of the decade. During years of high unemployment, temporary governmental programs were created for the unemployed to relieve the burden of the poor help boards. Therefore, it is not surprising that no relationship between poor relief and unemployment was found in the regression models for this period of time.

The relation was positive for the period 1930 to 1947. A change in unemployment predicted a change in the frequency of social assistance of 0.38 percent in model B and 0.25 and 0.22 percent for the unemployment and the lagged unemployment variable respectively (both results with autoregression method). This result is interesting and shows a delayed effect of unemployment, implying that the process of entry and exit from the labour market is long-term. The yearly and the lagged variable are highly correlated, so too much concern should not be made to the relative size of the regression coefficients but rather to that the total model fit is better with the model with a lagged variable. Gustafsson's major interpretation is that some households have savings that delay the entry into social assistance receipt and that long periods of unemployment may create social problems that are detrimental to re-entry to the labour market. The results are similar for 1948 – 1969, but with somewhat higher coefficients than in the previous period. Finally, in the period 1970 to 1979, the curves for unemployment and social assistance followed each other closely. The regression coefficients predicted a change in social assistance of somewhat more than one percent for each percentage of change in unemployment, while the lagged unemployment variable seemed to have less importance than it had some decades earlier.

Gustafsson's analysis brings to ones mind that there seems to be a increasing positive relation between unemployment and social assistance over time. The hypothesis is reasonable on the ground that the composition of the social assistance caseload has changed profoundly during the twentieth century. In 1923, individuals over sixty, and especially seventy years, had a very high risk of receipt compared to people less than fifty

[15] This is not as bad as it may seem. Contrary to many other countries, union membership was very widespread in Sweden and in some time periods nearly universal.

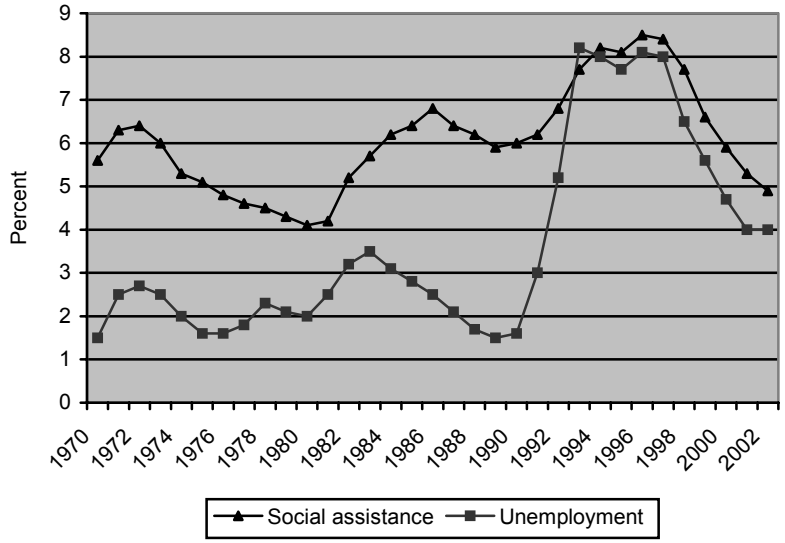
years old. The relationship between age and receipt of social assistance was still pronounced in 1950, with the risk increasing linearly by age. In 1980, we find the reverse relationship: the frequency of social assistance was about five times higher among the 20 – 30 years old than among pensioners. During the next decade, the frequency of social assistance continued to increase among young recipients (diagrams in Gustafsson 1984, p. 132, and Salonen 1993, p. 91). A major explanation to this demographic change is expansion of the general pension system to include the whole population (with the exception of some immigrants with limited time of residence in Sweden). This explains one of the changes, the extraordinary reduction of social assistance among old-aged, but not the increase among the young. Social assistance rose from about 2 to 10 percent of the population in the ages between 16 and 29 from 1950 to 1990 (after diagram in Salonen 1993). There is no simple explanation to this, like the pension system for the old-aged. But it is obvious that youth have a problem of entry in systems that provide them with an income, e.g. labour market.

This chapter will continue with a follow-up of the general relation between unemployment and social assistance during the last decades of the century, adding and a new aspect of the caseload composition, the significance of immigration.

When studying the time series relationship it is nearly always instructive to begin with some diagrams and not only abstract statistical models. Especially in this case, diagrams may reveal when a statistical model may be inappropriate in relation to the data. First, the time series of social assistance and unemployment are presented in figure 4.3.

The measure of social assistance is the yearly frequency of receipt in the population (all adults and children in the households receiving assistance as a percentage of the total population). Unemployment statistics is based on the labour force survey made by Statistics Sweden (AKU). The surveys are monthly, and the figures used here are the yearly mean of unemployed as a percentage of the labour force. Time units are different, but the mean number of unemployed per month should be a good estimate of the number of unemployed per year. Anyway, there exist no monthly statistics on the number of recipients or statistics of the total number of persons who have been unemployed sometime during a calendar year.

Figure 4.3 Social assistance and unemployment 1970 – 2002



Source: AKU and the database on social assistance at Statistics Sweden.

It was earlier shown that the official unemployment figures underestimates the number of unemployed, e.g. not counting persons who want to work, but who have not been actively job-searching very recently before the time of measurement. This point of view is valid when measuring the frequency of unemployment that could be described more adequately by using alternative measures. However, there is a very high correlation between official unemployment and the number of persons who say that they want and are able to work, but are registered as being outside the labour force. There is a moderate correlation between unemployment and the number of persons who say that they want to work but were prevented by circumstances. Other external conditions than the demand for work seems to be important in these cases. Maybe more surprisingly, there was also a very high correlation between unemployment and the number of persons who said that they were not able to work (results based on analysis of data from AKU 1976 – 1998). Analyses of the relation between

social assistance and unemployment gave very similar result when using the official definition and an extended definition of unemployment because of the high covariance between these estimates. In the following, the unemployment statistics from Statistics Sweden AKU survey will be used.[16]

Now, back to figure 4.4. It begins with 1970, a point of time that comes shortly after the height of the industrial society. Industrial employment reached its maximum in 1965, with 42.8 percent employed in the industrial sector, but the employment in service sector was larger than in the industrial sector already in the beginning of the 1960s (Therborn 1995, p. 69). When the diagram starts in 1970, the industrial sector had slowly begun to shrink. The major components of the Swedish welfare state were present at this time, although some refinements evolved later, especially in the 1970s.

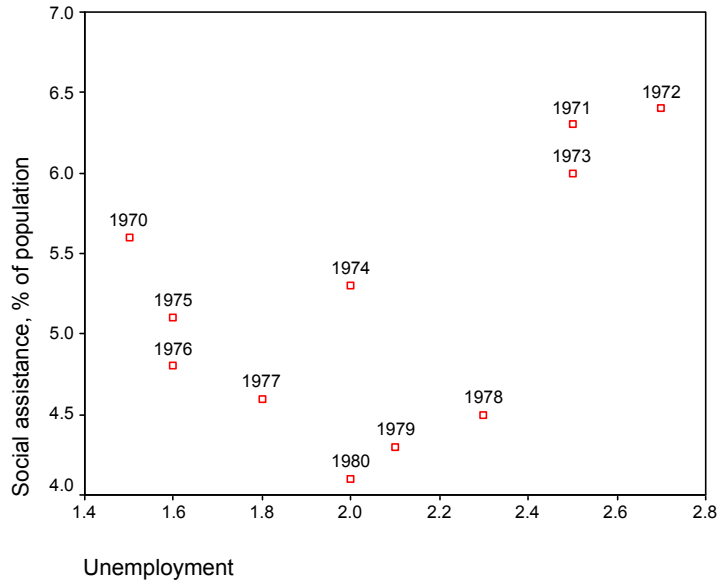
Social assistance fell during the 1970s, expect for a small rise simultaneously with the oil-crisis. From 1980, it tends to rise continuously aside from a small decline at the end of the 1980s. However, social assistance drops in 1998, and continues to decrease for the time period studied. During a large part of the period, social assistance has been at a level of 6 percent or more, which is a high level for a developed welfare state where social assistance is intended to be a residual scheme for unusual situations that not are covered by the general social insurance system. This indicates gaps in the safety net of the general welfare systems. The new groups on social assistance seem to be associated with problems of labour force entry and establishment, which will be further discussed in later chapters.

Unemployment is positioned at a low and stable level during the first two decades, and then it rises very fast from about two percent to eight, remains stable at this level for five years and drops in 1998 as well as social assistance. The dramatic rise in unemployment followed upon a severe economic downturn, which was connected with structural problems concealed behind devaluation and inflation, deregulation of the financial market, a tax reform with lower and less progressive taxes and international recession. These economic conditions as well as the rise in employment will here be treated mainly as an external condition with effect upon the labour market prospects of the recipients of social

[16] A small change of measurement method was introduced in 1986. For this year unemployment was 2.7 percent with the old method and 2.5 percent with the new.

assistance (the economic conditions are described elsewhere as in Ohlsson & Olofsson 1998 and Lindbeck 1997).

Figure 4.4 Unemployment and social assistance 1970 - 1980

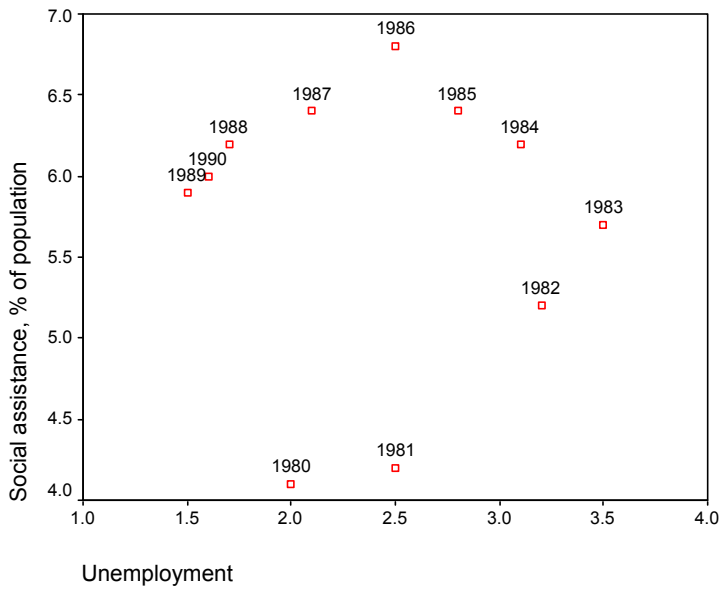


The relation between unemployment and social assistance is plotted in three diagrams, one century in each because such scatter diagrams tend to be unreadable when too many years are included.

We can see in figure 4.4 that unemployment and social assistance increase simultaneously from 1970 to 1972, and then both decrease until 1975. The next year, unemployment is unchanged while social assistance goes down somewhat. Social assistance decreases slowly during 1977 and 1978 while unemployment increases. Finally, both variables go in the same direction during the two last years. For most years unemployment and social assistance move in the same direction. The exceptions, 1977 and 1978, could be explained by other factors than unemployment influencing social assistance. It could also be a delayed effect of the fast decline in

unemployment. When demand for labour increases, it seems reasonable to assume that the unemployed with longer experience, with unemployment benefit and without social assistance, get the jobs first and recipients of social assistance in second hand.

Figure 4.5 Unemployment and social assistance 1980 - 1990



The pattern for the 1980s diverges more from a simple relation between unemployment and social assistance compared to the 1970s. Between 1983 and 1986, unemployment goes back while social assistance increases rapidly. For the rest of the period they move in the same direction.

In the last decade, unemployment rises considerably faster than social assistance between 1990 and 1993. Unemployment is stable for the next four years while social assistance continues to increase slowly. This can be interpreted as a delayed effect of the unemployment crises, that more new recipients entered social assistance than old ones exited to employment, labour market measures or studies.

Figure 4.6 Unemployment and social assistance 1990 - 1998

In summary, the visual inspection of diagrams indicates a rather consistent relation between changes in unemployment and social assistance. A delayed effect of changes in unemployment can be assumed for most of the deviations. The period of 1983 to 1986 is an exception that hardly can be explained by delayed effects. Refugee immigration has from time to time been large during the last two decades and is well known as a factor that has a significant effect on receipt of social assistance. However, there is no evidence that refugee immigration could have this effect during these years. The immigration of refugees and their close relatives was rather low and two to three times higher during the following years when social assistance declined. It was a period of decreasing unemployment and economic recovery. However, a very important institutional change happened in 1982 when the new Social Services Act was implemented. Before 1982, municipalities had no legal obligation to help unemployed persons who were able to work. Many municipalities had already done so, but the result in figure 4.5 supports the hypothesis that the new act had the intended effect of extending the eligibility of social assistance.

Time series analysis

Time series analysis is a method per preference when studying a relationship on an aggregate level, here the relation between social assistance and unemployment on the national level. Time series data may be the only available alternative, which is often the case when we deal with historic data. When the issue is social assistance, individual data are lacking before the middle of the 1980s except for studies of limited scope regarding time and location.

Time series analysis has severe limitations compared to alternatives such as longitudinal, individual data. The main limitations are:

- A statistical relation can be established between a dependent and one or more independent variables. The relation can be causal or simply coincidental. In the realm of variables related to growth in twentieth century societies, many of them covariate. Some may be causal while others are not, and are parts in a very complicated pattern of causation.
- A conditions for time series analysis to work well, is that the series shall be stationary; the series should tend to return to the mean, shocks transitory and autocorrelation[17] tend to die out when the series is long (Kennedy 1992). Trends, more or less constantly increasing or decreasing series, are not stationary. In the perspective of 1970 – 1997, social assistance data is not stationary, although the trend turns in the other direction in 1998 and by 2000 reaches nearly the same level as in 1970. Unemployment data are stationary until 1992, they then increases hugely, followed by a substantial drop, and in total seem to be reasonably stationary.

[17] Autocorrelation is a statistical concept that on the variable level denotes the tendency of variables to be correlated with value of the preceding or following year. If unemployment is high one year, it is probably somewhat higher or lower than the next year rather than the mean of unemployment for an extended number of years. This is an empirical reality, but the problem is that an assumption in the classical linear model of regression (or ordinary least squares) is that the error terms corresponding to different points in time are not correlated. In this case they are. Autocorrelation leads to some problems in regression, but estimators are still linear and consistent although less efficient (Gujarati 1995, p. 410). The regression coefficients can be estimated without bias while the estimation of the significance level is biased.

A consequence is that many variables may have a high correlation to social assistance without having any causal relationship. An example is that a trend variable (a variable with value 1 in year 1, 2 in year 2 and with one added for each year) has a very high correlation with social assistance during some periods when social assistance has a rising trend.

There must be a good reason to introduce a variable that can be assumed to have a relation to social assistance. In the case of unemployment, we have seen that the year to year change usually has the same direction as social assistance. Employment is the major source of income in the working-age population, and the lack of employment can be assumed to be a major cause of insufficient income and receipt of social assistance, especially as the majority of recipients have an age between twenty and forty. Many unemployed find a provision through unemployment benefit, but we can also assume that high unemployment leads to an increase in the number of unemployed that are not entitled to this benefit, or receive a benefit too low to live on. So, there are good reasons for the assumption that the frequency of unemployment is related to the frequency of social assistance.

The test of the hypothesis is problematic because of the high autocorrelation. An approach to deal with this is to do a regression on the first difference, e.g. to compare the difference in unemployment between year t and year t +1 to the corresponding difference in social assistance. This is a rather intuitive analysis, but it is not recommended unless the autocorrelation of the errors in the regression can be believed to be close to 1. Given the widespread availability of computer programs, there is no need to utilise the first difference procedure to deal with autocorrelation (Ostrom 1990). I will use the two best EGLS (Estimated Generalised Least Squares) methods recommended by Ostrom. The first is exact Maximum Likelihood estimation that should be the most preferable. The second is Prais-Winsten estimation that is a partial maximum likelihood estimation, which also gives estimates of parameters as the adjusted R^2-square (model fit) and the Durbin-Watson statistics for autocorrelation (both methods are available in the SPSS module AREG).

The trend and lagged unemployment variables used by Gustafsson did not turn out to be significant or improve the model fit more than at the marginal in the time periods studied here, 1970 – 1998, 1970 – 1990 and

1990 – 2000[18]. Using both unemployment and lagged unemployment gave a sum of coefficients that were somewhat higher than the unemployment variable alone, but the main effect seemed to split up the effect of unemployment on two variables rather than demonstrating a real lag effect. Some possible lag effect was observed in the visual inspection of the diagrams, but it did not seem to be a uniform one year delay but rather a more complex interaction between the labour market and the welfare systems; e.g. the increase of social assistance in the middle of the 1990s when unemployment ceased to rise.

The relationship between unemployment and social assistance is tested for the period of 1970 to 2000 in table 4.3. Maximum likelihood and Prais-Winsten methods give very similar results. The significance level is satisfactory low and the regression coefficient is moderately high, a one-percent change in unemployment predicts a change in social assistance of about .35 percent. As previously pointed out, the relation can be expected to be far from perfect because of the effect of unemployment benefit, other aspects of the welfare system and movements in and out of the labour force.

A possible effect of the Social Services Act of 1982 was detected in the diagrams. The act is therefore included as a dummy variable in the regressions (0 for the years preceding the act of 1982 and 1 for the following years). A significant effect of the act is presented in table 4.4. The effect is strongest during a period of five years before and after the act, but much weaker and slightly above a significance level of 5% for the entire period 1970 – 2000. This is hardly surprising. The effect of a single event should fade out over a period of three decades as the outcome is affected by a multitude of changing conditions. Furthermore, the extended rights granted by the Social Services Act were restricted in the beginning and middle of the 1990s. Many municipalities introduced stricter eligibility criteria and more rigorous examination of the applications. The norm level also decreased in several steps. In the 1990s, The National Board of Health and Welfare changed the method of indexing the basic norm to the consumer price index, and a decision of the Supreme Administrative Court made it possible for municipalities to

[18] Stenberg (1999) also found that the lagged unemployment variable did not improve his model and explained this by the expansion of the insurance system. With income from unemployment insurance, unemployed should not be forced to first deplete their saving and then rely on social assistance.

include fewer consumption components in the basic norm (the "Tingsryd norm"), which was finally utilized in the national norm (see chapter three). The gradually decreased norm level made fewer households eligible of social assistance. However, the effect on the number of households receiving social assistance may have been rather small, since most receiving households at this time had incomes far below the norm.

Table 4.3 Autoregression of unemployment on social assistance 1970 – 2000.

	Unstandardised regression coefficient	Standard error	Significance
Maximum likelihood			
AR1	.866	.089	.0000
Unemployment	.390	.073	.0000
Constant	4.670	.474	.0000
Prais-Winsten			
Unemployment	.390	.073	.0000
Constant	4.670	.471	.0000

Note: In the Prais-Winsten model adjusted R^2 is .469 and Durbin-Watson 1.060.
Source: Data on the frequency of social assistance in the total population and AKU unemployment statistics are both from Statistics Sweden.

In the period between 1977 and 1987, the dummy variable for the Social Services Act has a high coefficient. The Social Services Act of 1982 was also politically exceptional as it challenged the poor help tradition and extended eligibility to all citizens who could not achieve a "reasonable level of living" by other means. Before 1982, municipalities had the option to give voluntary help, but they were only obliged to help old-aged, sick and persons unable to work.

Table 4.4 Autoregression of unemployment on social assistance and the Social Services Act of 1982 for periods 1977 – 1987 and 1970 – 2000.

	Unstandardised regression coefficient	Standard error	Significance
Maximum likelihood			
1977 – 1987			
AR1	-.231	.492	.6523
Unemployment	-.831	.274	.0190
SSA Act of 1982	2.441	.282	.0001
Constant	6.091	.606	.0000
Prais-Winsten			
1977 – 1987			
Unemployment	-.820	.276	.0209
SSA Act of 1982	2.428	285	.0001
Constant	6.070	.612	.0000
Maximum likelihood			
1970- 2000			
AR1	.878	.099	.0000
Unemployment	.358	.071	.0000
SSA Act of 1982	.671	.338	.0574
Constant	4.389	.480	.0000
Prais-Winsten			
1970 – 1998			
Unemployment	.356	.071	.0000
SSA Act of 1982	.660	.307	.0571
Constant	4. 414	.399	.0000

Note: Parameters of the Prais-Winsten model:
1977 – 1987: adjusted R^2 is .899 and Durbin-Watson 1.984.
1970 – 1998: adjusted R^2 is .535 and Durbin-Watson 0.906.
The regression coefficient and the significance level of the variable SSA Act of 1982 are not affected by the introduction of variables for trend and a lagged unemployment.
Source: Data on the frequency of social assistance in the total population and AKU unemployment statistics, both from Statistics Sweden.

The association of the chief executives in the social services (Socialchefernas förening) was an important actor behind the new act in co-operation with a social democratic government. Many municipalities had already gone beyond the eligibility of the previous law, but the result from the time series analysis suggests that the new act extended eligibility beyond previous practice in a substantial number of municipalities.

It is finally necessary to make a cavea: the time series models reduced the effect of autoregression compared to OLS regression, but it did not succeed to filter it out (although the estimates for 1977 – 1987 were quite satisfactory). This should not affect the estimation of the regression coefficient, but it can make the significance levels unreliable.

Studies on the municipal level

Studies on the municipal level have a definitive advantage over national studies. National figures show the mean of a number of municipalities that may have very different conditions and trends. Diverging developments may be revealed at the national level, but visible in municipal data. In addition, the analysis is more robust when it is based on data from more than 280 municipalities instead of a national average.

Unemployment was an important condition for social assistance in the time series analyses of Korpi (1971) and Gustafsson (1983). Unemployment seemed to become an increasingly important factor in Gustafsson's analysis, where the relation was stronger in the 1970's than during the previous periods. Korpi states that unemployment is the "outstandingly most important direct cause" of social assistance. Individual studies of recipients have demonstrated that a large fraction of recipients were unemployed, often more than a half (Puide 1985, Pettersson 1986, SCB 1987, Socialdepartementet 1987, Halleröd 1991, Bergmark 1991).

Some studies of unemployment and social assistance on the municipal level did not demonstrate any relationship between these.variables. Sparén (1986) and Halleröd (1988) did not find any relation between the level of unemployment and the rate of social assistance in the population. However, Halleröd described a high relation between the change in unemployment levels between 1980 and 1985, and the change in social assistance receipt. A change in unemployment predicted a change of 0.6

percent in social assistance. Halleröd (1991, p. 153) concluded: "the level of unemployment was by itself not decisive for the level of social assistance, but an addition of unemployed lead to an increase in receipt". Aguilar & Gustafsson (1989), however, observed a relation between social assistance and the fraction of unemployed without unemployment benefit. Dellgran (1993 p. 122) summarises that "research has hitherto been unable to demonstrate any relation between the level of unemployment and the level of social assistance when municipalities are compared".

The results of these municipal studies are disturbing to the hypothesis of a fundamental relationship between unemployment, marginal labour market conditions and social assistance. Several explanations have been made, for example:

- There are large differences between municipalities in the proportion of unemployed with and without unemployment benefit. Many unemployed in large cities are young or immigrants without unemployment benefit, both unemployment and social assistance levels are high. In smaller municipalities, especially with deteriorating industrial employment, a large part of the unemployed receive unemployment benefit and are not entitled to social assistance (Knutsson & Stridsman 1988). Municipalities with high unemployment rates may also have a larger number of persons in relief work and other labour market measures. An extreme example is the municipality of Pajala, which had an "open" unemployment rate of 6.0 percent in 1990 compared to 0.8 percent in the Stockholm area. Apart from these 6.0 percent of openly unemployed, 9.5 percent of the labour force was engaged in labour market measures (data from Arbetsmarknadsverkets statistikenhet). There was, however, a generally close relation between the number of unemployed and the number of participants in measures (own analysis of data from Arbetsmarknadsverket for 1990 and 1998; see also Dellgran 1993, p. 136 for a similar result regarding youth in 1986).
- The meaning of unemployment is ambiguous and there is no sharp division between employment and unemployment (Halleröd 1991). Examples can be an unemployed recipient of social assistance that is not registered at the Employment Of-

fice or an unemployed in relief work who is registered as in work.

- Demand for labour must be analytically separated from the qualifications required to become employed (Halleröd 1991). Part of the unemployed on social assistance lack necessary qualifications or are inhibited to work for other reasons. Furthermore, the unemployed may be unable to take available jobs because of time or space constraints, such as childcare, and transportation problems.
- There may be regional differences in the households' adaptation strategies and patterns of reaction to unemployment (Dellgran 1993). In a study of Nygren (1986), very few households applied for social assistance after a manufacturing laydown in a small municipality. Important reasons were unemployment benefit and measures, but also a pronounced resistance to apply for social assistance among these workers.

All these explanations are reasonable, but it is doubtful if anyone, or all of them put together, explains why the cross-sectional relation between unemployment and social assistance should disappear. The described reasons should lead to a reduction of the relation rather than its disappearance. This is entirely in accordance with my earlier argument that the relation should be expected to be far from perfect. Halleröd concluded that unemployment and social assistance have no cross-sectional relation, while change over time is highly related. This is problematic, and it is possible that the relationship is confounded by other factors. I will now analyse the relationship between social assistance and unemployment at the municipal level at three points in time, 1985, 1990 and 1997.

A bivariate regression of unemployment on social assistance in 1985 shows a very weak tendency when assistance is measured as the proportion in the population, and no relationship at all regarding the cost of social assistance per inhabitant in the municipality (table 4.5). This is quite in accordance with the results of Halleröd and Sparén. We get this result for all municipalities, but not in a subgroup of municipalities where the inhabitants with foreign citizenship comprise less than one percent of the population (table 4.6). The relation between unemployment and social assistance is now highly significant, and more importantly, the strength of

the relation is substantial with a regression coefficient of 0.349, meaning that a rise in unemployment should lead to an increase in social assistance of slightly more than a third of a percent. There is also a significant effect on the cost of social assistance, although fairly weak.

Table 4.5 Bivariate regression of unemployment on social assistance in 1985 in 284 municipalities.

	Unstandardised regression coefficient	Standard error	Significance
Dependant variable: Social assistance as a percentage of the population			
Constant	4.734	.258	.0000
Unemployment	.151	.085	.0746
Dependant variable: Cost of social assistance per inhabitant (SEK)			
Constant	251.668	21.171	.0000
Unemployment	-4.283	6.951	.5383

Note: OLS regression, adjusted R^2 close to zero in both cases.

The reason why we get a significant result in this subgroup is that the proportion of non-EU, non-Nordic citizens is negatively related to unemployment. Municipalities with a high proportion of non-EU citizens tend to have low unemployment contrary to municipalities with few non-EU citizens. The reason for analysing this subgroup is mainly to demonstrate that the bivariate relationship between unemployment and social assistance still exists in municipalities with a low proportion of immigrants from countries outside the EU, i.e. low refugee immigration. I will later motivate the introduction of this variable on substantive grounds, but first demonstrate how it technically affects the analysis of unemployment and social assistance.

Table 4.6 Bivariate regression of unemployment on social assistance in 1985. Municipalities where inhabitants with citizenship outside the Nordic countries and EU is less than one percent of the population (N = 213).

	Unstandardised regression coefficient	Standard error	Significance
Dependant variable: Social assistance as a percentage of the population			
Constant	3.624	.217	.0000
Unemployment	.349	.067	.0000
Dependant variable: Cost of social assistance per inhabitant (SEK)			
Constant	163.857	14.539	.0000
Unemployment	8.919	4.495	.0485

Note: OLS regression, adjusted R^2 is .110 and .014

To do the analysis on subgroups is not the best way to deal with the problem of the negative relation between unemployment, social assistance and non-EU citizenship. I will later argue that refugee immigration has profoundly changed the conditions of social assistance and labour market marginality, so profoundly that aggregate analysis that do not include the refugee dimension threatens to be meaningless. In the technical sense, one solution is to include non-EU citizenship in the analysis (se table 4.7). This variable is highly significant, and it also has a strong effect on social assistance. A one percent increase of non-EU citizens in the population leads to an increase of social assistance receipt of the same magnitude. This finding is, of course, of great interest, but the essential point here is that the introduction of this new variable changes the result for unemployment. It is now highly significant both in the analysis of the proportion and the cost of social assistance. Furthermore, the regression coefficient of .410 indicates that unemployment is not only statistically but also substantially significant.

Table 4.7 Multivariate regression of unemployment and foreign citizens on social assistance in 1985 (all 284 municipalities).

	Unstandardised regression coefficient	Standard error	Significance
Dependant variable: Social assistance as a percentage of the population			
Constant	3.106	.227	.0000
Unemployment	.410	.067	.0000
Non EU, non Nordic citizens	1.060	.074	.0000
Dependant variable: Cost of social assistance per inhabitant (SEK)			
Constant	101.806	16.811	.0000
Unemployment	19.512	4.960	.0001
Non EU, non Nordic citizens	97.586	5.487	.0000

Note: OLS regression, adjusted R^2 is .425 and .527

Less important, but positive, is that the determination coefficient (R^2) is much higher, indicating a better fit to the linear model. However, the meaning of the determination coefficient has often been misunderstood. A common misinterpretation is that the determination coefficient says something about how much is "explained" by the model. To argue that the second model in the table explains 52.7 percent of the variance is only correct in a strict technical sense regarding the statistical variance calculations. It does not mean that 52.7 percent is understood in a substantial sense, nor that the remaining 47.3 percent of the variance should be "explained" by other variables. Furthermore, the determination coefficient is dependent on the variance of the independent variables, and a function of the sample rather than an underlying relationship. The only thing the determination coefficient describes is how well variables fit to a linear model, which is usually not the primary interest of the researcher. Achen

formulates this in the following way: "Researchers who insist on using R^2 as a measure of fit should make it clear that 'good fit' in the R^2 sense is perfectly consistent with weak causal relationships (small slopes) and poor predictions (large standard error of the regression). Another sample with the same variables could have both stronger relationships and better predictions even though its R^2 was lower" (Achen 1982, p. 63).

When using regression, I am primarily interested in the strength of the relationship, and consequently the regression coefficient. It is, of course, preferable with a low error of the estimate, but there is usually no way to improve it besides using alternative methods or data of better quality. However, the samples used are usually large, giving an acceptable error in the estimates. With large samples, statistical significance is a small problem. Lack of significance is then an indication of a weak relationship and when there is a relationship of substantial magnitude, significance is high. An exception may be analyses with model misspecification, i.e. where the absence of a relevant causal variable that interacts with another variable lead to biased results. Omission of the immigration variable may be an example of model misspecification.

Now, let us continue with the same analysis for subsequent years. The relationship between unemployment, non-EU citizenship and social assistance is presented for the years 1990 and 1997 in tables 4.8 and 4.9. The strength of the unemployment variable is somewhat larger in the 1990s compared to 1985. In summary, there is a strong relationship between unemployment and social assistance, and a one percent change in unemployment seems to leads to a change in social assistance of about a half percent during the period of 1985 to 1997.

Table 4.8 Regression of unemployment and foreign citizens on social assistance in 1990 (284 municipalities)

	Unstandardised regression coefficient	Standard error	Significance
Dependant variable: Social assistance as a percentage of the population			
Constant	3.413	.197	.0000
Unemployment	.607	.089	.0000
Non EU, non Nordic citizens	.628	.057	.0000
Dependant variable: Cost of social assistance per inhabitant (SEK)			
Constant	196.068	21.963	.0000
Unemployment	55.531	9.891	.0000
Non EU, non Nordic citizens	83.536	6.358	.0000

Note: OLS regression, adjusted R^2 is .322 and .382

In this analysis, unemployment has an effect on social assistance. The proportion of the unemployed that is entitled to unemployment benefit varies between municipalities. This may affect the relationship between unemployment and social assistance (e.g. the coefficient), but not necessarily so. In the respect that this variation between municipalities is independent of the level of unemployment, it does not reduce the regression coefficient but increases the error of the estimation and reduces the R^2. An alternative is to use the proportion of the population that is unemployed and not entitled to unemployment benefit, as in an analysis of municipal variation of the cost of social assistance in 1994 by Byberg (1998). This report has an R^2 maximising approach and does not report regression coefficients, so it is not possible to compare the two variables. There is also a risk of triviality in using the variable unemployed without insurance benefit, most unemployed without this benefit are entitled to

social assistance so one could expect them to be highly correlated. This variable could be more closely related to the construction of the welfare system than to more general labour market conditions.

Table 4.9 Regression of unemployment and foreign citizens on social assistance in 1997, 284 municipalities.

	Unstandardised regression coefficient	Standard error	Significance
Dependant variable: Social assistance as a percentage of the population			
Constant	1.694	.421	.0001
Unemployment	.543	.054	.0000
Non EU, non Nordic citizens	.881	.066	.0000
Dependant variable: Cost of social assistance per inhabitant (SEK)			
Constant	-66.191	72.084	.3593
Unemployment	67.390	9.279	.0000
Non EU, non Nordic citizens	251.561	11.283	.0000

Note: OLS regression, adjusted R^2 is .451 and .641

The strength of non-EU citizenship is higher and varies more than the unemployment variable. The drop from the 1985 level of 1.060 to .628 in 1990 is statistically significant, but the variable rises to .881 in 1997 so there is no clear tendency. Unemployment was exceptionally low in 1990, which may explain the lower coefficient during this year, based on the assumption that there are differences in labour market performance and prospects between Swedes and immigrants. This means that there is an interaction between unemployment and non-EU citizenship, in this case meaning that non-EU citizens has some chance to become employed

when labour market demand is exceptionally high. To test this hypothesis, an interaction term was introduced in the regression model (unemployment multiplied by social assistance). The interaction effect was highly significant for all years when the cost of social assistance per inhabitant was used as the dependent variable; and for 1990 and 1997 for the proportion of social assistance in the population. The results are displayed in tables 2.10 to 2.12. It is obvious that there is an interaction effect of unemployment and non-EU citizenship, although this abstract model does not say anything about the nature of the interaction. What can

Table 4.10 Regression of unemployment and foreign citizens on social assistance 1985 with interaction term, 284 municipalities.

	Unstandardised regression coefficient	Standard error	Significance
Dependant variable: Social assistance as a percentage of the population			
Constant	3.194	.240	.0000
Unemployment	.372	.075	.0000
Non EU, non Nordic citizens	.922	.144	.0000
Interaction	.068	.061	.2663
Dependant variable: Cost of social assistance per inhabitant (SEK)			
Constant	130.837	17.070	.0000
Unemployment	7.150	5.329	.1807
Non EU, non Nordic citizens	52.451	10.257	.0000
Interaction	22.342	4.360	.0000

Note: OLS regression, adjusted R^2 is .425 and .566

presently be seen is that unemployment and non-EU citizenship tend to have an multiplicative effect. It should also be noted that the mean values have increased substantially for both variables between 1985 and 1997.

When interpreting the size of the coefficient for the interaction effect, it is important to recognise that the variable value can be much larger than the values for unemployment and non-EU citizenship. In a municipality in northern Sweden, there may be 0.3 percent non-EU citizens and an unemployment rate of 8 percent; which gives a value of 2.4 on the interaction variable. In Malmö, unemployment was 15.0 percent and non-EU citizenship 8.8 percent of the population in 1997, giving a value of 132 on the interaction variable. The mean frequency of non-EU citizens rose from 0.86 percent in 1985 to 1.84 percent in 1990 and 2.22 in 1997 (these are means for the municipalities and not the national average).

Table 4.11 Regression of unemployment and foreign citizens on social assistance in 1990 with interaction term, 284 municipalities.

	Unstandardised regression coefficient	Standard error	Significance
Dependant variable: Social assistance as a percentage of the population			
Constant	3.836	.221	.0000
Unemployment	.226	.130	.0830
Non EU, non Nordic citizens	.252	.111	.0242
Interaction	.362	.092	.0001
Dependant variable: Cost of social assistance per inhabitant (SEK)			
Constant	294.934	22.117	.0000
Unemployment	-33.512	13.048	.0107
Non EU, non Nordic citizens	-4.514	11.128	.6853
Interaction	84.607	9.248	.0000

Note: OLS regression, adjusted R^2 is .355 and .523

Table 2.12 Regression of unemployment and foreign citizens on social assistance 1997 with interaction term, 284 municipalities.

	Unstandardised regression coefficient	Standard error	Significance
Dependant variable: Social assistance as a percentage of the population			
Constant	3.094	.606	.0000
Unemployment	.342	.083	.0001
Non EU, non Nordic citizens	.239	.213	.2624
Interaction	.096	.030	.0017
Dependant variable: Cost of social assistance per inhabitant (SEK)			
Constant	533.104	93.364	.0000
Unemployment	-18.804	12.788	.1426
Non EU, non Nordic citizens	-23.215	32.787	.4795
Interaction	41.246	4.687	.0000

Note: OLS regression, adjusted R^2 is .468 and .718

The interaction effect seems to become stronger over the years. I avoid using standardised coefficients that are based on an assumption that all variables without problems can be transformed to a normal distribution with a mean of zero and a standard deviation of one. These transformed values often make it difficult to interpret the results of a regression, e.g. a transformed value of unemployment predicts a transformed value of social assistance, which makes it is difficult to see what this means in "real world" figures. However, the standardised coefficients estimate the relative magnitude of the coefficients. In this case, the standardised coefficient for interaction effect is not the highest coefficient in either of the analyses of the 1985 data, while it considerably outnumbers the other two independent variables in 1990 and 1997. This is especially the case

when cost is the dependent variable in 1997; in this analysis the standardised coefficient is .926 for the interaction, and -.074 and -.075 for the other two variables.

A preliminary conclusion is that the effects of unemployment and refugee immigration (as indicated by non-EU citizenship) have a multiplicative rather than an additive effect on social assistance. To the extent that this is true, the consequence should be severe problems of labour market marginalisation and social exclusion in municipalities with high unemployment and refugee immigration.

Summary

This chapter starts with a discussion of unemployed and other groups outside of the labour force. The number of unemployed as well as other groups outside of the labour force increased drastically during the 1990s. These groups have a marginal position in relation to the labour market and the social insurance system and are often in need of social assistance.

There has historically been a strong relation between unemployment and social assistance. This relationship seemed to disappear during parts of the 1980s but this was mainly a spurious effect of a great number of refugee immigrants who received social assistance but were not registered as unemployed for reasons such as participation in introductory and other special programs for immigrants. When immigration was included in the model, there were significant positive relationships between social assistance and both unemployment and immigration. In an analysis of municipal data, the model fit increased when an interaction term between unemployment and social assistance was added. This result is difficult to interpret, but it seems that the relationship between variables is non-linear, and can point to neighbourhood effects, where disadvantage is reinforced by spatial concentration.

The analysis supports an interpretation that the Social Services Act, that gained legal force in 1982, extended eligibility and increased the number of recipients of social assistance. This result is suggestive rather than conclusive.

5. Social assistance and immigration

It is well known that immigrants have a higher rate of social assistance than natives, at least during the last two decades. There is solid evidence in immigration research that immigrants initially have a lower earning capacity in the host country compared to natives with the same level of education (Borjas 1988, Borjas 1994, Ekberg & Gustafsson 1995). Some of the reasons for this are obvious: it takes time to learn the language and the customs of the host country, and the labour markets not the same as in the county of origin. Workers who immigrated to Sweden in the 1960s climbed up to a level of income close to Swedish workers after a few years, although the mean hourly wage was somewhat lower and hours worked somewhat higher. For households with social assistance in 1983, Franzén (1997) showed that the exit rates of immigrants were close to the rates of natives during the next nine years.

In this perspective, immigration should only have a temporary and rather marginal influence on the relationship between unemployment and social assistance. However, previous research is mainly based on the data ending around 1990 or earlier. The process of integration may have changed during the mass unemployment of the 1990s. The situation and prospects may differ between unemployed recipients of social assistance dependent on ethnic origin.

There are basically two predominant views of the immigration process in Sweden after the Second World War. The first is based on the experience and research on immigration from previous decades. Immigrants were integrated into the labour market after a short period. The income differences between natives and immigrants were small. They adapted to Swedish values, the integration process run smoothly and the differences vanished over time. The perspective was assimilation rather than integration where different cultures influenced each other.

The alternative view is that the differences between natives and immigrants are increasing with consequences as segregation and ethnical conflicts. The basic reason is that the character of immigration has changed from labour force immigration (especially in the 1950s and

1960s) to refugee immigration, with a large number of refugees in the 1980s and 1990s. Immigration was not related to the demand of labour in Sweden, which may lead to a mismatch between the skills of immigrants and the skills required by employers. Furthermore, the immigrants' employment problems were exaggerated by the mass unemployment of the 1990s, and it could be further reinforced by discrimination and segregation of housing. Disadvantaged areas, such as Malmö and Rinkeby in Stockholm, are often used to symbolise, or even prove, this view. In such areas, there is a high concentration of immigrants and high rates of unemployment and social assistance receipt.

Processes of integration and differentiation are very complex. Here, the two outlined perspectives will be explored mainly in relation to data on social assistance, immigration and citizenship.

Who is an immigrant or a refugee?

The term "immigrant" is often used loosely. It may denote persons of foreign ethnicity, non-Swedish citizens or simply non-natives that one doesn't like. Here, an immigrant is defined as a person who has moved to Sweden from another country and has permanent residence in Sweden. A person who is born outside Sweden and has parents with Swedish citizenship becomes an immigrant when moving to Sweden. A Swede who has emigrated becomes an immigrant when moving back.

The national statistics distinguishes between citizenship and birth country. In 1998, 10.9 percent of the population was born outside of Sweden while only 5.6 percent had foreign citizenship (including children born in Sweden with foreign citizenship). Compared to many other countries, the rules of naturalisation are generous in Sweden. The requirement is five years of residence and "honest behaviour", largely meaning that the immigrant has not committed a serious crime during this period. Roughly half of the immigrants have used the possibility of naturalisation. The number of "foreigners" varies between half a million and 1.7 million depending on definition. In the first case, the number of persons with foreign citizenship, and in the latter case the number of persons that are born outside Sweden plus the number of persons born in Sweden, with at least one parent who is born outside Sweden (Nilsson 1999).

The figure of 10.9 percent foreign-born is high, a rise from 6.7 percent in 1970, and Sweden can be described as an "immigration country". In 1990, 7.9 percent of the US population was foreign-born and we have to go back to the 1930s to find figures higher than 10 percent in USA (Borjas 1994).

Statens Invandrarverk[19] (The Swedish Immigration Board) has produced statistics on applications for asylum and permission of residence for refugees since 1980 and also for permission of residence for close relatives to refugees since 1985. Here, refugee will be used as a broad category, including refugees according to international quota, refugees according to the UN Refugee Convention, refugees permitted because of war resistance, refugees who could not be permitted residence according the UN convention but got permits because they had similar reasons and finally, permits based on humanitarian grounds. From the 1990s, permits based on humanitarian grounds have been the most common.

Between 1980 and 1989, residence was permitted for 97.122 refuges and between 1990 and 1998 for 153.919 refugees. After 1985, 74.190 close relatives to refugees received permits. The sum is comparable to about 3.5 percent of the population. Labour market migration was very low during this period, except between the Nordic countries.

Refugees are placed in municipalities after permit of residence, and then participate in introductory courses on the Swedish language and society. They are initially supported by social assistance. Statens Invandrarverk has made reception agreements with municipalities. The ambition has been to achieve a relatively even distribution of immigrants over the country, but there have been large differences in municipal co-operation and compliance as well as in the local supply of available housing. Refugee migration after municipal placement has also contributed to the uneven distribution between different areas and types of municipality. In 1997, 0.3 percent of the population in Härjedalen had a citizenship outside of EU while Botkyrka had the highest value, 11.5 percent. The figure for Malmö was 8.8 percent.

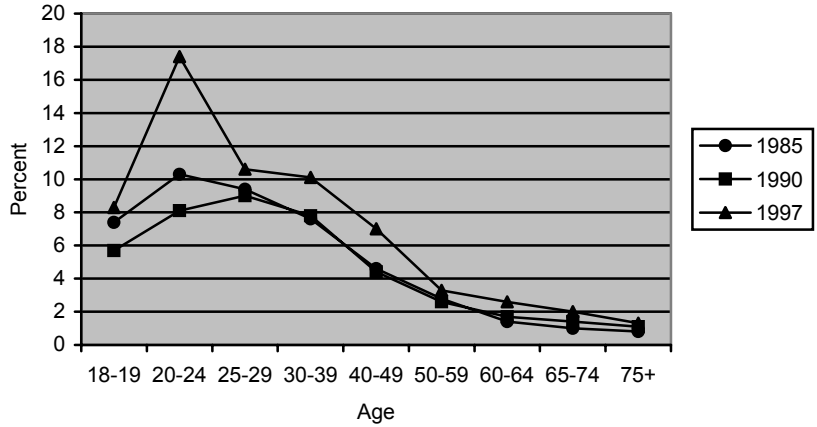
---

[19] Statens Invandrarverk was split into two organisations in 1998. Migrationsverket (The Swedish Migration Board) is responsible for decisions on residence permits, while Integrationsverket (The Swedish Integration Board) manages the introduction phase for refugees, and also has a general responsibility for actions to further integration in the society.

Social assistance and citizenship

The number of recipients of social assistance has increased considerably during the 1990s (see figure 4.3 in the previous chapter) and especially among foreign citizens. Receipt was very similar between 1985 and 1990 for most age groups and dropped somewhat for youth in 1990, reflecting the good labour market conditions. As previously discussed, receipt is much more common among youth than older people and drops constantly from the age of 25 (figure 5.1).

Figure 5.1 Proportion of the population receiving social assistance in different age groups.

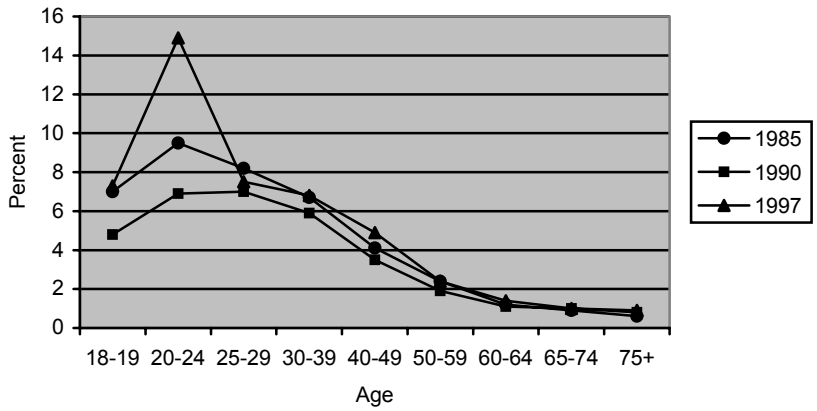


Source: 10% national data set and population statistics from SCB.

Foreign citizens and especially refugees have comprised an increasing part of the caseload. Instead of only looking at internal changes within the caseload and caseload growth, it may be more revealing to calculate the receipt in the population according to citizenship and age. A 10% random sample of the national social assistance database 1985 – 1997 is used for this calculation. The reference person is recorded as a Swedish or non-

Swedish citizen (the national social assistance database was extended to include birth country and immigration year from 1998). Age of other adults in the household is recorded from 1990, but not included in the 10% sample. Calculation of the number of adults requires some assumptions. Age and citizenship of other adults in the household is set to the same as the reference person. Only 20.7 percent of the households were married or cohabiting in 1997 and data on single adult households are exact. The reference person is a woman in 29.4% of couples. The mean age of women in couples is somewhat lower than for men and there may be a slight overestimation of age. If the reference person has foreign citizenship this is also likely for the other adult, but obviously this estimation is biased. On the other hand, the other adult sometimes has a foreign citizenship when the reference person is a Swedish citizen. These two sources of bias go in opposite direction, but there may remain an error in the estimation. However, considering the very large differences due to citizenship that we will soon see, the bias must be of marginal importance.

Figure 5.2 Receipt of social assistance among Swedish citizens in different age groups, percentage of the population.

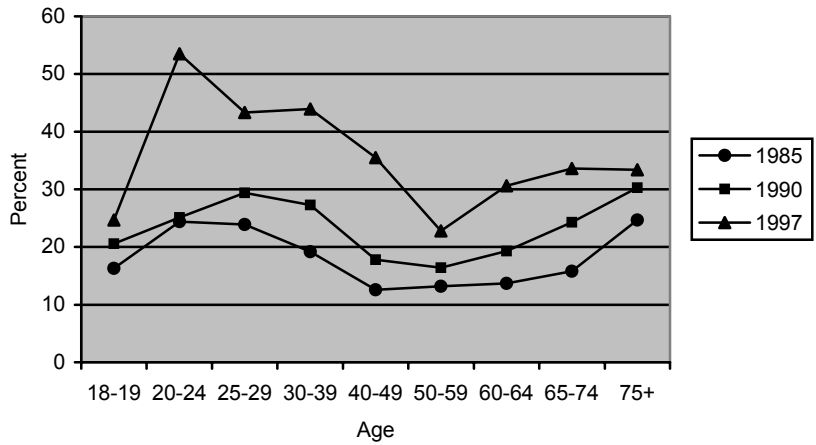


Source: 10% national data set and population statistics from Statistics Sweden.

The proportion of the Swedish citizens receiving social assistance is presented in figure 5.2. This is very similar to the previous diagram with the exception that the level is somewhat lower and that there is only a small increase of social assistance in 1997 for ages over 25. Except for youth between 20 and 24 years, there is no evidence that social assistance has increased more than marginally during the mass unemployment of the 1990s for Swedish citizens.

The situation is quite different for foreign citizens. The levels are several times higher than for Swedish citizens. Receipt does not fall with age; it is highest among youth, drops somewhat for middle aged and rises again among the old. Receipt increased from 1985 to 1990 in spite of the good labour market conditions. The rise in the 1990s is remarkable, only in the age group 50 – 59 is receipt lower than thirty percent (persons under 20 years are also lower but here are some recipients registered as children).

Figure 5.3 Receipt of social assistance among foreign citizens in different age groups, percentage of the population.

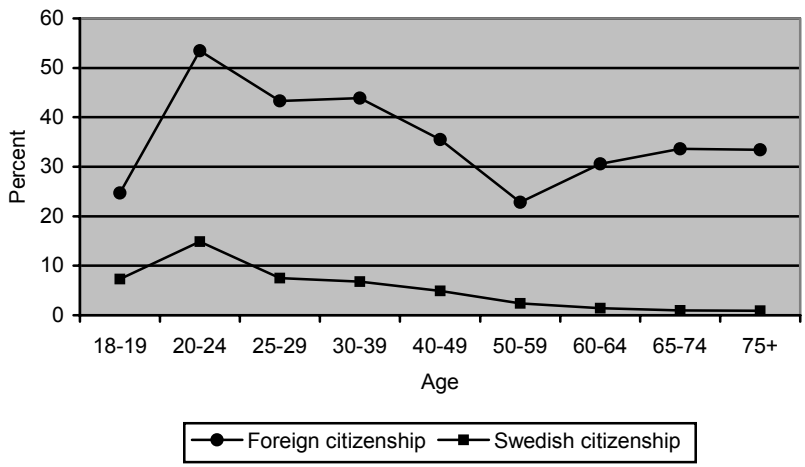


Source: 10% national data set and population statistics from Statistics Sweden.
Note: Frequencies are estimated from the sample.

The huge differences between Swedish and foreign citizens in 1997 are presented in figure 5.4. The risk of receiving social assistance at least once during 1997 is more than three times higher for a foreign citizen 20 – 24 years old than a Swedish citizen. In this age group more than a half of all foreign citizens received social assistance. The rate is lower in other age groups, while the relative risk is higher and in some age groups more than ten times higher than for Swedish citizens.

In summary, the rate of social assistance has in large been unchanged for Swedish citizens with the exception that the rate for young persons has been sensitive to labour market conditions. The rate for foreign citizens has increased between 1985 and 1990 when labour market conditions improved as well as between 1990 and 1997 when unemployment rose dramatically.

Figure 5.4 Social assistance among Swedish and foreign citizens in 1997, percentage of the population.



Source: 10% national data set and population statistics from Statistics Sweden.

The results indicate an increasing cleavage between Swedish and foreign citizens during the 1990s. Conditions may be better for foreign born who

have attained Swedish citizenship, but this cannot be explored with the dataset used here. Increasing social assistance among non-Swedish citizens can be explained by changes in the composition of the group as well as deteriorating conditions over time. Between 1991 and 1997, 208 thousand foreign citizens immigrated to Sweden and 221 thousand foreign citizens received Swedish citizenship. During this period, about two fifths of the foreign citizens left the group and were replaced by other immigrants. Individuals in the inflow group may have lived shorter time in Sweden or be disadvantaged in other respects compared to the outflow group.

In 1998, 58 percent of the social assistance households were born in Sweden, 13 percent were foreign-born with Swedish citizenship and 29 percent had foreign citizenship (Socialstyrelsen 1999). The number of foreign citizens and the number of foreign-born with Swedish citizenship are about equal in the population. The risk of social assistance seems to be roughly three times greater for foreign-born Swedish citizens compared to foreign-born non-Swedish citizens.

It is not surprising that social assistance is common among non-Swedish citizens with regard to the fact that refugees routinely are supported by this scheme during the introductory phase (it is sometimes labelled introductory assistance and managed by special municipal units, but still the same as social assistance).

The National Board of Health and Welfare (Socialstyrelsen 1999) reported that ten percent of the social assistance households were refugee households in 1997 and that the figure had dropped to seven percent the next year. Other households with foreign citizenship (refugees excluded) comprised about twenty percent of the households. If we rely on these figures, refugee immigration during the 1990s could not be a major explanation of the high proportion of recipients in the population among foreign citizens. However, the refugee definition used indicates only if the household currently has refugee status. This is an administrative definition that is used to characterise refugee households during the year of permission of residence and the following three calendar years. The reason is that the municipality receives a governmental grant for each refugee that is intended to cover the extra cost associated with refugee introduction. A household may very well have arrived for refugee reasons but is not recorded as a refuge household when time is due.

If the period of receipt is long and often exceeds the four year template, there can be a considerably discrepancy between the number of

households, who have immigrated as refugees, and the number that is covered by the administrative definition. This is also the case. In 1997, 9.7 percent of the households on social assistance were refugee households according to the administrative definition, while 18.9 percent of the households had administrative refugee status this year, or had been recorded as such, with backtracking to 1990, when this variable was introduced. The total frequency of households with foreign citizenship was 28.2 percent in 1997 (excluding the 2.9 percent of the households with backtracked refugee status who had become Swedish citizens). Even if we use the refugee record with backtracking, there remains some underestimation of the real number of households that arrived by refugee reasons before 1987 and received social assistance in 1997. Also, refugee immigration is often connected with subsequent immigration of close relatives who do not have refugee reasons but are allowed residence for family reasons. Between 1985 and 1998, 228 thousand refugees were permitted residence and also 74 thousand close relatives.

At least 57 percent of the social assistance households with foreign citizenship had arrived for refugee reasons. Without doubt this is an underestimation.

To further analyse the relations between immigration, unemployment and social assistance, better data are necessary. However, currently available data is sufficient to demonstrate that there have been different patterns of social assistance for Swedish and non-Swedish citizens, its close connection to refugee immigration and the need for further research into this area. More comprehensive data will be used in the case study of Malmö in the next chapter. However, the data are limited to the population in this city.

Household careers

In the previous section, we have primarily been interested in the proportion of the population that receives social assistance in relation to citizenship and age distribution. Social assistance has become more common among foreign citizens in yearly data. One can ask if more households enter social assistance or if those who enter receive social assistance during longer periods?

A central question is how the time on social assistance was affected by the mass unemployment of the 1990s. A way to explore the question is to study two cohorts of entering households, one who entered some years before the rising unemployment of the 1990s and one in the beginning of the mass unemployment. The use of entry cohorts is a way to reduce the problems associated with studies of all household in the stock, which is a mix of newly entering households and long-term households with very different entry times.

A household sample was drawn from the 10% national social assistance dataset for a longitudinal study of households. The sample consists of all households in the dataset that entered in 1987 or 1992, and who did not receive social assistance during the two preceding years. The requirement of two preceding years was made to reasonably sort out households with a recurrent pattern of receipt, without too stringent demands that the household should never had received social assistance before. This would threaten to exclude households that had been self-sufficient during a long period but were forced back to social assistance during the mass unemployment.

Unemployment was low in 1987, with a rate of 2.1 percent, and it fell below two percent during the following year. 1992 is a year when unemployment rises rapidly and the mean for the year is 5.2 percent. Unemployment rises to 8.0 percent the next year and remains at this level during five years.

Both cohorts are studied during six years and have equal observation time. The total number of months on social assistance and the total amount of social assistance (in 1997 years prices) are used as dependant variables.

Descriptive results for the two cohorts are presented in table 5.1. The largest change is the increasing number of households, especially foreign households that grew by 62 percent. The total time on social assistance

increased by approximately a third for both households with Swedish and foreign citizenship.

Table 5.1 Households entering social assistance in 1987 and 1992. Sum of months and total cost during six years, 1997 years prices (SEK).

	Entry 1987	Entry 1992	Change
Number of households with Swedish citizenship	6515	9046	+39%
Number of households with foreign citizenship	1613	2621	+62%
Mean sum of months, Swedish	8.1	10.5	+30%
Mean sum of months, foreign	19.0	25.8	+36%
Mean sum of social assistance, Swedish	33,555	49,064	+46%
Mean sum of social assistance, foreign	135,807	167,402	+23%
Social assistance all six years, Swedish	6.6%	9.8%	–
Social assistance all six years, foreign	15.7%	29.3%	–

Source: 10% sample of national social assistance database.
Notes: Citizenship is determined by the citizenship of the reference persons for married or cohabiting households.
Social assistance all six years means that the household received social assistance during at least one month during each calendar year.

The mean number of months for all households increased substantially with about a third. Long-time receipt (all six years) increased even more, from 6.6 to 9.8 percent of the entering households with Swedish citizenship and from 15.7 to 29.3 percent for households with foreign citizenship. The total number of households who entered social assistance also increased between 1987 and 1992, so in absolute numbers long-time receipt more than doubled among Swedish households and more than tripled for foreign households.

There were two main differences between cohorts. One was an increased risk for households to enter social assistance and the other was longer times for those who entered, with a considerable increase of long-term receipt.

A crucial question is to what extent differences between entry cohorts can be attributed to unemployment. The increase in the number of households could be explained by other factors as cut-downs in social insurance. Salonen (1996) showed that decreased social insurance benefits lead to rising social assistance for households already on assistance, e.g. cuts in unemployment and sickness insurance and an estimated increase of the total cost for municipalities of about 10 percent. It is also probable that falling benefits force some households, which previously had incomes slightly over the social assistance level, into social assistance. This could increase the number of households as well as the time on social assistance. However, the cuts in benefits amounts were implemented a few years after 1992 and could not affect the risk of entry. The bulk of social assistance for the 1992 cohort was in the first two or three years and the effects of reduced social insurance amount should be minor.

It is difficult to control to what extent the differences between 1987 and 1992 could depend on different composition of the entry groups. Sweden had a considerable immigration from non-European countries already in the 1970s and 1980s with large groups coming from Chile, curds from Turkey and neighbouring countries, and refugees from Iran, Iraq and Somalia. It is hardly likely that the composition of refugees had changed so much between 1987 and 1992 that it could produce so different results. Slightly more refugees and close relatives received residence permits in 1992 than in 1987 (32 and 26 thousand). It seems unlikely that the composition of the immigrant population had more than a marginal effect on the increasing numbers and times of receipt.

Part of the differences between Swedish and foreign households may be connected with differences in household composition and age. Foreign households more often consist of couples with children, and the mean age is somewhat higher compared to Swedish households. The influence of household structure and age is examined in the regression model presented in table 5.2.

Table 5.2 Number of months on social assistance in relation to age, type of household, citizenship and entry year.

Independent variables	Unstand. betacoeff.	Standard Error	Significance
Constant	1.453	.025	.000
Age below 20	.539	.031	.000
Age 20 – 240	-.053	.027	.050
Age 25- 29	-.065	.028	.021
Age 30 – 39	.000	–	–
Age 40 – 49	-.075	.029	.011
Age 50 – 64	-.072	.036	.046
Age 65 or more	-.435	.040	.000
Single man without children	.000	–	–
Single man with children	-.058	.063	.357
Single woman without children	-.122	.021	.000
Single woman with children	.105	.028	.000
Married/couple without children	-.216	.036	.000
Married/couple with children	.-.107	.030	.000
Three or more children	.278	.042	.000
Foreign citizenship	1.006	.021	.000
Entry 1992	.206	.017	.000

Notes: Age 30 – 39 and single man without children were used as reference categories.
OLS regression with the natural logarithm of the number of months on social assistance as dependent variable.
Adjusted R^2 = .148

To conform to the linear assumptions of OLS regression, a logarithmic transformation was made of the dependent variable, number of months on social assistance during the six-year. All other variables are dummy variables to avoid probable problems of non-linear relations between age, household structure and the dependant variable.

Results are in close line with the descriptive results in table 5.1 above. The single most important variable is citizenship. The regression coefficient of 1.006 is very high considering the logarithmic transformation and predicting a time on social assistance that is approximately three times longer for a household with foreign citizenship compared to Swedish

citizenship. Time of entry was very significant but the magnitude of the coefficient was modest compared to citizenship.

The influence of age and family structure was relatively small with a few exceptions. Entry at an age below twenty years was correlated to a clearly prolonged time on assistance, roughly 60 percent longer than the reference category. This probably reflects the condition of out-of school youth that cannot find employment and do not continue with higher education. Time is substantially shorter for recipients that are 65 years or older. Assistance in this group is momentary and connected to special needs that are not covered by a low pension, e.g. high costs for dental care. Mortality is another factor that should lead to shorter times.

Among the family structure variables, the most important is three or more children in the family. This is not surprising considering that households with low or moderate income often have incomes that are close to the level of social assistance. Single women with children have often been considered a group with long times on assistance. Here, they only have a slight tendency of longer times (but very statistically significant. However, it should be noted that the effect of many children is filtered out and captured by the variable three or more children.

The differences between the 1987 and 1992 cohorts seem to have little to do with age and family composition and the increased risk of entry and the prolonged duration of social assistance can mainly be explained by unemployment. The consequences of unemployment have hit households with foreign citizenship considerably harder than Swedish households.

Summary

It is analytically complex to distinguish between the effects of unemployment and immigration. Immigrants receive social assistance for many reasons. The first time in Sweden can be regarded as an introductory phase when refugees are not expected to work but to participate in educational activities, e.g. learn Swedish and become familiar with social conditions in Sweden. After the introductory phase the employment problem should be in focus as a reason for social assistance rather than the immigration situation by itself. Now, social assistance can be

connected to unemployment as well as the immigrant situation which can lead to special problems of labour market entry.

It is not possible to differentiate the relative importance of immigration and unemployment with the basic analysis made in this chapter. However, it is evident that immigrants with foreign citizenship have a much higher risk of social assistance and especially long-term receipt than Swedish citizens. While social assistance among Swedish citizens is mainly a youth phenomenon, it is common in all age groups among immigrants. These huge differences can only partly be explained by introductory programs for immigrants or family composition, and mainly reflect marginalisation and exclusion in relation to the labour market.

6. From the National to the Local Level – Social Assistance in Malmö

In the previous two chapters, the discussion has been focused on the general relation between social assistance, unemployment and immigration. Analysis on the national level can only capture a general trend, or at worst an average of differential trends. Local conditions can vary considerably with diverse combinations of these factors.

The present chapter will mainly concentrate on the local conditions in the city of Malmö. This is a city with a history of post-war immigration, de-industrialisation and an unusually high level of social assistance during the last two decades. The Malmö chapter will illustrate how long-term unemployment and large refugee immigration affects the conditions of the citizens, e.g. social assistance, labour market insurance and work income.

This chapter will start with an introduction on the recent history, and extent of social assistance in Malmö. After this presentation, I will put Malmö in a national context and study if social assistance in Malmö is unique and created by specific local processes or if it can be regarded as homogenous in a national context. Is it difference in degree rather than kind?

Recipients of social assistance in Malmö

Malmö compared to other cities

How common is social assistance in Malmö? The question is simple, and there is no definitive answer, but rather a number of answers that describe different aspects of the question. The main reason is that there are vastly varying durations and patterns of periods with social assistance. Do we mean social assistance sometimes during the lifetime, in a given month, a calendar year, very long-term receipt or may be more technical measures

as the hazard rate of exiting a spell? The differences between these measures depend on the turnover of the social assistance population, to what extent social assistance is a short time episode or an enduring state. Not only the risk, but also the duration of social assistance is of central importance for recipients as well as social policy.

The most commonly used population measure in Sweden is the proportion of the population living in households that receive social assistance during a calendar year, e.g. this figure is reported yearly by the National Board of Health and Welfare and often used in municipal reports. This measure is robust, as it is insensitive to family composition, for example if the recipients are dominatingly single elderly, as in the beginning of the twentieth century, or single adults with psycho-social problems, or families with children. Yearly statistics is available back to the end of the nineteenth century.

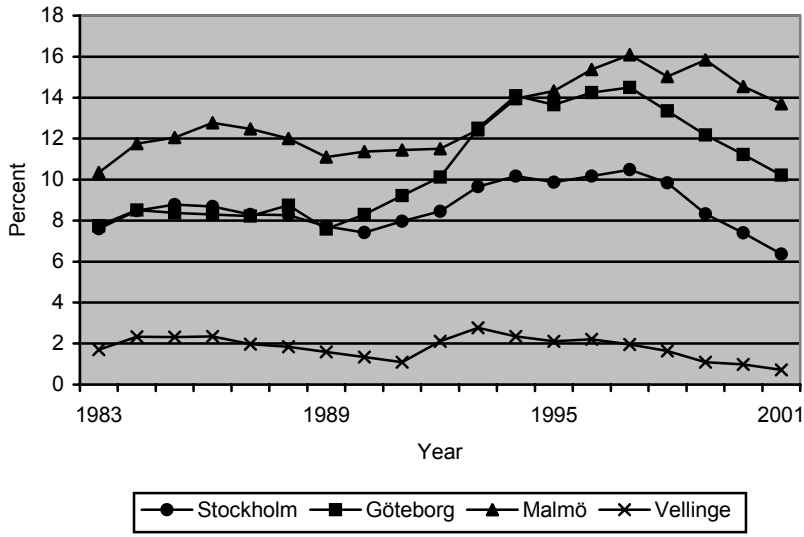
There are also some additional problems, when describing social assistance over time. Many households have repeated periods with social assistance, which makes description and analysis complex. We also have to deal with problems of censoring, periods that start or end before or after the observation time. These problems will be discussed in the next chapter, and the presentation will begin with a simpler, descriptive presentation.

Social assistance is often connected to a marginal labour market position or to low compensation from social insurance, and can be used as an indicator of disadvantaged living conditions, poverty or social exclusion. Recipients not only have low incomes, but are also disadvantaged regarding other aspects of living, as housing standard, health, social relations and cultural activities (SCB 1987). Immigrants live under similar conditions (Häll 1997), and, as was shown in the previous chapter, many immigrants are also recipients of social assistance.

Salonen (1988) studied the growing prevalence of social assistance in Malmö. In 1972, population rates were roughly similar in Malmö, Göteborg and Stockholm at eight percent, and only slightly higher in Malmö. Social assistance declines in all cities during the 1970s and rises in the middle of the 1980s. Stockholm and Göteborg show a similar development, while Malmö curve rises relatively (figure 6.1). In 1986, thirteen percent of the population in Malmö had social assistance compared to eight percent in the other two cities. Malmö reached ten percent in 1983, and had an increasing trend during the next fifteen years.

Stockholm fell consistently below the level of Malmö, and also Göteborg, with an exception of a few years in the middle of the 1990s, when the cities converged. Social assistance increased in all cities during the recession of the 1990s. The trend changed in 1998, with decreases in all three cities. However, Malmö still had a considerably higher level compared to the other cities in 2002.

Figure 6.1 Social assistance in Malmö compared to big cities and a suburb to Malmö (Vellinge). Percent of the population living in households receiving social assistance at least once during a calendar year.



Source: Statistics Sweden, databases Social assistance and Population.

It is evident that Malmö had a consistently higher frequency of social assistance during the last twenty-five years compared to Stockholm and Göteborg (and other Swedish cities as well). Vellinge, a suburb to Malmö, is included in the diagram as a reference point for the conditions in a wealthy municipality and a demonstration of the spatial division of

poverty. Vellinge was on the sixth place among municipalities with the lowest rates of social assistance in 1983, first place in 1990 and second in 1997. In the 1990s, Vellinge was contending about the leading position with Danderyd, probably the wealthiest municipality in Sweden. Furthermore, Vellinge had a very low initial level, but also the highest relative decrease, 74 percent between 1993 and 2001.

This chapter is focused on conditions in Malmö, and the question is why Malmö performs poorly in comparison with Stockholm Göteborg, and the rest of the country? Maybe, the high rate in Malmö is an effect of inadequate internal policies regarding the management of social assistance and labour market issues? A former director of the Social Services in Malmö, Bengt Hedlén, was a pioneer in reforming the social services, and establishing social assistance and elderly services as rights, rather than poor help, and an influential promoter of the Social Services Act of 1982. Could the high frequency of social assistance in Malmö be explained by a tradition of generous and rights-based decisions on social assistance in a city with a history of enduring social-democratic majority?

Big cities, generally, have higher rates of social assistance than small ones. Malmö is the smallest of the three big cities in Sweden, and it seems reasonable to assume that the ranking should be the reverse.

An alternative hypothesis is that the differences between cities can be explained by structural conditions. The previously presented models for analysis of the relationship between social assistance, unemployment and immigration (chapter four) on the municipal level can be used to test this hypothesis.

In table 6.1, observed and predicted values for social assistance are compared. Two predictions are made, in model A, only unemployment and the frequency of non-EU citizenship in the population are explanatory variables while model B also includes an interaction effect (technically a variable created by multiplying these variables and introducing it as a third variable in the regression equation).

The predictions are fairly good for the big cities. They are based on simple models and cannot be expected to be exact. The predictions are good for Stockholm, while there are minor differences for Göteborg. Malmö has the highest rates of both unemployment and immigration from outside of EU. The differences in predictions between the models are also greater for Malmö and model B gives a better fit. For Vellinge, predictions deviate considerably from the observed rate and social

assistance is overestimated for all years. The greater deviation for Vellinge may be explained by its specific characteristics, but there is also a technical reason. The regression model minimizes the square of the deviations between predicted and expected values, without consideration of the magnitude of the value, and can give high relative deviations for small values. Vellinge was not expected to have a good model fit, but was selected here as a contrast to Malmö, illustrating how processes of spatial differentiation and segregation can result in completely contrary developments for two geographically adjacent municipalities; reminding much about the segregation between the inner city and the suburbs in USA (Wilson 1987, Wilson 1996, Jargowsky 1997).

Table 6.1 Observed and predicted frequencies of social assistance in the three big cities and the suburb of Vellinge. Percent of the population receiving social assistance at least once during a calendar year.

		Stock-holm	Göteborg	Malmö	Vellinge
	Observed	10.5	14.5	16.1	2.0
1997	Predicted A	10.5	12.3	15.1	4.8
	Predicted B	10.4	13.2	17.6	5.1
	Observed	7.4	8.3	11.4	1.3
1990	Predicted A	7.2	8.1	9.3	4.1
	Predicted B	7.2	9.3	11.4	4.2
	Observed	8.8	8.4	12.1	2.3
1985	Predicted A	7.8	8.7	10.6	4.3
	Predicted B	7.7	9.1	11.4	4.3

Note: Models used are presented in chapter four.

To conclude, predictions for the three cities coincide fairly well with the observed values. Observed values and predictions fall into three separate tiers: a medium to high for Stockholm, a high for Göteborg, and an extremely high for Malmö. Structural conditions of high unemployment and high immigration of non-EU citizens explain a substantial part of the variation in social assistance.

These models are the same as used in the analysis of social assistance and unemployment in chapter four. After finishing them, access became available to extended data on social assistance in municipalities and districts in the three biggest cities in a cooperative project with the City Administration of Malmö. The aim of the project was to predict and evaluate the level of social assistance in different districts of the city (Giertz 2001a). The data set for year 2000 was assembled by Statistics Sweden.

The model is similar to other analyses of social assistance and structural factors (Schwartz & Puide 1993, Byberg 1998, Byberg 2002). The variables used differ somewhat between analyses, according to availability of data on the district level, and prioritization of variables to include in the analysis. The main difference is that data, here, are analysed on the district level in the three big cities, which means that three data points for three cities are extended to forty-nine, representing the districts. Without district data, about a third of the total cost is represented by three data points and the rest by 285. Theoretically, this should be of small importance, if the processes creating social assistance are homogenous over the country. However, the adjusted R Square of the model improves from about 0.6 to 0.9 and more when using both district and municipal data. This is not only an affect of extended data but, may be of more importance, the variation of some variables increases substantially, with high values for disadvantaged districts with high unemployment and large immigration. Rinkeby in Stockholm and Rosengård in Malmö, where more than half of the population is born outside of EU, are often mentioned, but there was a total of eleven districts where more than a quarter of the population was born outside EU in year 2000. The cost of social assistance exceeded SEK 3000 per inhabitant (not recipient!) in fifteen districts, which can be compared to SEK 91 in Vellinge.

Results for the regression model are presented in table 6.2. The dependent variable is cost of social assistance per inhabitant in the municipality, or district. This measurement usually gives a better model fit (higher R^2) than the rate of the population on social assistance. It is more comprehensive and determined by the number of recipients as well as the duration of receipt, and the "poverty gap" (how much of the household's expenses that are covered by social assistance or by other incomes). Areas with high rates of social assistance probably also have relatively high

durations and poverty gaps, and then this variable is a better predictor than the percentage of the population with social assistance.

Table 6.2 Cost of social assistance and structural factors in districts in the three biggest cities, big cities and suburbs year 2000. Cost in SEK (Swedish crowns).

	Unstandar-dised regression coefficient	Standard error	Significance
Constant	409.8	958.0	.6698
Unemployed with insurance	-24.0	22.6	.2904
Unemployed without insurance	131.1	61.7	.0360
Youth 18 – 24 years	-9.8	30.3	.7474
Youth 25 – 29 years	53.0	18.9	.0060
Families with single parent	13.2	42.2	.7559
Education below secondary school	-10.1	23.9	6748
Education above secondary school	-10.3	12.2	.4003
Born in EU or Norway	-58.8	29.1	.0463
Born outside EU	55.8	15.9	.0007
Interaction unemployment and born outside EU	6.3	.9	.0000

Notes: OLS Regression, adj. R^2 is .961, N = 108, one district and one municipality excluded because of data errors and data are missing for one municipality.
All variables refer to percentage of the population (including non-recipients).
The interaction term is the product of unemployment and born outside EU.
Source: Dataset compiled by Statistics Sweden from several databases.

There are high inter-correlations between the independent variables at this aggregated level, and the coefficients should be interpreted cautiously. The

most important factor is unemployed without unemployment insurance, while unemployed with insurance had a negative, although statistically insignificant, coefficient. This conforms well to the construction of the welfare system, where insured unemployed usually not need social assistance, or only a relatively small amount. As far as we look at social assistance, it is the rate of uninsured unemployed that is important, rather than gross unemployment.

Two other significant factors are the proportion of the population born in EU/Norway, or born outside of EU. The coefficients go in opposite directions, indicating different opportunities for immigrants born inside and outside EU. Partly, the difference can be explained by receipt of social assistance during the introductory programs for refugee immigrants, where immigrants from EU do not participate.

Youth between 18 and 24 years do not increase the cost of social assistance, contrary to youth between 25 – 29 years. This result is somewhat confusing, because both are important groups in the caseload. An explanation may be that social assistance in the lower age group is common in many municipalities, while high rates in the older group are more typical of socially disadvantaged municipalities.

The main intension of this model is to predict costs, and not to explain the relative importance of different factors that are highly interrelated at the municipal level, and where interpretation of the relative size of regression coefficients becomes ambiguous. This seems to be the case for single families with children that is fairly important when entered singly in the model. The variable may be underestimated in the multivariate model while it can be overestimated in the bivariate model because it correlates with other social problems. The same seems to be the case with educational level below secondary school. It should be noted that mulitcollinearity does not bias the estimate of the coefficient, but it increases the error term and decreases the significance level (Gujarati 1995). Although, the estimates are not biased in a technical sense, the total effect is divided and spread out on different variables.

When the independent variables are entered in bivariate models, two single out as very important, immigrants born outside EU, and unemployed without insurance. Both give very high adjusted R^2-values, 0.888 and. 0.696. A one percent increase in the population of respective characteristics increases the predicted cost of social assistance with 176 SEK for

persons born outside EU, and 1009 SEK for uninsured unemployed (mean cost for every inhabitant in the municipality).

There is a common misinterpretation, or over-simplification of meaning of R^2, stating that R^2 measures the part of the variance that is explained by the model, and that the rest is unexplained. In that case, the multivariate model "explains" 96 percent of the variation in social assistance between municipalities. This is true, as long as the meaning is that 96 percent of the variance can be accounted for in a technical, statistical sense. It does not mean that 96 percent of the real causes are detected, and only 4 percent is explained by other factors. I will argue that some variables are causal but it is a long step between establishing a statistical relationship and making a theoretical explanation. Social reality is created and determined by a multitude of interacting processes. The variables used describe individual characteristics of the population rather processes, and can more accurately be regarded as indicators of processes.

We cannot assume that only 4 percent is explained by other factors, such as labour market programs, the administration of social assistance and a multitude of other processes. One reason is that these may covariate with variables in the model, and that causality is ambiguous. Another is that this model in static and describes a state at a point in time. If municipalities have effective labour market programs for recipients of social assistance, these would decrease the uninsured unemployed as well as the cost of social assistance. Nothing of this would be recognisable in this regression model, although it could in other models, designed to capture this. However, there is no doubt that unemployment and refugee immigration are very important determinants of social assistance.

The most statistically significant result is the interaction effect between refugee immigration and unemployment. This result is alarming in a policy context, and highlighting the importance of problems that are serious for the welfare state separately, but here seems to reinforce each other. The nature of the interaction effect is not clear, and more data and analyses are necessary to understand it. There are different possible interpretations. One is ghetto formation where neighbourhoods successively deteriorate. Immigrants move in and natives move out, the neighbourhood get an increasing concentration of disadvantaged families with low incomes, shops close, social control disintegrates and hopelessness spreads; a development similar to US conditions described by Wilson (1987, 1996). A more benign interpretation is that there is a problem with the model,

and introduction of other variables would make the interaction effect insignificant. This cross-sectional analysis can suggest hypothesis but is not well suited for answering these types of problems. I will return later to this question using longitudinal data. However, there is good reason to still keep the interaction effect as a well-grounded hypothesis[20].

Table 6.3 Real and predicted cost of social assistance in the districts of Malmö in 2000.

District	Real	Predicted	Difference
Centrum	2261	2638	-377
Södra Innerstaden	6097	5343	754
Västra Innerstaden	623	783	-160
Hyllie	2630	2942	-312
Fosie	4632	4819	-187
Oxie	1468	1056	412
Rosengård	10891	10504	387
Husie	552	875	-323
Kirseberg	2956	2506	450
Summarised difference			644
Mean difference			72

Note: The total analysis is based on 108 municipalities and districts.
Limhamn-Bunkeflo is missing because this district failed to deliver micro data to Statistics Sweden.

It is now time to go back to the previous question, if Malmö can be regarded as homogeneous or heterogeneous in relation to other big municipalities. The god fit of the model points to favouring the homogeneity solution, but theoretically the residual error could be very high for Malmö particularly. The real and predicted costs of social assistance in Malmö will therefore be presented to show that Malmö does not deviate. Results for the districts in Malmö are presented in table 6.3. Predictions

[20] Hedström, Kolm & Åberg (2003) found a social interaction effect for youth in Stockholm, where transitions out of unemployment were strongly influenced by neighbourhood, i.e. living in a disadvantaged neighbourhood had an independent negative effect.

are fairly accurate, and most importantly, the deviations go in opposite directions. The summarised deviation is 644 SEK and the mean is 72 SEK. The cost is somewhat higher in Malmö than expected, but very slightly, and the deviation is very low compared to the standard error of the estimate, which is 363 SEK. There is nothing in this analysis that points towards heterogeneity, and the conclusion is that Malmö is homogenous to other big municipalities and suburbs regarding the conditions that create social assistance. The rest of this chapter will present descriptions and analysis of conditions in Malmö. Of course, these can not simply be generalised to all other municipalities, but either not be dismissed as valid only for a unique, peculiar case.

Extent of receipt – short and long-term measures

Malmö had the highest proportion of social assistance in the population among all municipalities in 1985, 1990 and 1997. The proportion was at least one percent higher than the municipality in the second place, for all years. Therefore, Malmö is the choice by preference when studying the conditions of extensive and long-term receipt.

Receipt in Malmö has been estimated from MLS data (table 6.4). Between May 1995 and December 1999, 2.467 households with social assistance were registered in MLS, a representative sample of social assistance households (see detailed description of MLS in appendix 1). The MLS households included 3.011 adults and 1.581 children, which gives a population estimate of nearly 70 thousand persons in households receiving social assistance a least sometime during the five year period. The population estimate for social assistance in the population during the five year period is 22.3 percent, and it is based on a gross population of more than 313 thousand (including persons who immigrated, moved in from another municipality or were born in Malmö). It should be noted that only social assistance in Malmö is included, and some households have received social assistance in another municipality, but not in Malmö.

In December 1999, 2.031 persons in MLS received social assistance, which gives a population estimate of 12.0 percent receiving social assistance at a point in time. December 1999 was selected, because it is the last date in the data series, and is a rather normal month regarding the number

of recipients (there is no special Christmas assistance). This should mean that more than ten percent of the population is on social assistance in any month of the year, a staggering figure for a welfare state with extended general insurance, such as unemployment insurance, sickness insurance, disability pension, and old-age pension. Large groups that are not covered by these systems have obviously emerged.

Table 6.4 Recipients of social assistance in MLS, according to different selection criteria.

Selection of households	Number of households	Number of adults	Number of children	Population estimate[5]
All households[1]	2,467	3,011	1,581	69,885
SA in Dec. 1999	922	1,220	811	30,909
12+ months[2]	1,339	1,724	1,035	41,989
Nearly permanent[3]	442	632	498	17,197
Permanent[4]	204	301	273	8,736

[1] Households with ongoing social assistance May 1995, and new households entering between May 1995 and December 1999.
[2] Households with a sum of twelve or more months, in one or more spells. Maximum number of months is 56.
3 Ongoing in Dec. 1999, and either receiving social assistance at least 80% of time for households entering 1995, or at least 36 months for households entering 1996, or 24 months for households entering 1997.
[4] Households with ongoing social assistance in May 1995, without exit, and still on assistance in December 1999.
[5] MLS is a random sample of households with social assistance (24 birthdays of 365). The number of persons living in households with social assistance in Malmö is estimated in this column. The total population in Malmö was 257.574 in 1999.

Children living in households with social assistance constitute a larger proportion of the population than adults. In December 1999, 23.0 percent of the children in Malmö lived in households with social assistance, compared to 9.1 percent of the adult population. 92 percent of the children in social assistance households had foreign-born parents. Salonen (2003a) described high frequencies of children living in poor families with,

or without social assistance all over Sweden, with highly increased risk for immigrants. The data Salonen used are only available on yearly basis. Using monthly data in this instance gives an even larger difference between natives and immigrants, and also better captures the state of ongoing recipients.

Table 6.5 Estimates of social assistance in the population in Malmö, according to different selection criteria.

Selection of recipients	Population base	% SA
May 1995 – Dec. 1999	All persons living in Malmö anytime during the period	22.3
December 1999	All persons living in Malmö in December 1999	12.0
December 1999, children	All children 0 – 18 years old in Malmö in December 1999[1]	23.0
12+ months	Not available	
Nearly permanent[2]	All persons living in Malmö during the entire period + in-migrants 1996 and 1997	6.7
Permanent	All persons living in Malmö during the entire period	4.6

[1] Youth from 18 years are treated as independent recipients even when they live with their parents. Exceptions are made for youth still in secondary school, so including 18 year old here should give a fair population base.
See also notes to table above.
2 Social assistance at least 80 percent of the time for individuals entering 1995, at least 36 months for those entering in 1996, and 24 months for entry in 1997, and ongoing assistance in Dec. 1999 for all three categories. This definition better captures individuals who move into Malmö than the definition of permanent receipt.

The proportion of the population with permanent social assistance cannot be regarded as a limited problem, as during previous decades. Two operational definitions are made of permanent assistance. According to the stricter definition, receipt is permanent, if the person received social assistance (as a reference person, cohabiting adult or a child) during all of

the 56 months of the observation period. Most of these individuals also received social assistance before and after the observation period. It is somewhat problematic to calculate the population base for such a group, as the population must be divided in a constant population, and a migrating population that did not live in Malmö all the time. So the calculation is based on a population that is reduced by approximately a fourth according to migration, and should be associated with some uncertainty. More, or fewer, in the migrating population may have permanent assistance. The result, for the constant population, is that 4.6 percent had permanent assistance in the strict sense.

It can be regarded as overly stringent to exclude persons, who did not receive social assistance during a few of the 56 months. A less stringent, and perhaps more realistic definition, is that households, who received social assistance at least 80 percent of the time, are regarded as permanent (see exact definition of the somewhat complex measure in note 2 of table 6.5). With this alternate definition, the proportion of permanent recipients rises to 6.7 percent of the population.

An alternative is to use event-history analysis, and use the hazard rate of exit, which is not sensitive to the specific construction of the measure, as the definitions used here are. However, the set of measures used here is more intuitively intelligible, and to prefer in this respect for descriptive purposes.

To summarise, social assistance in Malmö is very extensive and the level of permanent, or nearly permanent, receipt comprises clearly more than five percent of the population. More than a tenth of the population received social assistance each single month, and more than a fifth at least sometimes during the five-year period 1995 – 1999. This should be enough to qualify social assistance as a very important social problem, indicating wide-spread economic hardship and marginalisation in relation to the labour market and the social insurance system.

Some major characteristics of the recipients of social assistance

With regard to the results presented in the two previous chapters, recipients of social assistance can be expected to be unemployed, and of foreign origin to large extent. Only a few characteristics of the social assistance population will be described here, as the aspiration is not a clinical description, and reports on the composition of the caseload are made regularly, e.g. the National Board of Health and Welfare, and municipal social services. Descriptions of small changes in the caseload at an aggregate level are seldom useful for understanding of social processes. However, individual and family characteristics will be used extensively in the further multivariate analysis of individual data, for exploration of factors related to the duration of social assistance.

Employment and occupation

Social assistance can be the only source of income, or be combined with other incomes, if they are low enough. Recipients may have incomes from work, unemployment or sickness insurance, parental insurance, or a pension. MLS contains no exact income data, but information on main occupation, and eligibility to some major social insurance systems is available.

The occupation, for all adults in MLS with ongoing social assistance in December 1999, is presented in table 6.6. Only four percent have a paid work. In these few cases, the household already has some income and gets a supplementary amount from social assistance, or are waiting for wage payment.

Most of the recipients are unemployed. A small part of the unemployed on social assistance are in training or education in programs organised by the Labour Market Board. They also have compensation from unemployment insurance, or the cash unemployment benefit, but the income is insufficient and is supplemented by social assistance. This is a small part (six percent) of the social assistance caseload, because the

unemployment insurance benefit in most cases is too high for eligibility of social assistance.

Table 6.6 Occupation of adults with social assistance in Dec. 1999.

Occupation / activity	Frequency	Percent
Work, full or part-time	44	4
Unemployed, in work-training (AMS)	72	6
Unemployed, no work-training	560	46
Swedish for Immigrants	222	18
Studies	82	7
Parental leave	92	7
Pension	111	9
Other	19	1
Missing data	22	2
Total	1,224	100

Note: Occupational status when entering a period of social assistance that is still ongoing in Dec. 1999. Both adults in couples are included.
Source: MLS.

Most of the unemployed did not participate in training or education at the entry of social assistance, while some of them may become participants later. They are classified as unemployed by social workers, who in these cases usually regard the recipients as ready to work. The Employment Office has more stringent criteria, and classifies some as not ready for work because of social problems, or insufficient skills in the Swedish language, and argues that the social services are primarily responsible for rehabilitation. For immigrants, a crucial requirement is that they should have passed the language test of the program *Swedish for Immigrants,* before participating in labour market education and training. Failure rates have been high in this program, and many immigrants have been excluded, for this reason. The very large number of unemployed in the 1990s, created a large demand on the governmental labour market programs, and they seem to have selected immigrants with the best opportunities to get employment, while others have been referred to lower quality programs,

within the municipal social services. In the end of the 1990s, this organisation has been partly revised, and a four "Centres for work and development" (Arbets- och utvecklingscentrum, AUC) were started in cooperation between the municipality and the state labour market authority.

A total of 52 percent of the recipients were unemployed, with or without participation in unemployment measures. Moreover, 18 percent participated in Swedish for Immigrants, and many of these will move over to the unemployment category, when they have finished this program. Only one of four recipients can clearly be regarded as not ready for work: pensioners, persons on parental leave or in studies.

Roughly two thirds of the ongoing recipients can be classified as receiving social assistance mainly because of labour market reasons. The question is, if this situation is specific for long-term recipients? The situation of the ongoing recipients was found to be similar to all adults, who entered social assistance between 1995 and 1999. At entry, 58 percent were unemployed without any activity or participated in labour market training, 11 percent were in Swedish for Immigrants and 8 percent were employed.

All adults were included in this analysis, without concern for health and age. About 15 percent of the adults had a long-term or chronic illness, or a handicap, and in most of these cases, it was also leading to impaired work capacity. Physical illness or disability was most common, and comprised more than half of the cases. After that, came problems with alcohol or drugs (19 percent), psychic problems, and finally somatic and psychic disabilities connected to war and torture. Therefore, not all who were labelled as unemployed may be able to take a work, but the proportion of unemployed not participating in programs decreased only from 49 to 43 percent, when removing persons who were considered to have impaired work capacity. Labour market problems are far more important than physical and mental health problems among the recipients.

Immigration and spatial segregation

It was shown in chapter five that there is a very high representation of recipients of social assistance with non-Swedish citizenship. The high figures can partly be explained by the circumstance that many immigrants

eventually obtain Swedish citizenship (usually after at least five years), and that many with successful establishment on the labour market are excluded from this analysis. Data on birth country and settlement time in Sweden are available in both Malmö datasets and the analysis can be extended to include these.

Table 6.7 Immigrants in the social assistance population in Malmö.

	Born in Sweden	Born outside Sweden
Adults, ongoing Dec. 1999	23%	77%
Adults, all 1995 - 1999	42%	58%
	Swedish born parents	Non-Swedish born parents
Children, ongoing Dec. 1999	8%	92%
Children, all 1995 - 1999	19%	81%

Notes: 22 percent of the total population was born outside of Sweden, and 13 percent was born in Sweden with at least one foreign-born parent.
There were very few families with adults born both in Sweden and outside Sweden in the MLS sample. Birth country refers to the reference person. In families with a single parent, there is no data on the other parent.
Source: MLS

Both short-time and long-time samples are used to describe the composition of the caseload (table 6.7). The short-time sample is the subgroup in MLS that received social assistance in December 1999, and the long-time sample, those who received social assistance for at least one month between 1995 and 1999. Even in the long-time sample, foreign-born is the largest group. Looking at social assistance at a point in time, the prevalence of immigrants is overwhelming, especially when also considering the children[21]. Although this has never been a conscious intention, social

[21] There is a myth, that immigrant households have an excessive number of children. The mean number of children is somewhat larger among immigrant households, but only twelve percent of immigrant households with children had more than four children (ongoing households in MLS). The main reason for the imbalance in table 6.7 is that there were few Swedish families with children on social assistance.

assistance has developed to mainly become an income support scheme for immigrants, at least in Malmö.

Caseload composition is sensitive to the observation window, if we observe a number of recipients at a point in time or the accumulated number during a long period of time. The discrepancies reflect differences in the duration of social assistance. The relatively shorter duration for Swedish-born results in a relatively low proportion of Swedish-born in measurements at a point in time.

Time of immigration and time of residence in Sweden are often used for analytical purposes, as well as arguments for a hopeful future, with increasing integration. There is massive evidence for improved earnings and self-sufficiency with increasing time in the immigration country (Borjas 1994, Arai, Regnér & Schröder 1999), and this variable is useful, and often necessary, for analysis as the composition of immigrants differs widely in different samples. We can see the same tendency in table 6.8 that describes the relation between settlement time in Sweden and uptake of social assistance in Malmö in 1996. The figure for the first year is probably erroneous, because of data definition problems and the transfer from asylum management to social assistance. Otherwise, the frequency of social assistance drops consecutively with increasing time in Sweden. This analysis is based on the Louise 25 percent sample of the Malmö population, a sample that was drawn from the main Louise database at Statistics Sweden. Louise is a research database on the working age population that is much less detailed on social assistance than MLS, but has the advantage of including the entire population with comprehensive data on different types of incomes from work, and social insurance (see description in Appendix 1).

The optimism that this can invoke is, however, curtailed by the very high occurrence of social assistance during a prolonged period (table 6.8). Even immigrants who have lived 10 – 14 years need social assistance in 25 percent of the cases. Only immigrants, with at least 20 years of residence, begin to approach a similar risk of social assistance as in the Swedish-born population. This group has immigrated 1976, or earlier, and most of them were probably labour market immigrants.

Table 6.8 Social assistance and settlement time in Sweden for immigrants 18 - 64 years living in Malmö in 1996.

Years in Sweden	Percent recipients
< 1	45
1 – 2	71
3 – 4	62
5 – 9	43
10 – 14	25
15 – 19	17
20 or more	10
Total (n = 6414)	33
Born in Sweden	9

Note: Social assistance at least one month in 1996.
Source: Louise 25 percent sample of the Malmö population.

Spatial segregation between Malmö and the suburbs was described in the previous section. A similar segregation exists within Malmö. The city is divided into ten boroughs governed by separate political boards, which can make independent decisions, but are constrained by the general directives of the main political board of Malmö.

Social assistance in the population is presented for the ten boroughs, and divided between Swedish and foreign-born (table 6.9). The main finding is that social assistance is low among natives, and in mean, nine times higher among foreign-born. Social assistance varies between 0.6 and 6.2 percent among the native population; the highest figure was in a borough with a large proportion of single, young persons. The variation between foreign-born is considerably higher than among natives. In some of the wealthier boroughs, as Limhamn-Bunkeflo, Husie and Västra Innerstaden, social assistance is extremely low for both natives and foreign born. In four boroughs, the proportion of social assistance is roughly a quarter of the foreign-born population, and in Rosengård it exceeds half of the population. Although many foreign-born have a marginal labour market position, the group is not homogenous, and there are subgroups with a strong economic position.

Table 6.9 Spatial segregation of social assistance in the working-age population in Malmö in December 1998. Percent of the population, estimations from MLS.

Borough	Swedish-born	Foreign-born
Centrum	2	13
Södra Innerstaden	6	32
Västra Innerstaden	1	1
Limhamn -Bunkeflo	1	2
Hyllie	2	26
Fosie	5	26
Oxie	3	6
Rosengård	5	54
Husie	1	1
Kirseberg	5	23
Total (all Malmö)	3	27

Note: Adults on social assistance in Dec. 1998.
Source: MLS data and population data from Malmö (courtesy Elisabeth Pålsson, Malmö stadskontor.

The segregation is highly connected to the housing structure of the areas. Areas with a high proportion of self-owned houses, and co-operatively owned apartments, or some attractive central areas, have low levels of social assistance, while areas in the outer parts of the town, dominated by large rental houses, have high levels of social assistance. Segregation within the city seems to be as large as between the city and the suburbs.

Social assistance and unemployment benefit

So far, the scope of social assistance has been described, and gross measures of duration have been presented. The exposition will continue with a more elaborate analysis of patterns of social assistance, and its duration. Before this, it can be instructive to make a short excursion, and take a look at alternative benefit systems for the unemployed. Description and

analysis of systems, separately and one at a time, can give an impression that each system has its own recipients. However, there is considerable overlapping between unemployment benefit and social assistance; the same person can receive them at different times or at the same time. Some individuals participate in one of the systems during long periods of time, some receive unemployment benefit and social assistance simultaneously, and others move between positions over time.

The accumulated benefit take-up from social assistance and unemployment insurance (including the cash unemployment benefit) is presented for 1990 – 1996, a period of mass unemployment in Sweden and especially Malmö (table 6.10). The massive consequences of unemployment are evident. Nearly half of the working-age population, at least sometime, had received compensation for unemployment. As expected, the situation was even more severe for young individuals, where two thirds had received compensation.

Table 6.10 Accumulated receipts of social assistance and unemployment compensation in the gross working-age population in Malmö 1990 – 1996.

	Gross population 18 – 64 years	Gross population 18 – 29 years
A. Social assistance only	11%	15%
B. Unemployment insurance / benefit only	20%	27%
C. Both A and B	17%	25%
Total	48%	67%

Notes: Gross population is all persons who were resident in Malmö during at least one of the years. Take-up can have been in Malmö or another municipality.
Categories B and C must have been officially registered as unemployed, and able to take a job at the time of take-up. A minor part of those who only received social assistance may be unable to work.
Source: Louise 25%-sample of Malmö.

The unemployment benefit is intended to cover most unemployed, and give a high compensation for income loss during this period. This seems

to have worked well before 1990, when the labour force could be regarded as mainly consisting of employed, although there was a slow growth of groups with a marginal labour market relation during the two previous decades. With the crises of the 1990s, the marginal groups expanded substantially, with an increasing composition of individuals, who had never been employed, and had huge difficulties to enter the labour market, and others who had short-time and part-time employment, which resulted in no or low unemployment benefits. In table 6.10, one can see that less than half of the unemployed in Malmö could carry on without social assistance, at least during an extended period. The growth of groups with a marginal labour market position, especially immigrants and youth, is a massive challenge for the Swedish welfare system, with potentially negative effects on integration and solidarity.

Demographic change

The very high level of social assistance and unemployment in Malmö can partly be explained by factors as the de-industrialisation of a traditionally industrial city, and the mass unemployment of the 1990's at a national scale. In the case of Malmö, demographic factors are also important. There has been an increasing spatial segregation between Malmö and the suburbs, and other municipalities in the vicinity during the last decades. Finally, the refugee immigration to Malmö has been huge during the two last decades of the past century.

These processes had led to a rapid change of socio-economic conditions in Malmö, especially during the 1990s. Some major characteristics of the working population are presented in table 6.11, based on the Louise 25% sample of the population in Malmö.

Already in 1990, Malmö had a very high share of immigrants, 20 percent foreign born and 14 percent born outside of Western Europe. Social assistance and unemployment were high, and above the national mean, but not yet overwhelming. Disability pension was slightly lower than the national average. A large share of the population, 75 percent, had a work income of at least one basic amount, which is a very low income, but reveals that the person has at least some connection to the labour market (basic amount is further described in the table notes). High incomes are rather rare. The socio-economic situation in the city can be described as somewhat problematic and not prosperous, but far from alarming.

The picture changes drastically during the following six years. The foreign-born population rose to 25 percent; an overall increase by 23 percent during six years, while the increase for born outside of Western Europe was 42 percent.

The already high level of social assistance went up from 11.3 to 15.6 percent in the working-age population. Even more dramatic was the expansion of persons with unemployment benefit, this group nearly tripled to 17 percent of the population. Almost a third of the population received social assistance, or unemployment benefit, at least sometime during 1996.

The major cause of the dramatic rise in benefits was an equally drastic fall in employment. The fraction of the population with at least some labour market connection dropped from 75 to 60 percent between 1990 and 1996 (measured by a work income of at least one basic amount). The

Table 6.11 The working-age population in Malmö 1990 and 1996 (age 18 – 64). Percentage of the population.

	1990	1996
Male	49.8	49.6
Born outside of Sweden	20.2	24.9
Born outside of Western Europe	14.1	20.0
Social assistance, total	11.3	15.6
Social assistance without unemployment compensation[1]	8.5	9.9
Social assistance + unemployment compensation	2.8	5.7
Unemployment compensation without social assistance	5.4	17.0
Disability pension	7.3	7.2
Work income 1+ basic amount[2]	74.7	60.4
Work income 3+ basic amount	56.2	47.2
Work income 6+ basic amount	14.9	15.4
Number of persons in sample	34,925	36,485

Source: Malmö data set sampled from the Louise data set at SCB. The Malmö data set is a 25% sample of the total population of Malmö. Persons with no disposable income have been excluded; these have no income, benefit or assistance at all and have probably emigrated etc.

Notes:

[1] Two different authorities administer social assistance and unemployment compensation. A person can receive both during a year; during different periods of time or simultaneously if unemployment compensation is lower than the level of social assistance.

[2] Work income includes incomes from employment and income from a self-owned company, often a company without employees.

A basic amount is an index used by government to equalise value over time and is used for calculation of insurance and pension payments. It is similar to the consumer price index and one basic amount was SEK 36,200 in 1996.

Approximate equivalents for the income levels:

1 basic amount: Three months of low paid work

3 basic amounts: Slightly more than social assistance for a single person (no exact comparison can be made because of variation in rent).

6 basic amounts: Typical middle class salary, e.g. low-paid university graduates as social workers or teachers in primary or secondary school. A construction worker earns more.

group with at least a moderate income, dropped from 56 to 47 percent. Only relatively high incomes seemed to be unaffected by the crises of the 1990's.

Table 6.12 Migrants of working-age, moving to and from Malmö in 1991 and 1996. Percent.

	In-migrants 1991	Out-migrants 1991	In-migrants 1996	Out-migrants 1996
Male	51.5	53.3	49.7	52.6
Born outside of Sweden	33.3	11.1	29.2	13.8
Born outside Western Europe	26.5	7.6	23.5	10.3
Social assistance, total	27.9	13.7	28.5	17.3
Social assistance without unemployment compensation[1]	20.1	8.9	18.9	9.6
Social assistance + unemployment compensation	7.8	4.8	9.6	7.7
Unemployment compensation without social assistance	12.3	10.3	19.0	21.7
Disability pension	2.1	1.7	1.7	2.9
Work income 1+ basic amount[2]	59.3	66.0	46.6	57.9
Work income 3+ basic amount	37.4	42.7	29.7	40.4
Work income 6+ basic amount	8.2	9.4	10.0	16.3
Number of persons in sample	2,011	1,218	2,253	1,476

Notes: Louise 25%-sample of Malmö, see also notes in table 6.11 above.

The deterioration can depend on unfavourable development for those who lived in Malmö, or migration. A description of migration to and from Malmö in 1991 and 1996 is presented in table 6.12. The migration to Malmö was clearly higher than the out-migration for both years, giving a positive migration net of slightly more than three thousand persons each year. More important than the population change, is the composition of migrants. The differences between in and out-migrants are substantial for both years.

The out-migrants are rather close to the socio-economic conditions of the population of Malmö, somewhat higher incomes and less welfare payments than the general population in 1991, and the reverse in 1996. The main difference to the main population is that the fraction of immigrants was considerably lower among the out-migrants, about the half compared to the general population.

The differences between the out and in-migrants are larger, and the fraction of immigrants is higher among the in-migrants than in the population of Malmö. The in-migrants also have very high rates of social assistance and considerably lower work income than the city population.

In conclusion, the socio-economic profile of in-migrants points to a large share of recipients of social assistance and individuals with marginal labour market position. This could be a rather benign, temporary phenomenon, mostly depending on young persons and immigrants, who are in an entrance phase and on way towards stable employment. Could it also be an indication of a long-term marginal labour market position? It is possible to follow-up individual careers in the Louise sample up to 1996 and in table 6.13, the in-migrants of 1991 are divided according to a work income below or above three basic amounts and birth region (few were born in Western Europe and are these are excluded). The income limit of three basic amounts was chosen, because it is approximately the minimum amount for self-sufficiency for a single person.

There was considerable income mobility around the income limit of three basic amounts among Swedish born. Of those who fell under the limit in 1991, 38 percent passed it in 1996, while 28 percent of those who were above the limit in 1991, dropped below in 1996. The development went in a positive direction, but 44 percent still had a low work income below three basic amounts in 1996. This can partly be explained by studies and childcare, but a number that high must also include persons with employment problems.

Table 6.13 Work income 1991 and 1996 for persons moving to Malmö 1991 after country of birth. Number of persons.

		< 3 BA 1996	>= 3 BA 1996
Born in Sweden	< 3 BA 1991	372	229
	>= 3 BA 1991	189	479
Born outside	< 3 BA 1991	378	45
Western Europe	>= 3 BA 1991	11	15

Source: Louise 25%-sample of Malmö.
Notes: Persons above 64 years old in 1996 are excluded as well as "non-existing persons" (without any disposable income). Immigrants from the Nordic countries and Western Europe were a small group falling between the other two and excluded for simplicity.

The income mobility was very low for immigrants born outside of Western Europe. Only 11 percent stepped over the limit between 1991 and 1996. Of the very few persons who had an income above three basic amounts in 1991, 42 percent dropped down in 1996. Furthermore, only 6 percent of the immigrants had a work income of at least three basic amounts in 1991, and together with the nearly non-existent income mobility, this point to a group with a long-term marginal position on the labour market, from which many individuals were probably totally excluded.

Maybe the differences between the groups can be explained by age? The age difference proved to be fairly small; the difference of two years should have marginal effect, and labour market conditions seem to be much more influential. A more extensive description of the groups is presented in table 6.14, now on the aggregate level. Nearly half of the immigrants had some form of unemployment compensation in 1996, and this also proves that the very low work income can largely be explained by labour market factors.

Social assistance decreased in both groups between 1991 and 1996. On the other hand, the fraction with unemployment compensation increased. For Swedish born, there was only an increase in unemployment compensation without additional social assistance, while there was an increase in both for immigrants. Benefit take-up was common in both groups; the sum for all three types was 32 percent for natives in 1996 and 78 percent for immigrants, a staggering figure at a time at least five years after immigration.

Work income increased overall between 1991 and 1996, for both natives and immigrants, with the exception that work income of at least one basic amount fell from 78 to 72 percent for natives. This is, together with a share of 26 percent with unemployment benefit, an indication that the crises of the 1990's also hit the natives. Some of the natives seem to have moved toward a more marginal labour market position, while some were quite successful, indicated by the rise from 11 to 21 percent in the highest income group.

Table 6.14 Socio-economic characteristics of in-migrants to Malmö in 1991 with follow-up in 1996, after birth in Sweden and outside Western Europe.

	Sweden		Outside WE	
	1991	1996	1991	1996
Mean age	29.5	34.5	31.7	36.7
Social assistance, total	13.2	9.7	68.5	55.0
Social assistance without unemployment compensation[1]	8.3	5.4	51.4	29.2
Social assistance + unemployment compensation	4.9	4.3	17.1	25.8
Unemployment compensation without social assistance	15.2	22.3	6.7	23.2
Work income 1+ basic amount[2]	78.1	72.1	19.8	26.7
Work income 3+ basic amount	52.6	55.8	5.8	13.4
Work income 6+ basic amount	11.4	20.6	0.7	2.2
Number of persons in sample	1,269	1,269	449	449

The overwhelming part of immigrants with benefits or social assistance has it counterpart in extremely low work incomes. Only 13 percent had a work income that is an approximate minimum for the living costs for a single person.

It is always a risk that data for a specific subgroup, as immigrants moving to Malmö, are generalised to the whole population by mistake, or

for political purposes. I will therefore accomplish this very depressing picture, with the slightly less depressing picture of the entire working-age population according to immigration status (table 6.15).

The tendencies in this table are similar to the in-migration group, although not as accentuated. The conditions for the entire population born outside of Western Europe are not as severe as for those who moved to Malmö in 1991, probably reflecting immigrants with long-time residence. However, the size of this group should not be over-emphasised as a large part of the immigrant population has arrived during the 1990's.

Immigrants from the Nordic countries and Western Europe are rather few compared to immigrants from outside of Western Europe. Their economic conditions fall between, but definitively closer to natives than immigrants from countries outside Western Europe.

Table 6.15 Socio-economic conditions of the working-age population in Malmö in 1996 after origin of birth. Percentage.

	Born in Sweden	Born in Western Europe	Born outside Western Europe
Social assistance, total	9.2	11.6	40.2
Social assistance without unemployment compensation[1]	5.6	7.9	26.5
Social assistance + unemployment compensation	3.6	3.7	13.7
Unemployment compensation without social assistance	16.5	14.9	19.2
Disability pension	6.3	12.8	9.2
Work income 1+ basic amount[2]	68.5	54.0	30.9
Work income 3+ basic amount	54.5	43.1	20.2
Work income 6+ basic amount	18.5	12.2	4.5
Number of persons in sample	27,439	1,816	7,296

Source: Louise 25%-sample of Malmö.

The divisions have been made mainly according to country of origin, which is the most important source of inequality found. This inequality is

further modified by categories as gender. The gender differences are small compared to immigration differences, except for incomes of six basic amounts or more, where gender differences are huge within each of three immigration categories. This is however a difference at the top rather than in the poor population, that is the focus of this study.

This is not a complete study of the fate of immigrants moving to Malmö during the mass unemployment of the 1990s, but other cohorts can be expected to have similar outcomes, perhaps even worse for the huge flow of immigrants from former Yugoslavia, who were placed in municipalities in the middle of the 1990's. The condition may be more aggravated in Malmö than in most part of the country, but very similar trends have been revealed at the national level, with deteriorating incomes for immigrants from countries outside of Western Europe and extensive labour market marginalisation for newly arrive immigrants (Edin & Åslund 2001). It is therefore a very important future task to investigate to what extent the improving labour market of the late 1990's has extended to groups who were marginalized or excluded earlier during the century.

Summary

The scope of social assistance is exceptional in Malmö and the highest in Sweden. In spite of this, social assistance is of moderate magnitude for Swedish-born residents. The main groups on social assistance consist of unemployed immigrants, newly arrived immigrants in introductory measures, young natives with a yet marginal relation to the labour market, and the traditional groups with complex psychosocial problems.

At least five percent of the population were permanent recipients of social assistance during the 1990s, and more than 10 percent received social assistance at a point in time.

There is a relation between time of residence in Sweden and risk of social assistance, with earnings and integration increasing with time. This process, however, is disappointingly slow and it took about twenty years before the risk of social assistance fell to a level that is similar to the native population.

There is a considerable spatial segregation in Malmö. Social assistance was negligible in three of the boroughs for natives as well as immigrants in

1999. In the more disadvantaged boroughs, social assistance approaches about five percent for the native population, and is many times higher for immigrants. In the most disadvantaged borough, Rosengård, more than half of the immigrants received social assistance at a point in time. Rosengård has got much publicity from this, although there were three more boroughs, where at least a quarter of the immigrant population received social assistance each month.

Between 1990 and 1996, nearly half of the working-age population, at least once, received unemployment benefits or social assistance. The corresponding figure for young persons, 18 – 29 years, is two thirds of the population.

In-migrants to Malmö had low incomes and high receipt of social assistance compared to out-migrants. For most in-migrants born outside of Western Europe, labour market marginalisation and exclusion were very common and persistent.

7. The Dynamics of Social Assistance

Social assistance in Sweden is characterised by a high degree of mobility as well as large heterogeneity among recipients. Many receive social assistance only for one or two short periods, some for extended periods while others show complex patterns of repeated periods. The reasons for social assistance are also highly varying as need of temporary help between finished education and labour market entry, a long-term marginal relation to the labour market or severe psychosocial problems. In this context, it is not fruitful to regard recipients of social assistance as a constant group with specific characteristics that are delimited from the general population. A more promising approach is to look at the transitions, entry and exit from social assistance and the conditions these are related to.

The study of social assistance dynamics is a relatively new phenomenon[22] and May Jo Bane and David Ellwood's studies of USA in the 1980's can be regarded as a starting point for this perspective (Bane & Ellwood 1983, Bane & Ellwood 1986). Salonen introduced the longitudinal and dynamic perspective in the study of social assistance in Sweden and showed that assistance was typically short time when recipients were studied in an observation window of several years during the 1980's (Salonen 1993) and still similar to the situation of the 1960's regarding the time of receipt (Korpi 1971), although the prevalence was higher during the 1980's. Salonen also used the pattern concept that will be further elaborated in this chapter. Similar studies of social assistance and poverty in the perspective of time have been made in UK and Germany and other European countries (Walker 1994, Leisering & Walker 1998, Leisering & Leibfried 1999, Saraceno 2002).

[22] What was new was the application of the methodology to social assistance and similar schemes. The methods for longitudinal and event-history analysis were already developed by statisticians and used in research on poverty, the labour market and other areas.

Types of dynamic analyses

Dynamic analysis is a rather vague expression that comprises a number of different, but related approaches that study change and movement over time. The focus is clearly longitudinal as opposed to cross-sectional studies at a point in time. Data and analysis can very well be qualitative, but dynamic analysis is more often associated with large quantitative datasets. Qualitative and quantitative analysis can be combined, for example in Leisering & Leibfried (1999) and Saraceno (2002).

The panel study is a common type of design used for the research on poverty and social assistance as well as related fields as employment and other aspects of the life course. In a panel study, data are collected at regular intervals for a sample of unit of study. The unit of study can, for example, be an individual, a household, an organisation or a company. Data is often assembled yearly but shorter or longer intervals are also used.

The Panel Study of Income Dynamics (PSID) is a famous panel study that started in 1968 and is a representative sample of the American population (Hill 1992). Data has been assembled mainly by telephone interviews at a yearly basis up to 1997 when the interval was increased to two years. There are two major threats to panel studies that use interviews or forms for data collection, low overall participation and attrition. PSID had a very good participation rate but the sample has declined to less than the original size through sample attrition[23]. In other cases there has been a problem with participation from the beginning as in the European Household Panel where many countries started with a participation rate of less than fifty percent.

Most of the large panel studies exist in USA, e.g. PSID and The National Longitudinal Study of Youth (NLSY) that is used extensively for the study of poor youth. These studies have samples that are large enough for selection of subpopulations according to the research problem and method of analysis. The closest Swedish counterpart is probably Levnadsnivåundersökningen (LNU) that is collected by the Swedish Institute for Social Research since 1968 but consists of only five waves

[23] Attrition is a special case of missing data where individuals participate during an initial period but later drop out. There are technical solutions to compensate for attrition by weighting or special selection of new panel members.

including the latest that was assembled in 2000. LNU includes no data on social assistance. This could probably be merged from administrative registers, but the resulting sample size of recipients would be rather small, about 300 individuals.

One of the best alternatives for research on social assistance and other conditions of marginality is to use the large databases collected from administrative data by Statistics Sweden, e.g. Linda and Louise (a subset of Louise was used in the previous chapter). A major drawback is that information on social assistance is limited to data existing in the national database of social assistance at Statistics Sweden. Louise contains data on the amount of social assistance during the year on household and individual level, Linda also data on the number of receipt months during the year. There is, however, no information about when social assistance was received during the year, if it was a single period or divided into separate periods. Neither can data for different years be combined into contiguous periods of assistance. This makes these datasets less suitable for the type of analysis that will be used here, event-history analysis[24]. The basic statistical property is that time is used as a dependent variable and that some cases can have censored values. The object of study is a transition from one state to another and at what point in time this happens. If we know this in a number of cases, it is possible to estimate the hazard rate for the transition, i.e. the risk that the transition will happen at given point in time. The statistical analysis can be made with parametric models with assumptions of specific functional forms of the hazard distribution. Results from these models can be highly biased if data do not fit the functional form that is specified and semi-parametric models as Cox regression are safer.

Event history analysis consists of two parts. The first is statistical methods for estimation of hazard and survival functions, without or with covariates, variables similar to independent variables in ordinary regression (for a thorough presentation of event history analysis, see Blossfeld, Hamerle & Mayer 1989, Blossfeld & Rohwer 1995, Yamaguchi 1991). Estimation with covariates is more useful as it makes it possible to introduce for example a rich variety of human capital variables in the analyses. The second and fundamental part is the event history data

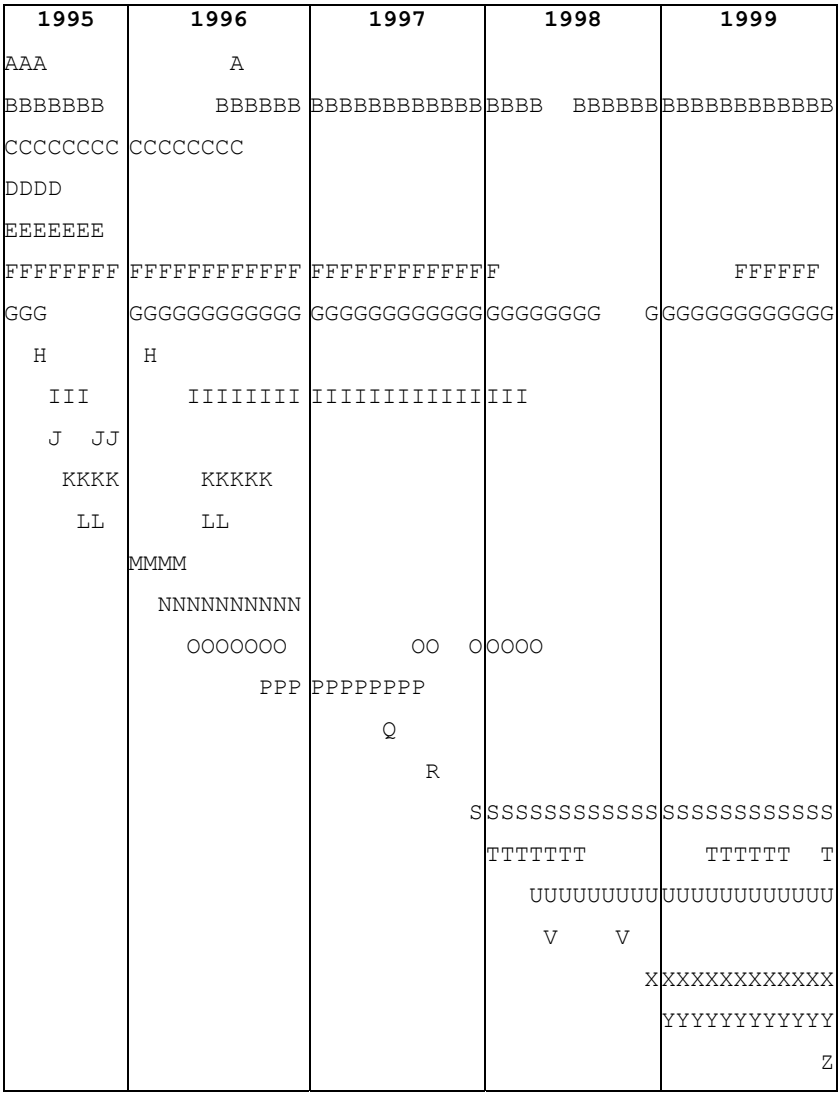
[24] This type of analysis has many other names, e.g. survival analysis, life course analysis, and model with limited dependant variable.

organisation. Data are organised within an observation window with starting and ending times of observation.

An example from MLS is presented in figure 7.1. The observation period starts in May 1995 and ends in December 1999. An occurrence of a month with social assistance is marked with a letter for each household. The first seven households have social assistance in the first month. They may have received social assistance in the previous month and are then left-censored or may have entered that month and are not censored. Of course, it makes a big difference if household A enters in May 1995 or if it is a continuation of a spell that started some years ago. All seven spells were actually left-censored and could not be used for event history analysis. The conscious handling of censoring is a strong point of event history analysis and prevents that an uncensored three months spell is treated equally as a censored multi-year spell in the statistical analysis.

Why not avoid this problem by tracing back the left-censored cases to entry? This is not always possible for practical reasons; in the MLS case it would only be possible to find reliable data three years backwards. A more important argument against this procedure is that it would create a serious selection bias. We then study the history for some households that appear in the observation window but exclude other households that received social assistance during this historical period but not appear in the observation window. It has been rather usual that social work agencies did studied based on an ongoing client group studied retrospectively. It is easy, fast and practical but results can be severely biased and differ substantially from results from a study of new cases in the forwards direction.

Figure 7.1 Patterns of social assistance for 25 randomly selected households in Malmö.



Note: Each letter represents one month.
Source: MLS

On the next eleven rows in figure 7.1, households with one to three uncensored spells are presented. On the last rows we can see households who are right-censored. They received social assistance in the last observation month and it is unknown if and how long they will continue on social assistance. Right censoring is a problem that can be handled in event history analysis. It is possible to estimate the duration and hazard function from information on the duration of uncensored and censored spells. This, of course, has a considerable practical importance because we can make this estimation now and not have to wait until all households have exited social assistance.

It should be noted that the selection of households in figure 7.1 is random. One could get an impression that all non left-censured households entering the first years have disappeared from social assistance. This is not true and illuminates that small samples often are biased. If selections were proportional, there should also have been two households who are both left and right-censored, but these are also missing because of randomness. However, it is not uncommon that rather far-reaching conclusions are drawn on such small samples.

A disadvantage of event-history models for the analysis of social assistance is that assistance is often received in multiple spells, which make the analysis complicated and it is tempting to only use the first spell. Gottschalk & Moffitt comment:

> The most common definition of welfare dependence focuses on the length of individual welfare spells, with longer spells taken as representing greater dependence (see Moffitt [1992] for a review of past studies). Unfortunately, this measure does not account for reentry onto the rolls. Since reentry rates are high, it is essential to move to a measure of dependence that captures the effect of multiple welfare spells of welfare receipt. (Gottschalk & Moffitt 1994)

The authors propose two measurers. The first is an individual's total time on welfare in a fixed time interval, with the acronym TTO. This measure should be very useful as it captures multiple spells but gives no information on the patterning of receipt, or if there is a trend of concentration or

dilution of receipt. It will be used here and compared with spell-based results.

Gottschalk and Moffitt also point out that TTO in contrast to spell-based analyses includes left-censored spells and that the generating process of left-censored spells in most applications cannot be correctly represented by the analysis of only spells that not are left censored (only in case of exponential duration distributions and if the population is homogeneous and in a steady state). How serious this problem is depends on the magnitude of the heterogeneity between left-censored spells and new spells that can be observed from the beginning. In the MLS data set a considerable proportion of the households had left censored spells (26 percent) and 31 percent or of these or 202 households were still ongoing without any exit 56 months later. It is quite conceivable that these both left and right-censored households not will be correctly represented by analysis of new spell entries.

The second measure proposed by Gottschalk and Moffitt is the fraction of total income over a fixed time period that derives from welfare, TPI (total percentage of income). This measure can differentiate individuals with the same total time according to their earnings capacity and is used as an estimate of dependence[25]. I would also propose a third measure, the percentage of total income in relation to the income that the individual would have if all income consisted of welfare. This measure would better reflect the severity of poverty and the situation of individuals with incomes higher than welfare between the spells. Unfortunately, these measures cannot be used for the MLS dataset because we have no information on income between spells.

The TTO measure does not distinguish between different patterns of receipt. The value can be the same if receipt is concentrated to the early or late part of the fixed time period, if it is one long spell or several short ones. It has no directionality in time as in event history analysis, which of course also has severe limitations as when only the first spell is analysed in circumstances where multiple spells are common.

The pattern approach has been used to better capture the temporal spacing of spells (Salonen 1993, Walker 1994). As with TTO, the time

[25] The concept of dependence is often used in North American literature. In the strict sense it only describes economic status and not personal characteristics. It is, however, linguistically ambiguous as is can associate to psychological dependence that might or might not accompany the economic condition.

period is fixed and censored spells are included. All receipt is included but a short, censored spell can be described as occasional receipt although it may be the start or the end of a very long spell. This is a drawback but the description is correct in relation to receipt during the fixed period. The patterned approach is also sensitive to the length of the observation period and the composition of pattern types can change if the observation window is diminished or enlarged. Comparability between different studies is also limited if observation time and definitions of pattern types vary.

A secondary problem with the pattern approach is that definitions are somewhat arbitrary. Salonen defined receipt as permanent if the household had at least ten consecutive months of social assistance during a five-year period. This is sensible with regard to the extent of social assistance at the time (1988 – 1992) and this was officially regarded as an undesirably long period. After the mass unemployment, spells of this length exploded and are not any more an indication of severe disadvantage, but rather of labour market problems.

Salonen (1993) defined four types of temporal patterns:

- **Occasional**: Households with one period on social assistance with a maximum of nine months or a maximum of three separate months.
- **Sporadic**: Households with several short spells and a maximum total time of nine months.
- **Recurrent**: Households with several spells and a total time of at least ten months.
- **Permanent**: Households receiving social assistance continuously at least ten months, although brief interruptions may occur.

Patterns of social assistance for the cities of Helsingborg and Malmö are presented in table 7.1. The differences are considerable and the balance has turned over from short time to long-term assistance. In Helsingborg, 71 percent of the households received assistance with a short total time, with occasional or sporadic patterns. In Malmö, 56 percent of the households had recurrent or permanent assistance. The differences can be explained by both differences between cities, where Malmö historically

had higher levels of social assistance, and the effects of mass unemployment and large refugee immigration. The immigrations was of considerable magnitude in Malmö and larger than in Helsingborg. Unfortunately, data on country of birth is lacking in the Helsingborg data and it is therefore impossible to partition the relative effects of immigration and labour market.

Table 7.1 Patterns of social assistance in two Swedish cities. Percent.

Pattern of receipt	Helsingborg 1988 - 1992	Malmö 1995 - 1999
Exit definition	1 month	1 month
Occasional	52	22
Sporadic	19	22
Recurrent	21	26
Permanent	8	30
Sum	100	100
N (households)	873	2467

Notes: Observation time is 60 months in Helsingborg and 56 months in Malmö.
An exit definition of one month means that a spell is regarded as finished if it is follow by one month without social assistance.
Source: MLS and Helsingborg social assistance dataset.

Exit definition

It is easy to identify the start of a spell; it begins when assistance is paid the first time. The exit point is more problematic. How long should the individual live without social assistance, a day, a week, a month or several months? In Sweden, payment is usually monthly and it would be natural to regard one month as a delimiter. However, the method of registration in the administrative database is based on the date of decision rather than the support period, so it sometimes happens that two decisions for different months are accounted on the same calendar months. It then looks like the household has not received anything during the next month in the computerised summary report. We get a spurious exit. The household can also receive a retroactive payment that makes it ineligible for a

month, e.g. a tax return from a previous period of work. It is questionable if such events should be regarded as a substantial change in the household's situation and an exit from social assistance. Social assistance can also exit when an individual is sanctioned, e.g. failing to comply with job search demands or other activation measures. It is also important to distinguish this kind of exit from exits that are related to self-sufficiency.

The complicated patterns of repeated spells also make it desirable to smooth out the spells and disregard short interruptions. This smoothing, however, should not be so strong and crude that it removes exits that indicate behavioural changes in the household. Ideally, it should disregard the administratively induced spurious exits but not an exit because the recipient has got a job, even if the duration is short.

The sensitivity of the exit delimiter is tested on MLS data with separators of one, two and three months (table 7.2). The distribution of spells changes considerably between separators of one and two months and the fraction of cases with only one spell increases from 37 to 62 percent. This illustrates that short breaks are common in social assistance. In these cases, the household re-enters social assistance the next months so the break seems to be of little significance. The effect of increasing the separator to three months is marginal and it seems reasonable that the two months separator removes spurious exits depending on administrative recording and circumstantial events rather than real changes in households' conditions.

It should also be mentioned that few of the households have own incomes that cover most of their needs and social assistance only as a small supplement. These households can fall under or over the eligibility in different months in varying patterns. If this was common in the data, it might had been preferable to increase the delimiter to better cover the poverty period rather then the actual months of social assistance. This pattern of incomes that fall near the eligibility limit seems to be much more common among households that do not apply for social assistance (Gustafsson 2002).

Table 7.2 Number of spells in the MLS sample according to length of exit delimiter. Percent of households.

Number of spells	1 month	2 months	3 months
1	37	62	66
2	23	22	20
3	14	9	9
4	9	4	3
5	7	2	1
6	4	1	1
7 or more	6	0	0
Sum	100	100	100

The effect of the separator is less evident when it is applied to the pattern types (table 7.3). Permanent receipt increases somewhat while sporadic and recurrent decreases slightly, obviously because some multiple spells with short breaks are merged into single spells. It seem that the two months separator gives the best balance between smoothing out spurious and circumstantial events and preserving substantial events. It will be used in the further analyses of MLS data.

Table 7.3 Patterns of social assistance in MLS data according to length of exit delimiter. Percent of households.

Pattern of receipt	Malmö 1995-1999	Malmö 1995-1999	Malmö 1995-1999
Exit definition	1 month	2 months	3 months
Occasional	22	22	22
Sporadic	22	20	19
Recurrent	26	23	22
Permanent	30	35	37
Sum	100	100	100

Immigration is the single most important factor influencing the risk and duration of social assistance in Malmö (although highly confounded by

labour market status). For the pattern approach to be promising, it should differentiate between natives and immigrants.

Table 7.4 Patterns for natives and immigrants in MLS 1995 – 1999. Percent of households.

Pattern of receipt	Born in Sweden	Foreign born
Occasional	31	14
Sporadic	26	14
Recurrent	28	19
Permanent	15	53
Sum	100	100

Note: Exit definition is two months.

The substantial differences are presented in table 7.4. Natives are spread out about equally on the three first pattern types while permanent receipt is relatively rare. Permanent receipt is the far most common type for immigrants while short-term receipt is much less common. The two types of long-term receipt, recurrent and permanent, comprise 72 percent of the immigrant households while 57 percent of the natives fall into the two types of short-term receipt.

Although the magnitude of long-term receipt is remarkable, it is still underestimated in these calculations. Of immigrants who moved to Malmö in 1996 and 1997, more than 75 % belonged to the two types of long-term assistance although they were only exposed to the risk of social assistance in Malmö during a part of the period. Twenty percent of the households in the sample moved to Malmö 1996 or later, and the result will be influenced if they are heterogeneous in relation to the gross population. The same is valid for movements from Malmö, but this was less common (seven percent) and sometimes only temporary. If mobility is high, both the pattern approach and TTO will underestimate durations if only local data are available.

Finally, duration only captures a part of the difference between immigrants and natives. Immigrants also have a higher risk of entering social assistance.

Event history models for MLS data

The MLS data used here is a random sample of all households receiving social assistance in Malmö between May 1995 and December 1999[26]. Both ongoing social assistance, entered before May 1995 (stock) and newly entering households (flow) have been recorded. The number of households in the stock was 642 while 1825 new households entered during the observation period. The first left-censored spell for stock households is not used for event history analysis but used in other analyses as the previous pattern analysis. Of the stock households, 258 re-entered into uncensored spells and these have been used to get a random sample of all new spells during the observation time.

202 households or 8 percent of the sample had spells that were both left and right-censored, meaning that they received social assistance permanently during the entire observation time of 56 months. A consequence of this is that not all receipt is covered by the event history analysis. How serious this limitation is depends on how much these stock households differ from the newly entering households. Of course, they differ compared with all new entries but if they are reasonably similar to entering households with permanent receipt, this has little significance for the event history models. These households consist mostly (81 percent) of refugees that arrived during the first half of the 1990s and there is no strong reason to assume that they should vary considerably from refugees that arrived later, not denying that there are differences between cohorts.

On the whole, the conditions during this period, as they are reflected in MLS data, seem to be characterised by steady state rather than fluctuations and change. The volume of social assistance changed little during these years and there are small differences between the duration of spells that started in various years. The demand for labour increased during the period, especially the last years, but this seems to have had a rather small influence for these marginal groups.

---

[26] This data file is controlled for consistency, missing or suspected erroneous data have been corrected when possible and some variables recoded (see Appendix 1). Data collection will continue to the end of 2002 and a new reassessed data file is planned to 2003.

It obviously takes long time to collect data that cover all individuals in the population without left censoring. One can only agree with Bane & Ellwood:

> The ideal methodology for examining durations of spells of poverty and the characteristics of spells of various lengths would utilize an extremely large data set covering a very long period of time. With such a data set, one could simply tabulate the actual distribution of completed spells for people who began a spell in some previous year long in the past. One could also tabulate the distribution of completed spells for those people who were poor at some time in the past. (Bane & Ellwood 1986)

The basic model

The easiest way to move forwards would be to only use the first spell as a proxy of dependence and disregard the following spells because of the complexity involved. To my knowledge, there exists no comprehensive method of analysis where the single spells can be entered as well as sequences of spells. The first approach will be to study all spells (except the left-censored) and compare them in a model with a rich set of variables for control of human resource variables, status on labour market and family composition. It is here very difficult to distinguish between what is a personal characteristic and a position in the stratification system because of the interaction between them. However, the variables used should not be regarded as entirely personal properties, which can be a tempting mistake when reading such model results. With this type of data, the only possibility to study the effects of structural conditions is to enter variables for each individual's relation to these systems, which may be more or less related to personality. Heckman (1997) illustrates with human capital analysis of black education, where results can be interpreted as endogenous and outside of the social system, if one ignores that progress in black schooling was created by activism and litigation decades ago. Without this social change, the covariates in the models would have quite other values.

The data file includes 3139 spells after exclusion of 250 spells with missing information on education or time of residence in Sweden and 49

cases with all data missing (never reported by social workers but observed in the municipal database). Altogether, nine percents of the spells were excluded from the analysis for these reasons.

Several parametric duration models were tested and analysed with regard to model fit. The Gompertz model gave small deviations in the distribution of pseudo-residuals but some problems with the proportionality assumption, tested by the log minus log function). This problem was largely solved after introduction of an extensive set of interaction effects for immigration. These analyses were made in TDA[27], mainly after guidelines in Blossfeld & Rohwer (1995). Results from the Gompertz model were compared to the semi-parametric Cox model. The estimates of a rich set of covariates in the Gompertz model were very close to estimates of the Cox model. The only difference was one covariate that was significant in the Gompertz model fell slightly below the 5%-level in the Cox model. The strength of coefficients tended to be slightly higher in the Gompertz model. No time-dependant covariates were introduced. This was the original intention but data on events during the spells were not considered as reliable enough and probably missing in an unknown, but possibly large number of cases. Technical details on the analysis are described in Giertz (2001b).

The basic model for analysis is presented in table 7.5. Duration of the spell in months is the dependent variable. The absolute influence of the beta coefficient is somewhat hard to interpret intuitively because of the complex functional form of the Gompertz model. The relative risk also presented is more intuitively intelligible. Values greater than 1 mean an increased risk of exit, i.e. they have a positive effect on leaving social assistance. Values lower than 1 are connected to lower exit risk and increased duration. Relative risks are also presented for statistically insignificant variables. These should be taken with many grains of salt, it could point to a tendency but high or low values are probably related to very unstable regression lines.

---

[27] TDA (Transition Data Analysis) is a program created by Götz Rohwer and Ulrich Pötter, and available at no cost according to the GNU licence, in accordance with the academic ideal of public availability of intellectual property. TDA includes statistical methods that are not implemented in commercial programs as SPSS and SAS. TDA has a command line interface but a much better integration with Windows can by accomplished by coupling it to the WinEdt editor. More information and download at http://www.stat.ruhr-uni-bochum.de/.

Table 7.5 Gompertz model with covariates and interaction effects.

Covariate	Beta coefficient	Significance	Relative risk
Constant (B-term)	-3.1869	.0000	
Constant (C-term)	-.0335	.0000	
Immigrant	-.3531	.0114	.7025
Time in Sweden (natural logarithm of number of years)	.4615	.0000	1.5864
Education below primary school	-.1367	.4585	.8723
Primary school	-.1904	.0015	.8266
Post-secondary school	.2810	.0009	1.3245
Age 18 – 24	.0680	.3308	1.0704
Age 25 – 29	.0684	.3821	1.0708
Age 50 – 64	-.1881	.1111	.8285
Age 65+	.3897	.1196	1.4766
Eligible of unemployment insurance / benefit	.5767	.0000	1.7802
Participation in labour market measure	-.2992	.0002	.7414
Municipal subsidised employment	-.3458	.0216	.7076
Employed open market	.3985	.0000	1.4895
Student	.6442	.0000	1.9044
On parental leave	-.6289	.0001	.5332
Pension	.7536	.0000	2.1246
Somatic illness	-.2551	.0173	.7748
Psychosocial problems	-.5560	.0000	.5735
Moved to another municipality	.2395	.0176	1.2706
Single woman without children	-.0863	.1399	.9173
Single parent with children	.1206	.1666	1.1281
Married / couple without children	-.3223	.0364	.7245
Married / couple with children	-.0804	.5811	.9227
Three or more children	-.1549	.3543	.8565
I: Education below primary school	-.2485	.2587	.7799

I: Primary school	-.0668	.5075	.9354
I: Post-secondary school	-.4377	.0022	.6455
I: Age 18 – 24	.2601	.0337	1.2971
I: Age 25 – 29	.0084	.9485	1.0085
I: Age 50 – 64	-.2328	.2342	.7923
I: Age 65+	-1.5273	.0004	.2171
I: Eligible of unemployment insurance / benefit	.2652	.0156	1.3037
I: Participation in labour market measure	.4667	.0002	1.5948
I: Municipal subsidised employment	.4844	.0358	1.6232
I: Employed open market	.2835	.0393	1.3277
I: Student	.2571	.0269	1.2932
I: On parental leave	.1038	.6096	1.1094
I: Pension	.1928	.4467	1.2126
I: Somatic illness	-.4162	.0181	.6596
I: Psychosocial problems	-.1922	.4241	.8252
I: Moved to another municipality	.2434	.1171	1.2756
I: Single woman without children	.2214	.0507	1.2478
I: Single parent with children	-.0560	.6862	.9456
I: Married / couple without children	-. 1986	. 3744	. 8199
I: Married / couple with children	-.2555	.1747	.7745
I: Three or more children	-.0825	.6938	.9208

Notes: All interaction effects are marked with capital letter I. Interactions were created by multiplying the covariate with a dummy for immigrant (immigrant = 1 and native = 0).
Reference categories not included in model are secondary level education, age 30 – 49 and single man without children.
Municipal subsidised employment refers to the program ARBIS (Abete i stället för sysselsättning).
Calculations in TDA, number of households = 3139

The model is exploratory and should definitely not be recognised as a theoretical model that explains the basic determinants of social assistance

on a general level. This is one reason that so many variables are included. Another reason is that it is desirable to level out as much as possible of the effect of other factors when studying the independent effect of variables as immigration. Of course, this is not a guarantee that there is no unknown heterogeneity.

Two types of covariates are used in the model. The first is variables like age and education and the other type is an interaction between each of these variables and immigration. This makes it more complicated to read the results. For a native, only the coefficient of the basic variable is valid while also the coefficient for the interaction term is applicable for immigrants and the effect of the basic covariate is modified by the interaction term. All covariates except residence time in Sweden are dummy variables with a value of 1 if the property is present and 0 otherwise. Some of the variables are dichotomous in nature while continuous variables like age and education have been transformed to a number of dummies to avoid adverse effects of non-linearity.

The household is the data unit as social assistance is allowed for the household with regard to composition and circumstances. This creates some problem when characteristics differ between cohabitating adults, although only 19 percent of the spells refer to households with cohabitating adults. Age, education and immigration have been constructed from the usually male reference person. In the case of immigration there are very few cases where the male and female differed while there are some discrepancies regarding age and education. Most other covariates were set to one if at least one adult satisfied the criterion, e.g. unemployment insurance, participation in a labour market programs and parental leave.

Age and family composition have often been mentioned in studies of social assistance with comparisons of different groups. These variables are not causes of social assistance by themselves and largely work as indicators of other social conditions that are causative. All age variables are insignificant in the model, pointing to that much of the variation is explained by other variables that are more closely linked to causative factors. There are, however, two significant interaction effects. Immigrants that are 65 or more years old have very much lower exit risk than their comparative natives. This is the highest coefficient in the analysis and reveals that they have no pension and therefore have very long durations of social assistance compared with old aged with a pension. An

introduction of a variable that covers this would probably remove this age effect. Pensioners have a strong tendency to fast exit indicating that the need of social assistance usually is connected to special needs and situations rather than long-term support.

Somewhat more surprising is that immigrant youth below 25 years have a higher probability of exit than native youth. A possible but speculative explanation is that psychosocial problems are underreported in this age group. They are more common among native recipients than immigrants who have a much higher risk of entering social assistance because of labour market problems while natives are a more negatively selected group. Only three percent of the spells among the 18 – 24 years old natives were reported to be associated with severe psychosocial problems compared to thirteen percent for higher age groups.

Regarding family composition, the only significant result is that couples without children tend to have lower exit probability. Other family types do not differ significantly from the reference category, a single man without children. Not even families with three or more children did differ in exit risk. The result for couples without children is unexpected and hard to explain. A possible explanation is that there must pop up some false significance in a table with over 40 tests (due to type-I error). However, being on parental leave is strongly related to increased time on social assistance. This is rather natural as the standard time for parental leave is about a year and this is in itself a long period of social assistance. These households could also have special difficulties in later entry to work or education because of small children.

The effect of education on the exit risk was surprisingly weak. Education lower than secondary school tended to increase the duration and post-secondary school education to shorten it. These trends are statistically significant but the coefficients are weak. For immigrants, the effect of post-secondary education was clearly negative. A possible explanation is that it is more difficult to adapt to a different cultural context for jobs that require high linguistic and cultural skills compared to manual jobs. Discrimination is also possible, but this theme will be discussed later. However, educational level seems to be of small importance for the duration of social assistance. It will later be shown, that education is much more important for the duration of self-sufficiency after exit from a spell.

Being in studies is strongly connected to fast exit and somewhat accentuated for students with immigrant origin. Social assistance in these

cases could reasonably be understood as short-term help in special situations and support for students who did not find a summer job between terms or during gaps between courses.

Before turning to the unemployment related conditions, two of the traditional causes of social assistance, somatic illness and psychosocial problems, will be described. Not surprisingly, both are significantly related to prolonged periods of social assistance. In the basic covariates, psychosocial problems covariate has greater strength than somatic illness, probably because the later cases are normally more covered by sickness insurance and disability pension than the former. Immigrants have less access to sickness insurance, which is strongly employment related, and there is a strong interaction effect for immigrants indicating an increased duration for immigrants with somatic illness.

The labour market related conditions of the household were strongly and highly significantly related to the exit risk. Households where at least someone was eligible for unemployment insurance or benefit had considerably higher exit risk with an additional effect for immigrants. The same is valid for households with someone in employment on the open labour market, also with an significant interaction effect for immigrants. The most reasonable interpretation is that these households had a comparatively better labour market position and easier access to work. A supplementary explanation can be that some households received social assistance temporarily while waiting for unemployment insurance.

The basic coefficients for participation in a labour market program (AMS) or municipal subsidised work were negative, pointing to increased durations for these groups. It must here be emphasised that this model do not allow conclusions on the impact of these programs, which requires quite another design. An explanation to the increased duration could be that it takes time to participate in these programs and that job-search is reduced, which has been observed for work training and education (Calmfors, Forslund & Hemström 2002). Another explanation is selection toward the more disadvantaged. The municipal program for subsidised employment had an aim of targeting persons with long-term social assistance. Participation in this program usually started after a relatively long period with social assistance.

There were positive and significant interaction effects for immigrants on all four labour market related indicators with an effect of faster exit from social assistance compared to natives. For the two kinds of labour

market programs, the interaction effect more than counterbalanced the negative coefficient of the basic covariate. It is possible that immigrants had better use of these programs than natives, like immigrants with no or very limited labour market experience. It is also possible that differential selection into the programs is an explanation. This cannot be detected by observed variables and there may be unobserved heterogeneity in the model. With the present knowledge, the differences between natives and immigrants are hard to explain. Andrén & Gustafsson (2002) made similar findings in an analysis of the effect of labour market training on subsequent income with higher rewards for immigrants, especially from East Europe in contrast to the Nordic countries. In this study, a large majority of the immigrants came from countries outside Western Europe. Andrén and Gustafsson also found it difficult to give a well-grounded explanation. Finally, the immigrant variable is still significant, but not particularly strong, after introduction of a rich set of other variables and interaction effects. This is a sign of unobserved heterogeneity in the model, although not indicating that this heterogeneity is substantial. This unobserved heterogeneity could be connected to unknown characteristics of the households but processes like discrimination are also possible.

The immigrant variable has a sibling in the time in Sweden variable. This captures some aspects of the immigration process. In many social arenas, long time of residence (around 20 years) is required before conditions become roughly equal to what is normal for natives. Later refugee immigrants may never achieve it. Such variables could hide effects of discrimination if this time is unnecessarily long for development of skills that are competitive with natives. This could happen if there are many barriers and steps on the way to labour market inclusion. On the other hand, much of the variation between immigrants and natives can be explained by human resource factors so this analysis remains inconclusive to the question of discrimination.

Exit and re-entry?

The data on household conditions after exit are very limited in MLS. The reason of exit is recorded as it is experienced by the social worker. It may be erroneous as in the case when one type of exit is discussed in the

contact with the recipient but the actual reason of exit is changed (e.g. gets a work instead of starting an education). The records are sometimes vague and there were a rather small number of cases where it was difficult to distinguish between employment, labour market measures and education. For recipients who moved out of Malmö, there was sometimes information on other reasons as work or education, and sometimes not. These exits were always coded as moving from Malmö. Some of these households may have continued social assistance in another municipality and are in these cases censured. Most households seem to have moved because of work or education but some returned to Malmö and re-entered social assistance.

I will here analyse all exits from social assistance after the first spell during 1995 and 1996 in MLS data, 914 households. Also households who were left-censored at the beginning of the observation period are included to avoid a selection of households with relatively short spells. The duration analysis will not be made on the period of social assistance but on the period after exit.

The reason of exit is known in most cases (87 percent). In about one case of three the reason of exit was unknown when the spell ended and this information was collected on re-entry into social assistance. This means that there is some selection bias in these data where it is more likely that the reason of exit is unknown for households who did not re-enter. The type of exit can be assumed to be related to the duration of self-sufficiency. There are rather small differences according to exit type in these data, but the result is not especially conclusive because of this selection problem.

The descriptive results for exits are presented in table 7.6. Exit to employment and education are the preferred outcomes and aims of official policy. These together only comprises a third of the exits, although more exits of these types are hidden in the categories moves out of Malmö and unknown. The other major exit types are labour market measures and incomes from social insurance, e.g. unemployment insurance without participation in training, sickness insurance or pension.

Overall, activities after exit still indicate a marginal situation. Relatively few exited to work, often probably on temporary basis and many to unemployment measures or other forms of social insurance. With this in mind, it is hardly surprising that the duration of self-sufficiency often is short and re-entry high. Blank & Ruggles (1994) observed a re-entry rate

of 20 percent, usually within six months. Re-entry rates vary much between EU countries where Sweden tends to comparatively short but recurrent spells (Saraceno 2002).

With households who moved from Malmö excluded, 64 percent of the households re-entered social assistance during the observation period up to December 1999. The survival function is shown in figure 7.2 with separate curves for natives and immigrants. Re-entry is very high during the first months and more than a quarter of the households re-entered after four months and more than a half within a year. The risk of re-entry dropped eventually and only ten percent of the households re-entered between the 13th and the 45th month, and 36 percent still were out of social assistance.

Table 7.6 Reason for exit from social assistance. First exit for all households with an exit 1995 or 1996 (incl. left-censored households).

Reason for exit	Number	Percent
Employment	153	17
Education	155	17
Labour market measures	106	12
Incomes from social insurance	191	21
Moves out of Malmö	113	12
Other reasons	76	8
Unknown	120	13
Total	914	100

Source: MLS

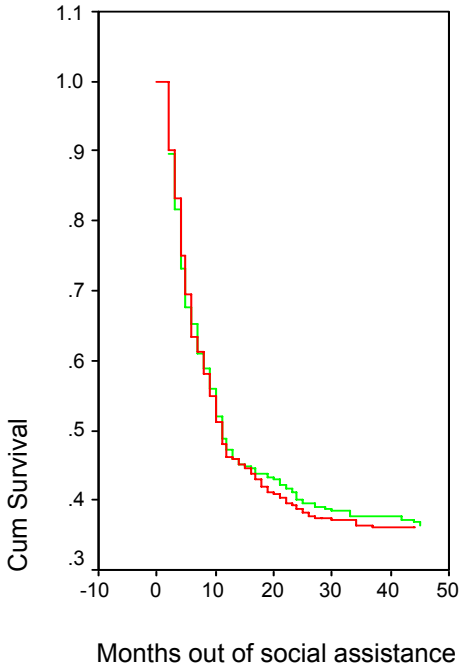
The high re-entry rate is in accordance with previous research (Salonen 1993, Gustafsson & Voges 1998), but higher when it is studied with finished spells as the base rather than all entered spells. With a selection of not left-censored spells starting in 1995 or 1996, somewhat less households return (52 percent) but more than 10 percent of the population is still right-censored in the first spell. During the last year of the observation period, re-entry is very low, approximately two tenths of a percent per month, so it is probable that the final re-entry rate will end near two

thirds of the households. Still, this re-entry rate is higher than in previous studies. The employment situation at the time studied is an obvious explanation of the high level. A question is whether the high concentration of social assistance in Malmö also is connected with increased risk of re-entry. The answer is not obvious because much of the volume of social assistance in Malmö consists of very long spells, e.g. eight percent of the households in MLS are both censored on the left and the right. Exit from social assistance is a precondition for re-entry and the most severely marginalized households have a low exit probability.

The maybe most important result in figure 7.2 is that there was no difference in survival between natives and immigrants, the immigrants had slightly higher survival but the difference is not statistically significant.

This is quite contrary to a number of previously presented results on differences between natives and immigrants. This is the result of an aggregate analysis without regard to that the composition of the groups differs. Maybe, there is a real difference that is hidden by confounding factors? This was tested in a model that is similar to the basic model in table 7.5 except that the duration of the period of self-sufficiency was used as the dependant variable instead of the duration of the spell of social assistance. In the case of the duration of social assistance, there were a lot of significant explanatory variables and interactions with immigration. In this case, immigration, time in Sweden and only two of eighteen interaction effects were significant at the 5% level (one could be a type II error). A model without interaction effect seem more appropriate here, so the same model was rerun but without interaction effects. Immigration and time in Sweden had not even a slight tendency of significance. Only three variables of twenty-two were significant. Cohabitating couples with children had an increased risk of re-entry probably reflecting that even working low-income families tend to have incomes near the level for eligibility (significant at the 5% level). Two educational variables were significant at the 1% level. In relation to secondary school education, those with lower education had an increased risk of re-entry while those with post-secondary education had a decreased risk.

Figure 7.2 Survival of self-sufficiency after exit from social assistance, after country of birth.



Note: Lower line represents natives while the upper line represents immigrants.
Source: MLS

The causative patterns are clearly very different for the duration of social assistance and the duration of self-sufficiency[28]. The duration of social assistance is related to a large number of variables that works as indicators of human resources and social position on the labour market and in the social insurance system, which is highly dependant on previous labour

[28] I use the concept of self-sufficiency with some hesitation here. Some households have incomes from the regular paths of provision as work income and repayable study loans while other move over to other kinds of social insurance. However, this social insurance is usually a reimbursement for fees paid by taxes and in this aspect different from means-tested assistance.

market performance. Factors that are related to the duration of social assistance also seem to be related to the risk of entering social assistance as marginal labour market position and immigrant status. I find that these factors are weak when determining the duration of self-sufficiency. Education has some influence but it is not especially strong. A possible explanation is that we here encounter a process of change that usually is more difficult to predict from previous behaviour and social position than steady-state processes. In most cases, a person who exits social assistance is engaged in a new social process as a new work or a new education. It seems that what is happening in this process is much more important in determining the duration of self-sufficiency than the past, at least those aspects of the past that was measured in MLS data. The structure of opportunity seems to be much more important here than the structure of past achievement and position.

A limitation of this analysis is that it is based on only one exit situation. These relatively short-term results might be invalid in a longer perspective. How does it look when we study multiple spells? This may modify the result somewhat but this is rather a problem of a subgroup with many spells. Many recipients have only one or two spells and the analysis is valid in the sense that the risk of re-entry is relatively low after 6 to 12 months and many never re-entered. I think that it is more fruitful to look upon the process of exit as an attempt to achieve self-sufficiency. It seems that individuals here get opportunities to realise their capabilities and that this process is creative rather than deterministic.

Multiple spells

Spells may have different properties according to sequencing. They may become shorter after a while, with the recipient going in the direction of self-sufficiency: Or they may become longer if receipt has negative consequences and leads towards dependency with decreasing human capital and opportunities.

Descriptively, the length of spells decreases rapidly according to its order in sequences of multiple spells. Kaplan-Meier estimates of the mean duration is 19 months for the first spell, 10 months for the second and thereafter 9, 6, 7, 5, 5 and 2 months. This result can be deceptive as these

spells happen during a limited period of five years. Looking at the composition of the population of receipt, the most disadvantaged seldom exit and typically have only one spell. Furthermore, multiple spells must be short to fit into the time frame. It is from a methodological point of view, almost impossible to make any conclusions from this.

Instead, the basic model in table 7.7 was extended to study the question of sequencing of spells. Dummies were introduced to compare the spells with as much as possible of other variation compensated for by the previous, rich set of covariates. Estimations in table 7.7 show that the spell dummies have relatively small importance and only the fourth spell is significant. However, the later spells usually happened at the later part of the observation time and the sequencing of spells might be confounded by changes in labour market conditions and other policies during the period. Trying to control for this, dummies for the year the spell started is also introduced. All dummies for the year are significant by themselves, in the first analysis run without spell dummies. The magnitude of the effect is not negligible with a tendency towards a decreased hazard rate, especially for the last year with an estimation of a relative risk of 78 % compared to 1995. Labour market conditions improved during the observation period so this effect is hard to interpret. It can depend on the selection of re-entrant recipients where the more successful were less likely to come back when employment conditions improved than the more disadvantaged. It can also be explained by shifting cohorts of immigrants settling in Malmö. In both cases, this means that the model cannot compensate for these changes and that unknown heterogeneity is present. A for the model more benign interpretation is that the availability of labour market training decreased, especially at the end of the period.

In the last analysis, dummies are included for both spell number and entry year. Now, there are two significant estimates of increased exit rates in spells two and four. It is hard to understand that just these spells should differ and not the third. One possible interpretation is that there exists a slight tendency for spells to become shorter and that the estimate of spell three is biased. It could also be artefacts of these extremely extended models where the statistical tools are brought to the edge. Anyway, there is no indication that spells of social assistance becomes increasingly longer by some kind of dependency creating process.

Table 7.7 Extensions to the basic model (in table 7.5).

Covariate	Beta coefficient	Significance	Relative risk
Only spell number dummies			
Spell 2	.0914	.0674	1.0957
Spell 3	-.0446	.5249	.9564
Spell 4	.1943	.0469	1.2145
Spell 5+	.0333	.7972	1.0338
Only year dummies			
Entry 1996	-.1324	.0327	.8760
Entry 1997	-.1601	.0123	.8521
Entry 1998	-.1573	.0174	.8544
Entry 1999	-.2524	.0017	.7769
Spell and year dummies			
Spell 2	.1541	.0034	1.1666
Spell 3	.0323	.6602	1.0328
Spell 4	.2896	.0043	1.3359
Spell 5+	.1515	2595	1.1636
Entry 1996	-.1634	.0099	.8492
Entry 1997	-.2153	.0013	.8063
Entry 1998	-.2321	.0012	.7929
Entry 1999	-.3345	.0001	.7157

Notes: Reference categories are spell no. 1 and spells entered 1995.

The dependency hypothesis will be further tested in the final model. I here introduce a new variable that is the duration of the previous spell. If dependency is created endogenously by the situation of being a recipient, and this is not covered by other covariates, then the duration of the previous should capture something of this. A long previous spell should increase the duration of the next. This hypothesis can here only be tested for recipients with more than one spell.

The new variable is potentially very powerful in a statistical sense. It is in principle the dependent variable of the previous spell and can correlate with the dependant variable as well with a number of the independent variables in ways that are hard to predict. Changes in the coefficients of other covariates will therefore not be analysed. The natural logarithm of

the duration of the previous spell was introduced without and with interaction with immigration but without the spell number and year dummies. The interaction effect was close to zero and far from significant and the model without interaction was chosen. Here the duration of the previous spell was very highly significant (0.0000) while the coefficient was of moderate size, -0.1950. This points to that there is some unknown heterogeneity in the model, interpretable as a dependency effect or something else.

The risk of dependency is often a topic in the social policy discussion, so let us assume that the result can entirely be interpreted as a dependency effect. Next step should be to look at the strength of this effect and its consequences. The coefficient is -0.1950 and it is multiplied by the logarithm of the duration of the previous spell that varies between 0 and 4 with a mean of 1.26. The effect of this variable will therefore not be greater than many other covariates in the model. This means that the possible dependency effect is not more powerful than a number of other life circumstances individually, and the other life circumstances are much more powerful if we look at the accumulated effect. This level of dependency is well in line with what has been found in research on the incentive effects of the US welfare system Moffitt 1992. If we compare the dependency effect to the accumulated effect of all other covariates, it will be rather unimportant in relation to structural conditions. Therefore I conclude that the dependency effect, if there is one, is rather benign and less harmful than the consequences of cut downs of assistance levels and threats and derogatory treatment of recipients to hunt down dependency.

This discussion on dependency could suggest that the recipients fare worse over the spells. It is very complicated to descriptively compare the state of the recipients between spells. There are many variables in the data set and finally a problem to weight their relative importance if they go in different directions. The prediction of the hazard rate in the individual case was instead used as an index of the socio-economic condition at the start of each spell. A low value, especially below zero values, indicates a more disadvantaged situation.

Table 7.8 Index of socio-economic situation at the start of the spell.

Spell number	Index	Significance	Number of households
	Households with one spell		
1 finished	.0895		
1 censured	-1.0226	.000	1177
	Households with two spells		
1	.035		
2	.136	.033	416
	Households with three spells		
1	.148		
2	.214		
3	.283	.083	186
	Households with more than three spells		
1	.191		
2	.303		
3	.399		
4	.400	.002	126

The average situation of recipients improves between spells for those who have more than one spell (table 7.8). In the single spell case, the situation is considerably worse for those who have not completed the spell in relation to the finished spells. Although, the development course varies individually, it improves on the whole.

One can ask where the improvement happens. It could happen during the spell of social assistance or in the new social context after exit from the spell. The results here point more towards that improvement happens after exit when the former recipients have better opportunities to augment work skills and educational level. Activation measures during the spell are intended to achieve the same goals. Evaluation of the effect of such interventions will be discussed in the next part of this study.

Summary

The duration of social assistance is analysed in relation to individual resources with event-history models. This analysis is complicated because social assistance is often received in multiple spells. One solution is to describe the sequences of spells as patterns. During the 1990s, permanent receipt increased substantially while patterns of occasional and recurrent receipt decreased proportionally.

There was a significant, but very weak, relationship between the duration of the first spell and successive subsequent spells when human resources were taken into consideration. However, there was a strong positive relationship between disadvantage and the duration of spells. The results give no support for a dependency effect of social assistance that is of substantial and practical significance.

There was a strong relationship between the human resources variables used and the duration of spells. However, these variables had low predictive power for the duration of time without social assistance after exit from a spell. It seems that movements out of social assistance are associated with different factors than those who determine entry and duration of social assistance.

8. Evaluating the impact of activation programs

The dramatic increase of social assistance in Sweden during the 1990s has been described previously. Social assistance was originally intended to be a temporary support in special situations that were not covered by universal social insurance. Instead, it increasingly provided for large groups of unemployed youth and immigrants without right to unemployment insurance. Many municipalities introduced job-search and activation programs for long-term recipients. Municipalities often require able-bodied recipients to search for work and show records of their search activity to be entitled to social assistance. The monitoring varied highly between municipalities and also between offices within the municipality, from rather lax to excessive (the ideology of intensive job search is presented in Rönnlund 1992; a description of the actual practice in a municipality where these methods were implemented rigorously with repressive elements leading to denial of rights in Karlsson 1995; see also chapter three). A recent study showed that most medium-sized and large municipalities have activation programs, while implementation and requirements vary widely (Salonen & Ulmestig 2004).

There are very few evaluations in Sweden of the impact of activation programs on participants' social assistance duration and likelihood of work. If evaluations of the follow-up type are excluded, only one study has an adequate comparison group (Milton & Bergström 1998). I will later in this section present my own study with a matched comparison group, and the problems associated with such approaches. The lack of studies has an explanation in that research and advanced evaluation of social work are recently introduced disciplines in Sweden. The number of studies in all subspecialties was few before 1990, but has increased rapidly thereafter. More surprising is that the situation was similar for evaluation of the national labour market measures, which have a long history and during periods of unemployment incurred substantial costs. There was only a small number of such studies up to 1990 (Björklund 1991), but the

number of evaluations escalated fast at the end of the millennium, many of them published by IFAU – a recently established institute for labour market policy evaluation under the Ministry of Industry, Employment and Communications with a relatively independent status and a board mainly consisting of academics. A similar institute, Centre for Evaluation of Social Work (CUS)[29], has also been established under the National Board of Health and Welfare. However, this institute is responsible for a much wider field of research than IFAU.

There are more than two decades of experience of evaluation of job search and training programs for recipients of welfare benefits in USA. Many of these evaluations are experimental and a short introduction to experimental and quasi-experimental evaluation methods will be made as a background to the interpretation of evaluation results as well as my evaluation of activation programs in Malmö in the next chapter. In social work in Sweden, the strategy of experimental evaluation has been unthinkable or regarded as inappropriate for decades.

Social experiments

Experimental evaluations have been conducted in social research in USA since the late 1960s; an early example is the negative income tax experiments in New Jersey and a few other cities. In an experiment, participants are randomly assigned to an experimental group or a control group. Experimental methods were initially regarded as unsuitable because the environment could not be controlled as in the classical experiment. There could be large differences in the environment between participants in the same group. However, variation in external conditions is controlled by random assignment, at least if the groups are large enough. The increasing availability of computerised analysis made experimental methods possible in practice. The commonly used concept is social experiment.

Social experiments have been performed in a number of fields in USA, for example education, labour market training, tax administration, police work, psychiatric treatment and foster care (Boruch 1997). This presenta-

[29] From 2004 reorganised and named IMS, Institutet för utveckling av metoder i socialt arbete (Institute for Development of Methods in Social Work).

tion is limited to evaluation of activation and labour market programs for recipients of means-tested assistance and other poor or excluded groups. There is a myriad of programs for persons who have a marginal position or are excluded from the labour market in USA and Western Europe. The scope and content of the programs vary widely as well as the terminology. In USA, workfare is popularly used as a word with positive value in contrast to the hatred welfare, which in USA often is associated with means-tested help and the 'underclass', and not with universal social insurance and welfare rights as in Europe. A more neutral term is 'welfare-to-work'. The Swedish expression is 'labour market measures' when the program is organised by AMS. A large number of terms have been used for municipal programs as social assistance project, youth project or refugee introduction. The common view is that that the programs aim to move the participants towards the labour market through participation in activities. Some activities have a close coupling to the labour market as courses in job search or job training. In other cases, the activities are of more general educational or preparatory character. In Denmark, 'activation' is used as a general term for voluntary and mandatory activities targeted to recipients of social assistance. This usage of the term seems to spread in Europe.

Many of the social experiments in USA are large. The largest was the evaluation of JTPA (Job Training and Partnership Act), a program for unemployed with or without means-tested assistance. The evaluation was implemented in 16 sites with a total of more than 20,000 participants. Follow-up time was 30 months but the entire evaluation phase from planning, implementation and final analysis took eight years. The cost was $20 million. The typical cost is a few million dollars but there are also social experiments that have been much less costly (Orr 1999). The cost is dependant on several factors as the cost of program implementation, type of data collection, the desired precision of the estimation, and if it is a single or multiple site evaluation. Evaluation of national policies is especially expensive, as this must be performed at multiple sites over the country.

The evaluations have often been performed by private institutes and funded by federal administrations as Department of Labor and Department of Health and Human Services, states, funds, or combinations of these. Manpower Demonstration Research Corporation (MDRC), a private non-profit organisation has performed many of the evaluations of

welfare-to-work programs for recipients of AFDC (Aid to Families with Dependant Children), mainly poor single mothers.

Why social experiments?

Experimental methods have rarely been used in social research and evaluation in Sweden. The method has been criticized for creating artificial situations and as kneeling for the natural sciences instead of creating methods that are adapted for the study of social processes. Experimental method has been coupled to positivistic philosophies of science and topics as studies of the learning of rats. It has been argued that social phenomena are too complex, symbolic, and intentional to be explored by experimental methods. These arguments are very strong in opposition to a position regarding the experiment as the only correct method of science. A more realistic point of view is that the method should be chosen with regard to the research problem. As far as the objective is to evaluate the impact of a social program, a qualitative process design has severe limitations. One reason is the rapidly changing conditions of individuals who are marginal to the labour market and high variance in pre, process, and post measures. To take a recent example, an evaluation of a labour market program for immigrants in Rinkeby, a segregated suburb of Stockholm, showed results where both participants and personnel were very satisfied with the program and experienced both increased self-confidence and improved labour market opportunities. The problem was that the impact of the program seemed to be slightly negative in relation to a carefully matched comparison group participating in ordinary programs (Hallsten, Isaksson & Andersson 2002). It is highly unlikely that this could be captured in a qualitative study, which would probably give a positive evaluation of the program, mainly based on the positive experiences of the participants. However, there is a second problem. This study was quasi-experimental. There is no indication that the selection of the comparison group was biased, but the possibility cannot be excluded. It will be described in a coming section that quasi-experimental evaluations can have a selection bias that result in estimations that differ from experimental estimations. Still, the design is far superior to a qualitative process

design and a quantitative design without comparison group in estimating the impact of the program.

Why is the impact of programs on income and work so important? Income is only one aspect of the individuals total life situation and well-being and other aspects have aroused much more attention in social work in Sweden. The first answer is that increased income and work participation usually are the primary goals of these programs. The second answer is that improvements in income and employment are usually associated with improvements in other areas of life. Some individuals may need additional services, but that does not reduce the significance of income and work, which is usually a condition for extended social participation, leading to improved self-confidence and well-being. A third answer is that knowledge of the impact is necessary for the interpretation of the program. Some programs have a strong influence on people's lives and interfere with personal freedom and self-determination, e.g. the Swedish Activation Guarantee where participants are obliged to participate full-time until they become employed, although the prospect for employment is highly insecure. In USA, single mothers are forced into the labour market with consequences as improved as well as worsened life conditions, in the latter case with lower income, inferior child day care and insufficient time for the children. In such cases, the government incurs a pain that is supposed to result in a gain. It is impossible to interpret such programs without knowing the result of the pain: gain, no gain or maybe further deterioration.

Experimental and non-experimental evaluation

Evaluation is often used in a wide sense to include various designs as the social experiment, quasi-experimental designs and studies of a single treatment group. The objective can be to study impact, process or goal achievement. This section will only treat evaluation of program impact, which excludes most of these designs. Studies of a treatment group without an experimental control group or a quasi-experimental comparison group have severe threats to validity as history, maturation and statistical regression that are well-known and described in older as well as new textbooks on design (Cook & Campbell 1979, Robson 2002). These

threats are not esoteric theoretical issues that can be discarded in the daily practice of social work. To make an empirical example, the work income of the experimental control group in the San Diego SWIM program more than doubled during four years after that the participants in this group had been randomly assigned not to participate. There was a somewhat larger and statistically significant improvement in the treatment group, but the difference between groups was much smaller than the baseline improvement in the untreated group (this example and the scope of designs are elaborated in Giertz 2000). This example is not an exception and common in these types of studies as well as the 'pre-program dip', meaning that participants retrospectively had higher incomes that dipped a short time before they entered the program. The pre-program dip can be interpreted as a temporary income problem or the start of a long-time deterioration, and the interpretation of the result is highly dependent upon the chosen strategy. It would usually be impossible to validly differentiate between these hypotheses without a control or carefully selected comparison group.

The classical evaluation problem emerges when we have an action A (treatment program etc.) that result in an outcome value X. To know if A changed X, we must know the value X*, the outcome without intervention A. We obviously cannot observe both X and X*, it is not possible to run the history in reverse and make a new observation without intervention. We must find another way to find a counterfactual. In principle, the experimental method gives an unbiased estimate of the counterfactual through random assignment of subjects to an experimental and a control group. At this theoretical level, an ideal situation is assumed where subjects are not affected by the random assignment procedure, and without dropout and other disturbances. The only systematic difference between subjects is participation versus non-participation. There will be differences between groups but these are random and can be controlled by statistical methods and the mean error will decrease in relation to the magnitude of the groups. Thus, the experimental design gives an unbiased estimate of the impact we want to study. An alternative strategy is to select a quasi-experimental comparison group that is equal to the experimental group on known characteristics.

There are advantages and disadvantages both with the choice of an experimental and a quasi-experimental design. It can be difficult to maintain real world conditions in a social experiment. The procedure of

random assignment may affect participants and introduce an experimentation bias so the result differs from what would happen in a program that is not evaluated. This bias could be large in an inappropriately planned and implemented experiment, especially when studying the short time effect of a weak intervention. In situations where the program has some duration and intensity as in labour market training and where some kind of selection of participants would happen anyway, it can be assumed to be negligible in relation to all other events that influence participants. It is also possible that data collection through interviews and questionnaires influence the control group, although it seems unlikely that this should change factors like income and employment. Of course, this also applies to the quasi-experimental design except when all data can be collected from already existing databases without the knowledge of 'participants'.

There can be ethical problems with experiments but these can usually be solved in acceptable ways. The possible ethical problem of an experiment must also be weighted in relation to the ethical problems of a continuing practice of administrative selection of participants to program where we either know if the selection procedure is adequate or if the program has any positive impact; or even may have a negative impact on participants.

An advantage of the quasi-experimental design is that no special, random assignment procedure is needed and that usual practice is not modified. The great problem is to select a comparison group that is equivalent to the experiment group in all aspects. Slight differences in known variables are no principle problem and can be cancelled out with statistical methods. The main problem is that the groups after being equalised for example by matching on known characteristics, still can deviate in unknown characteristics that are correlated with the outcome. A typical example is that a comparison group is selected on variables as education, previous income, work experience and other similar variables, but still differs systematically in characteristics as motivation and mental health. There is an evident threat of selection bias.

Literature reviews of evaluations often show inconsistent results with a mix of positive effects, no effect and negative effects. Much of this can be attributed to differences in method and implementation and that the treatment has been performed in different contexts and with differing composition of participants. Often, most or all of the evaluations are quasi-experimental and the differences can also be explained by selection

bias in the comparison groups. An important step forwards is that estimations from quasi-experiments have been compared to experimental estimates. With experimental results as a reference, different comparison groups have been constructed and compared to the experimental control group. The comparison groups have been selected from panel datasets in USA. Some non-experimental estimates were quite good but other deviated substantially from experimental estimates in magnitude but also regarding to sign, supporting opposite hypothesis (LaLonde 1986, Fraker & Maynard 1987). In general, estimations for groups as women with children on AFCD had good precision while estimations for youth sometimes were severely biased and estimating a negative impact instead of a zero impact. It seems that it was easier to make correct estimates of groups with a relatively stable situation over time than for fast moving populations with no or short work history as youth.

The failed non-experimental evaluations used commonly accepted and advanced methods for selection and analysis. However, it could be possible to develop new and more successful models and methods of analysis. James Heckman is a leading proponent of this perspective and has made an extensive work on this subject; only an example will be described here. Heckman & Hotz (1989) created a specification test for accepting or rejecting non-experimental estimates. This test can be used when the evaluator has access to data on participants' conditions before the program intervention and variables that describes characteristics of the groups that are related to the outcome. Heckman and Hotz meant that their results could decrease the pessimism about non-experimental evaluation that was common among professional evaluators in USA. Their own results pointed to that it is possible to exclude at least some of the biased estimates with this method.

Friedlander & Robins (1995) agreed that the specification test is useful, but argued that it also has serious limitations. The specification test is made on conditions that precede program participation. If the used model correctly predicts for example income changes before program participation, it is also assumed that it does so after program entry. They argue that participation in a program often happens after important life events as divorce, unemployment or when the youngest child enters school. A model that adequately explains behaviour before these life events may not be applicable after that they have happened.

Friedlander and Robins created 120 pairs of experimental and non-experimental estimations where data from different states and time periods were used. The control and comparison groups in most cases included between one and five thousand participants. The specification test was not especially successful. Comparisons that passed the specification test deviated almost as much from experimental estimations as those that were rejected by the test. Comparison groups that were close in space and time to the experimental group seem to give better results, but a considerable uncertainty remained. It is obviously difficult to create unbiased comparison groups. Statistical methods as matching and specification tests do not seem to help much if there are basic, unknown differences between groups. The problems are aggravated when the difference between the experimental and control group is small, in this case about five percent. A greater difference in impact would probably make non-experimental estimates more successful, but impacts between zero and ten percent is what is usually observed in these types of programs (and occasionally negative impacts).

An alternative method of non-experimental evaluation has been developed by Bell et al. (1995). This is a revival of the usage of dropouts groups as comparison groups, which were regarded as unsuitable based on previous experiences of inappropriate use of this technique, with an obvious risk of selection bias. Bell et al. describes three groups that can be usable: dropouts, no-shows and applicants that were not eligible or accepted for other reasons. Dropouts entered the training program but did not complete it. The word dropout has a negative association, for example youth that do not complete school. Participant can dropout of training programs without any good alternative, but the reason can also be that they find a job or enter regular education. Using them as a comparison group requires careful analysis and high quality data on their previous and current situation for statistical control. No-shows never enter the program, many because they have found a better alternative before program start. An advantage of these control groups is that they are homogeneous to the participants in aspect that motivated them to apply for the program and not separated in space and time as some other possible comparison groups. If differences between the comparison and the treatment groups can be controlled statistically on known characteristics, there may be less risk of unobserved homogeneity than in other comparison groups. The authors validated a non-experimental evaluation

on experimental data and this successful attempt shows that the method can work while it is no guarantee for its general applicability.

The social experiment seems to be the preferred method among evaluators in USA and also has strong political support. Many federal evaluations are specified to be experimental in the contract. Experimental evaluations have often been concerned only with specific and practically oriented questions as the income effect for participants and the cost for taxpayers. It is preferable to answer a few questions correctly rather than many incompletely and with biased estimates. However, it seem that in many cases the scope of the evaluation could have been expanded with rather simple means to give a broader picture of the living conditions of participants[30]. This has to some extent been done in later evaluations of MDRC (Bloom & Michalopoulos 2001).

There may be a risk that experimental evaluation could be regarded as equal to reliable evaluation, which is an extreme oversimplification. There are many pitfalls with social experiments. There can be an experimentation bias that sometimes is insignificant and in other cases quite strong. In early social experiments, it was common to disregard that participants in the control could find and participate in alternative programs, which underestimates the program effect. There is a distinction between micro and macro effects, which means that a small program can be effective but not when implemented in large scale, for example the small program can be sufficient to satisfy the demand of a specific type of skills on the labour market. The politically relevant question is often the effect of increasing or decreasing the size of a program rather than its absolute effect (Björklund 1988). Finally, it is impossible to evaluate national policies with social experiments because the implementation is very wide or total and there exists no control group, although this problem also extends to non-experimental evaluation (Carling & Larsson 2000).

---

[30] There is an ongoing discussion and disagreement on the advantages of experimental and non-experimental methods. Arguments for and against these methods are presented in Manski & Garfinkel (1992). Two debate articles in Journal of Economic Perspectives give a good summary of the discussion with Burtless (1995) arguing for social experiments while Heckman & Smith (1995) are much more critical. Overviews of experimental method in social research can be found in Boruch (1997) and Orr (1999). See also American Behavioral Scientist, No.5, 2004 for recent experiences and the current state of social experimentation.

Effect evaluations of programs for recipients of means-tested assistance

Although many activation programs are targeted, the characteristics of participants in different programs overlap. Recipients of means-tested assistance, in Sweden primarily social assistance, participate in different types of programs. This section will be designated to programs that are specifically targeted to recipients of social assistance and organised within the Social Services and similar agencies rather than labour market authorities.

Only one evaluation with an adequate comparison group has been made in Sweden[31], a study of the Uppsala model by Milton and Bergström (1998). The Uppsala model was much debated and popular among a segment of social workers during the middle of the 1990's. The program was a pure job search program carried out individually with recipients of social assistance by the ordinary staff. Recipients were required to search job full-time or very intensively and compile list of all the works they had searched. These lists were monitored frequently and the recipients could be denied social assistance if job search was deemed as insufficient. As often is the case with this type of workfare methods, the Uppsala model gained impetus in some municipalities at a time when Sweden suffered a historically extreme structural unemployment and when it was hard to get a job for large segments of the labour force, even previously employed without special problems.

---

[31] Another study has been cited rather frequently, for example in magazine of the Social Workers Union (Gustafsson & Persson 1989). It was an undergraduate course paper in economics that was ambitious in many ways. The result was very positive for the Uppsala model. The authors admitted problems with selection of the comparison group, lacked contextual knowledge and relied on the advice of the social workers that applied the Uppsala model. In this work group, recipients were divided into two groups, newly entering and long-term recipients that previously had participated in job-search but failed to exit or were unable to work. The first group was compared to a group including all recipients in another neighbourhood. They tried to compensate for this difference in composition, but this should be a situation where the problem of unknown heterogeneity can be expected to be very large. The exit probabilities they presented differed largely from similar figures I calculated on a large, national dataset. A comparative analysis of the frequency of social assistance in the population also showed that Uppsala had a clearly higher uptake compared to similar cities during the years before the Uppsala model was applied and then converged to a more normal level.

Milton and Bergström compared a neighbourhood in Uppsala where the Uppsala model was applied with a matched a comparison group from another neighbourhood in the city where more ordinary methods of social assistance administration was used. They analysed individual micro data and found no difference between methods in cost of social assistance and duration. The only significant difference was a higher probability of re-entry for those who had received an intervention according to the Uppsala model. There is always a risk of unknown heterogeneity in a comparison group, but here it was selected in the same city at the same time. Uppsala is not a big city and spatial segregation is not of the kind that there is reason to expect neighbourhood effects on likelihood of job entry.

International studies of job search programs often show a slight positive effect, but there are also studies with zero effect. Such programs will be described later, and it is also relevant to refer to the literature review of the job search experiments in the US unemployment insurance (Meyer 1995), with very modest effect, although with a positive benefit-cost effect. The zero effect in the Uppsala study is hardly surprising with regard to the high unemployment rate for unskilled workers.

A large number of experimental studies on welfare-to-work programs for recipients of means-tested assistance (AFDC) have been made in USA. Early non-experimental studies are reviewed in Barnow (1987) who was concerned by how sensitive the estimates were to the model specification used and recommended experimental evaluations. The Department of Labor had in 1985 commissioned an advisory panel to assess the evaluation strategy. The panel recommended experimental evaluations and this was accepted by the Department of Labor.

A number of experimental studies are reviewed in Gueron & Pauly (1991), most of them made by MDRC. The program had positive impacts on earnings and welfare costs although the relative proportion varied. Inexpensive programs mainly concentrated on job search and pushing the recipients into the labour market seemed to give a relatively higher return in reduced welfare cost than in increased earnings of the recipients. More expensive programs including education and training had a larger impact. Two of a total of thirteen evaluated programs had no significant effect, but these were of the low-cost type and one was implemented in an area with very high unemployment. Most programs had impacts that were sustained over three years after the program.

Not all of the differences in program impact could be explained, although there was a relation between program cost and impact. Nevertheless, the findings are quite consistent in comparison with earlier experiences where results often were contradictory. It seems reasonable to assume that this, at least partly, can be explained by better precision in the experimental estimates than in the previous non-experimental estimates.

The largest earnings gains were made by the moderately disadvantaged while the largest welfare savings were achieved for the most disadvantaged. An implication of this is that the most disadvantaged worked more but with no improvement of income. There have been very few high cost programs for long-term recipients with little or no prior work experience. An exception is the National Supported Work Demonstration with subsidised, paid work for 12 – 18 months, which lead to substantial income improvements, although not strong enough to take all participants out of poverty.

There is a positive relation between the cost of the program and the impact, although there are indications of diminishing returns and there may be a cut-off point where cost-efficiency becomes negative. Friedlander & Gueron (1992) mean that there are still many unresolved questions on this relation and there seems to have been little further research on this. An obvious reason can be that policy in USA has been very little directed towards intensive and costly programs for the most disadvantaged and strived towards mass scale implementation of workfare at low cost.

Most benefit-cost analyses have been made in a three-year perspective, the standard follow-up time in MDRC's evaluations. This is longer than usual in evaluations, but does not give a full answer to the duration of the impact. The duration is a very important question both theoretically and for benefit-cost analysis that is dependant upon both the size and the duration of the impact. However, four programs have been studied in a five-year perspective (Friedlander & Burtless 1995). With the exception of a low-cost program, the results showed an impact during the fourth year and during the fifth year in the Baltimore program. The two medium-cost programs had a net cost of about $950 per participant. One was the San Diego SWIM (Saturation Work Initiative Model) that often has been referred to as a successful example of workfare. It was based on the idea of caseload saturation, which is a technique where the first phase is job-search for all and those who fail to get a job continue in training, and after

the training phase are returned to job-search and then can move around for years to avoid the risk of passivity that is assumed to be a positive incentive for benefit receipt (this is, by the way, very similar to the Activation Guarantee in Sweden). More than 10 percent of the participants were sanctioned for failure of participation. SWIM was the program with the largest impact during the first three years and dropped rapidly after that. The Baltimore Options program had a cost close to SWIM but was aimed at increasing employment in better-paying jobs and matching participants and activities. The impact of the Baltimore program increased during the three first years but had nearly the same impact in the fifth year as in the third (the fourth year was not measured). This is no extensive evidence but an interesting empirical indication that impact can be long-term. An unresolved question is if a more expensive program with similar aims could give a substantially higher increase in earning during long time. With the experimental results as a point of reference, it seems quite possible.

The positive impacts of these experiments have usually been connected to rather few individuals with large increases in work and earnings. A large proportion continue too be poor also after entering work. Most recipients of AFDC went into low-paid jobs and with increased cost for childcare and transportation there was little difference in their economic situation before and after AFDC, and sometimes worse after entering work (Edin & Lein 1997). Friedlander, Greenberg & Robins (1997) conclude that mandatory work programs "may have produced some reductions in aggregate welfare receipt in localities that have moved aggressively to expand program coverage, but contributions to reduced poverty almost certainly have been slight". A MDRC synthesis report summarises that programs that included only mandatory employment services usually left families no better off financially and the only programs that were successful in this respect provided earnings supplements to low-wage workers (Bloom & Michalopoulos 2001).

From the point of these results, the "success" of the new TANF system seems like a mystery (Temporary Assistance for Needy Families, legislated in 1996). The caseload shrinks dramatically after the TANF legislation with a halving of the caseload between 1994 and 1999. There are several explanations to this and the welfare-to-work programs have only limited share. More important is the long and sustained period of economic growth and low unemployment during the 1990s. The caseload decreased considerably before TANF. It is also likely that the long and

intense debate on welfare reform sent a signal that "dependency on welfare" had bad reputation in public opinion and that public support when fostering children could not be expected as a right in the future. This was underlined by the 5 year time-limit of lifetime support under TANF[32]. It would then not be rational to apply for TANF is the family is only eligible for a small additional amount on top of work income, especially not when living in an insecure situation that could deteriorate. The take-up ratio of eligible families has declined considerably and was as low as 52 percent in 1999, compared to about 85 percent in the early 1990s (Zedlewski 2002). The fixed value of the AFDC / TANF benefit has also eroded significantly during the last two decades. However, there has also been some changes in the system that are positive for poor families. States have acted to extend the availability of child day-care that is an important condition for the welfare-to-work transition. The earnings situation of poor working families has been improved by the Earned Income Tax Credit (EITC) that give a positive tax return for low-income households (instead of paying negative tax poor households get 30 cents in return for every dollar earned, up to a limit). Danziger et al. (2002) reported improved earnings and lower expectancy of experiencing hardship for families who left welfare compared to those who continued in 1999.

[32] The general principle is that support by TANF is limited to 60 months. The states are free to choose a longer time but the federal funding is based on a 60 months period where a maximum of 20 percent of the caseload can be exempted because of hardship. States that fail to comply with this and other demands can get reduced funding. Additional benefits are wholly funded by the states, e.g. an extended time period or benefits for other groups as individuals and families without children. There is also a 'family cap' aimed to reduce teenage and illegitimate pregnancy, meaning that the family does not receive an additional benefit for children born during the period of receipt. Some states have received waivers that permit them to try other types of time limits as a maximum of 24 months in a single period with a total of 60 months during lifetime. It would be very hard for a recipient at forehand to predict if an exemption from the time limit will be allowed.

Evaluation of labour market programs for unemployed

There is no clear-cut limit between programs for recipients of means-tested assistance and programs more generally targeted towards the unemployed in Sweden. Unemployed without means-tested benefits cannot participate in programs targeted to these recipients. Recipients of means-tested benefits can participate in the general programs but access can be limited by availability of places and priorities that favour unemployed with insurance. Some recipients can be assessed as not qualified because of insufficient knowledge of Swedish or psychosocial problems. The widespread growth of municipal programs for recipients of social assistance during the 1990s points to a high demand of training places managed by AMS and a probable low priority for recipients of social assistance with little work experience.

Evaluations of AMS labour market programs will be described in very short summary here. There are two reasons for this. The first is that these programs have not been the first option for most of the social assistance recipients with a marginal labour market position that is the object of this study. The second reason is that many of these evaluations are described in a number of easily available reports from IFAU[33] and that there already exists a recent and comprehensive overview in Calmfors, Forslund & Hemström (2002).

Studies of labour market training and job creation show mixed and somewhat contradictory results with both positive and negative effects. All evaluations are quasi-experimental with comparison groups usually selected from the Händel database at AMS. Studies from programs run in the 1980s have more positive effects that is understandable in regard to the greater demand for labour and the relatively small size of the programs at that time. The expansion of the programs during the unemployment crises seems to have consequences in lower quality of training and more participants competing for a smaller number of jobs. No reviewed studies differentiate between the effect for participants without prior entry to the labour market and unemployed with previous work experience. There are, however, some studies of youth that showed negative effects (Regnér 1997, Larsson 2002, Andrén & Gustafsson 2002). These negative effects

[33] Downloadable from www.ifau.se

are not yet understood, but the results should not be neglected especially as similar impacts have been obtained in large experimental studies in USA. A special program for immigrants in the segregated area of Rinkeby showed negative effects compared to participating in regular programs. However, Andrén & Gustafsson (2002) found higher rewards of training among foreign-born compared to natives, with rewards for the former varying by birth country.

The evaluation problem has been considerable in the Swedish evaluations of labour market programs. In the 1990s, it was not possible to rely to the classical evaluation question if participation in the program had any effect compared to non-participation. Participation was so widespread among the unemployed that participants could previously have taken part in one or more other programs, which makes it difficult to isolate the effect of specific program under the assumption that they may have a medium or long-term effect. It was hard to create comparison groups that not had participated in any program and if so, many would soon enter a program. If one could find an untreated comparison group, the risk of unobserved heterogeneity would be very high. The solution at hand is to compare participants in a program with unemployed that do not participate at that point in time, but previously may have participated in some program and who may soon participate in that program or another program (Carling & Larsson 2000, Sianesi 2001). This is close to an evaluator's nightmare and there exist no theories and statistical models that can validly estimate these kinds of data. If the programs have a strong effect that is not very short term, it will be underestimated. International evaluations in less program dense environments show weak effects. The effect can be assumed to be even weaker in a program dense environment with low labour demand. However, it is likely that evaluations made under such conditions tend to result in somewhat contradictory results.

Calmfors et al. (2002) conclude that the labour market policy in Sweden in the 1990s was not efficient and that the active labour market programs had limitations as a measure to fight unemployment. Furthermore, the linkage of participation in training programs and participation as a means to re-qualify for unemployment insurance tend to distort incentives for participation. Positive effects of the job creation programs on the individual level were also offset by macro-economic effects as displacement. However, displacement can sometimes be positive, for example if a person who is unlikely to get a job becomes employed with help of

subsidies and the displaced is a person is likely to get another job later. But it is probably more likely that the displaced person is about equally disadvantaged as the person who becomes employed with subsidies.

Large-scale experimental evaluations of labour market programs have only been made in USA; the prime example is the evaluation of JTPA with over 20 thousand participants at 16 sites. The evaluation showed positive but modest positive effects for adults, especially women. The program had no impact on youth overall and a tendency to negative effect for male youth, especially male youth arrestees (youth who had been arrested prior to the program). A puzzling result it that arrests were significantly more common among participants after enrolment (Orr et al. 1996).

In a review of the literature, Grubb (1996) find no program for youth with that has an evaluated positive effect, with a possible exception of Job Corps, a residential medium to long-term program for disadvantaged youth. Grubb suggest three explanations for these findings: many employers will not hire young people, a youth culture that rejects school and discipline and places a premium on "coolness", and pedagogically ill-designed programs that remind too much of school, an institution many of these youth have a negative experience of.

Summary

Use of experimental and non-experimental evaluation of labour market programs is discussed and experimental evaluations have clear advantages because there are severe problems with the construction of a non-experimental comparison group without selection bias and unobserved heterogeneity. However, it is not always possible to implement experiments and there are also many types of questions that cannot be answered by experiments. The social experiment is a method that is well suited for evaluation of the effects of activation programs.

In very general summary, it can be said that many labour market program can have positive impacts and a positive benefit-cost relation while others have negligible or no impact. Some quasi-experimental evaluations estimate negative impacts in relation to non-participation, although estimates of negative impact in relation to participation in

another program must be regarded as trivial. There are few examples of negative impacts in experimental evaluations while zero impacts not are uncommon.

Even the more successful labour market programs have moderate impacts and only give a small contribution to reduction of poverty among low-wage earners or a small increase of the labour market attachment among persons with a marginal position. Little is known about the impact for persons excluded from the labour market but most points to a lower impact than for the marginalized.

Activation programs seem to at best have moderate effects for persons with marginal labour market positions and structural policies are needed to reduce marginalisation and exclusion.

9. The Malmö Job Search and Counselling Program

As many other Swedish municipalities, the city of Malmö started a program for long time recipients of social assistance in the end of the 1980s. The number of recipients increased during the economic recession of the early 1980s. However, in the recovering and highly expanding economy of the second half of the 1980s, the fraction of recipients in the population rolled down very slowly. Receipt of social assistance peaked in 1986, when 12.6 percent of the population in Malmö received social assistance at least once during the year, the hitherto highest figure in any municipality during the post-war period (before the mass unemployment of the 1990s). Two years later it had only dropped down to 12.0 percent. Young persons, immigrants, and refugees constituted a large proportion of the recipients. Politicians, social workers, and citizens were worried about the problems of labour market entry and the risk of long time social assistance receipt. The political board of the social services, in 1989, approved a training program for SA recipients, with a total funding of SEK 25 million for tree years (between two and three percent of the total cost of social assistance excluding administration for each year). Politicians and administrators expected a return of the program cost through declining social assistance. An administrative report estimated a yearly decline of 1 percent in the rate of the population receiving assistance; half of it due to the program, and the other half connected to favourable labour market conditions. The expected program effect means a return of about five crowns for every crown spent on the program.

Despite the high rate of social assistance, the unemployment rate was very low in 1990, 2.4 percent, but somewhat higher than the national mean of 1.6 percent. Few of the recipients were "working poor", or received unemployment compensation. The new training and counselling program was targeted to groups who had a marginal labour market position or were excluded.

Implementation

The Malmö job Search and Counselling Program was implemented at the local level. The Swedish name was 'Socialbidragsprojektet' (The Social Assistance Project). The Social Services were divided into five districts in 1989. The districts were responsible for the creation and management of programs adapted to the local circumstances. My principle objective is to study the effect of the program on the participants' receipt of social assistance and entry to the labour market and the educational system. The description of the implementation will be short.

In all, sixteen local projects started at the districts and, furthermore, five social workers were engaged to arrange housing and support for homeless. The projects were usually small with a few social workers, and widely differing size of the caseload, depending both on the intensity of the counselling, and the effectiveness of the implementation. The primary objectives of social workers were to extend individual assessment and counselling, co-operation with other public agencies, and to stimulate job-search. Some projects also included group activities and meetings (see Appendix 2).

In-house Evaluation

The implementation of the program occurred within an ambitious framework of evaluation and knowledge dissemination. A program co-ordinator, a central planning executive, and a research consultant were engaged to the program. Program social workers participated in a course on evaluation arranged by the School of Social Work at Lund University. Furthermore, a number of invited experts lectured on different subjects relating to social assistance. The program secretariat published a series of booklets on subjects, such as administration of social assistance, refugee introduction and neighbourhood segregation. Increased quality of social work and development of competence for self-evaluation were objectives.

A work group of representatives of local project, and the program co-ordinator, constructed a form for evaluation of the projects. It could be used by local projects, optionally complemented with other data, as well as for a common evaluation of all projects. The form covered aspects as education, previous work experience, social assistance, work related

problems and handicaps, measures during the program period, and outcomes, such as work, education and post-program social assistance.

None of the projects made its own evaluation based on the data recorded on forms. The main reasons seam to be insufficient knowledge about design, statistics and computers, the scarcity of computers in the social services at this time and administrative reasons as fast and unexpected termination of projects (when terminating a project the district could use the funding for other purposes). Previous decades of social worker education had put small emphasis on scientific methodology and statistics, and the evaluation course was not extensive enough to fill this gap. When the projects were finished, I received the data sets they had collected and started an analysis.

The Local Projects

Of the ten projects, five had informally furnished offices in the neighbourhood, and one was located at the local Employment Office, while the rest were housed in the main social services office of the district. Seven projects were broadly targeted towards long-term unemployed with social assistance, one towards making refugees ready for the labour market, and two projects were directed to recipients with special psychosocial, psychiatric, or medical problems, or handicaps. In these two projects, pension was an option, while the goal of the others was entry into work or education.

Three or four projects combined individual counselling with group activities for information and job-search, while the rest worked only on an individual basis. Contacts and co-operation with the employment and sickness insurance services, health care, and other social workers were essential components of their work (see Appendix 2 for project descriptions).

Retrospectively it could be argued that there was too little variation in the scope of interventions, mainly consisting of individual counselling. A more systematic structuring of interventions of different types and intensities could be more beneficial for the development of knowledge about interventions that work. There may be successful types of interventions that were not included and tested. There could also be great

variation of interventions within the projects that may obscure differences between different types of interventions.

The social workers tried to persuade, rather than force, recipients to participate in the projects. Most social workers regarded this to work well, and considered formal obligation unnecessary. However, one of the projects reported that a few recipients had been 'suspended' from social assistance after failing to comply. It is not known to what extent the recipient perceived participation as voluntary or mandatory, although it seems that coercion was usually relatively mild. Probably many recipients wanted to participate, and in these cases, there was no problem of compulsion.

A program may have effects on both participants and non-participants. Social workers considered the program as an effective mean to confront recipients they suspected fraudulent, recipients with unreported incomes from the black labour market. Participation in the program would obstruct or block activity in the black labour market. Not re-applying for social assistance when offered a program place, could be interpreted as evidence of fraud. Other recipients may have preferred to find a job instead of participating in the program. It is possible that the program had such effects. However, this avoidance effect or entry-effect is impossible to evaluate with the present design, as only individuals who entered the program were recorded and followed-up (Orr 1999).

The Dataset

Data was available for ten of the sixteen projects. One district, with two projects, wanted to make its own evaluation, and refused to participate in the co-operative evaluation. Two projects had activities that differed substantially from the others and could not be covered by the form (one for newly arrived refugees who were not ready to work and one counselling households with large debts, some of them not receiving social assistance). One project did not start recording data and another completed recording too late for it to be merged in the common data set. However, a separate analysis was made of the last project and it did not differ from the general picture.

Ten projects remained with a total of 1036 individuals. Many projects were terminated before they had collected twelve months of follow up

data on social assistance, and one project considered one month of follow up as sufficient. Follow-up data on social assistance was complemented at the central administration when possible. Cases, without 12 months of pre- and post-program information on social assistance, were excluded from the analysis. Analysis of pre-program characteristics showed only small differences between cases with full and uncompleted post-program data (see also Appendix 2). The differences between cases with full and lacking data can more probably be attributed to differences in administrative accuracy between social workers than to differences between participants.

The only systematic difference between cases with full and missing data, I have detected, is the time of the participant's program start, where participants with missing data started later, and the project can have terminated before full follow up. I cannot, either, see any reason why the projects with missing data should have substantially different treatment results than the others. The main differing issues seem to be social worker attitudes and proneness to co-operation, rather reflecting organisational conflicts and competition than different treatment results. However, it cannot be excluded that projects with complete data are a positive selection. This will mainly be a problem, if results for these projects are markedly positive, with a risk of overestimation.

The final data set includes 636 individuals from 10 projects. To my knowledge, this is yet the only Swedish data set from this type of projects that is relatively large, includes a reasonable duration of pre- and post-program data and covers different, relatively independent projects. I regard the final data set as reasonably representative of those who participated in the program and the problem of missing cases to be of minor importance. The main problem is the selection of an adequate comparison group, which did not participate in the program.

The evaluation problem

Evaluation of a labour market and training program is a complex process. The data set makes it possible to compare some participant characteristics before and after the program. However, this difference does not say anything about the impact of the program. A similar change can depend on maturation and a multitude of exogenous factors. The basic challenge

of evaluation is to answer what would have happened in the absence of the program. The question can be answered by a social experiment, which has a treatment and a control group, or alternatively by the construction of a comparison group. Technically, it would be ideally possible to compare the actual result with predictions from theoretically and empirically based statistical functions that compensate for participant characteristics and exogenous factors. This positivistic dream of the social planner and manager has hitherto not been successful, and will probably never be due to the complexity and reciprocity of social processes, the limited predictability of change and human agents' ability to create new patterns of action.

Usually, the impact of the intervention on exit rates, duration, and cost for participants is studied in evaluations. However, the program may also affect the entry rate into the program (Moffitt 1996). If recipients perceive a training or educational program as attractive, the number of recipients may increase, e.g. when becoming unemployed, the training program may be preferred to seek a new job. A positive entry effect is improbable in the case of the Malmö program, as it did not deliver coherent education or training that could be an alternative to work, or regular education. An effect on non-participants is possible, speeding up the transition to work or education to avoid participation in the program.

To summarise, a complete evaluation should include estimations of:

- The impact of the intervention on participants, e.g. on exit rate, enhancement of knowledge and skills, and living conditions.
- The impact of the intervention on recipients of social assistance not participating in the program, e.g. speeding up exit from social assistance to avoid participation, or the contrary if the program is perceived as very useful.
- The impact on non-recipients of social assistance, e.g. avoiding to apply, if social assistance is known to be linked to program participation, or preferring social assistance if it is perceived as a road to education and work training (the last alternative is a logical rather than realistic alternative).

To my knowledge, all these aspect have not yet been evaluated for a single program. In the case of the Malmö program, I will only try to estimate the impact of the program on the participants.

When analysing the Malmö program, I will construct a quasi-experimental comparison group from a social assistance database by matching on participants' pre-program characteristics. An internal control group will also be used for an alternative estimate, inspired by Bell et al. (1995).

Characteristics of the participants

Before going to the estimation of impact, I will make a descriptive analysis of the participants. Who where they and how did they differ from the recipients in general?

Participants entered the program in 1990 and 1991, most with full post-program data started in 1990, while there was often not enough time to collect post-program data for those who started in 1991. Nearly all were referred to the program by a social worker, or an administrative assistant at the Social Assistance Section of the Social Services Office.

Some essential characteristics of the participants are summarised in table 9.1. Age and family situation vary considerably, and is on the whole similar to the general population of recipients, except that men are over-represented among participants with 62 percent, while the population is nearly evenly divided. There are no data on education and work experience for the social assistance population in general, but we can see that the participants often have low education, short total work experience, and that most were not employed recently before program entry. The median total time on social assistance was 20 months of the 36 months preceding program entry. At program entry, 82 percent had no other income than social assistance.

Table 9.1. Characteristics of the participants in the Malmö Job Search and Counselling Program.

Characteristic	Summary	Missing data (%)
Age	Mean age 35 years, lower quartile 26 years and upper quartile 43 years.	0.6
Sex	62 percent men.	0.0
Family	63 percent single without children, 15 percent single with children; the rest married or couples, most with children.	1.6
Citizenship	52 percent Swedish, 19 percent Swedish with foreign origin, the rest foreign citizenship. 8 percent were refugees; most had arrived to Sweden in the middle of the 1980s.	0.3
Education	19 percent less than nine years, 28 percent secondary school or more, 13 percent primary school and vocational education.	4.6
Last job	14 percent the same year as entering program, 23 percent the year before and 9 percent two years before (missing values included).	26.4
Work experience	77 percent had previously worked one year or more and 58 percent three years or more, 35 percent more than five years.	8.5
Housing	83 percent rented an apartment (usually of good standard), 13 percent had housing classified as appropriate and 4 percent had temporary housing.	1.9
Income	Social assistance was the only income for 82 percent at program start, nearly all other income from social insurance.	3.5
Social assistance during previous 36 months	Median 20 months, lower quartile 10 months and upper quartile 31 months.	0.6

Note: N = 636
Source: Malmö Job Search and Counselling Project database.

In summary, the participant corresponded well to the target group of long-term recipients, who should have limited work experience, especially recent experience, and severe difficulties to find a job.

Social Worker Assessment of the Participants

In addition to the easily measurable variables describe previously, social workers also assessed disadvantages assumed to interfere with work and self-sufficiency. Social workers rated the participant's most important disadvantages, and recorded them on the evaluation form. These disadvantages were evaluated by the social workers, in the aspect, that they were assumed to be obstacles, or barriers to work. The most common disadvantages were health problems, alcohol or drug abuse, psychic problems, weak labour market experience, insufficient education, and poor proficiency in Swedish (mainly among immigrants). The proportion of disadvantages among participants is shown in table 9.2. The mean number of disadvantages per participant was 1.44. Only 20 percent were regarded as having no disadvantage, while three or more disadvantages were coded for 17 percent of the participants.

Table 9.2. Assessment of disadvantages among participants in the Malmö Job Search and Counselling Program.

Disadvantage	Percentage with disadvantage
Health problems	24
Heavy alcohol or drug use	18
Psychic problems	27
Weak labour market experience	26
Insufficient vocational education	34
Poor proficiency in Swedish	15

Note: N = 636

Assessment is a common element in social work practice. It is used for the allocation of treatment resources, and as a basis for making judgements on the delivery of training and educational resources. It is not known, to what extent the counselling helped to relieve disadvantage, but it is possible to evaluate the prognostic power of the assessments.

Outcomes were classified in three groups. The first group is those who entered a job in the open labour market, or an own business. Secondly, come participants transferred to an educational or training measure (subsidised work is classified as a training measure). The last group was those who did not enter any activity when exiting the program (the "nothing" alternative). This was the largest group with 49 percent of the participants. The work group was smallest with 22 percent.

Table 9.3. Assessment of disadvantage and outcome.

Disadvantage	Work N=137	Education, training N=187	Nothing N=308	Significance
1. Physical health problem	9 %	20 %	32 %	0.001
2. Heavy alcohol or drug use	7 %	17 %	22 %	0.001
3. Psychic problem	17 %	28 %	32 %	0.01
4. Weak labour market experience	22 %	34 %	22 %	0.05
5. Insufficient vocational education	31 %	45 %	30 %	0.001
6. Poor proficiency in Swedish	9 %	24 %	13 %	0.001
Mean number of disadvantage 1-3	0.33	0.63	0.88	0.001
Mean number of disadvantage 4-6	0.61	1.02	0.65	0.001

Note: N = 636

The three first variables differentiated best between work and education, and to some extent between education and the "nothing" alternative. Assessment of abuse and psychic problems is partly subjective, and social workers probably had different criteria. Anyway, there was a highly significant relation between assessment and work outcome. Social workers have very limited possibility to influence a job hiring decision on the open labour market, and this outcome can be regarded as independent of social worker classification. On the three last variables, there is little difference between work outcome and no measure. Obviously, weak labour market experience and low education not always blocked the possibility to get a job. The education and training group was most disadvantaged on these variables, and on proficiency in Swedish. In this group, assessment of disadvantage seems to have contributed to referral to training services.

Finally, these predictions were rather successful at face value. From this, we cannot straightforwardly conclude that personality and behavioural characteristics cause the different outcomes. Heavy alcohol use, psychic problems and health problems are connected to, and partly caused by, other personal and social conditions.

Outcome and Selection

Decreasing the cost of social assistance was a major object of the program. Cost-effectiveness is favourable for the taxpayer and the municipal economy. Decreased cost is an ambiguous outcome from the perspective of the recipient. It can be obtained in ways that are favourable to both taxpayers and recipients, by decreasing public expenditure and increasing work and income among the recipients. It is also possible, that frightening away recipients from the rolls will result in a cost reduction. Behind the desk of the office, it is easy to over-estimate work capacity, and failure to find a job may be interpreted as lacking motivation, rather than disadvantage. However, the social workers in the program did not seem to be influenced by hardcore workfare attitudes. They rather believed that more intensive counselling and extended co-operation with other authorities should work.

Although the local projects were organised rather similarly, there were also some differences. Some were located in less formal premises outside the office, others in the office. Some combined counselling with group

activities, others had only counselling. Finally, the teams were small, and personality and experience of the social workers could be essential for outcomes. Here, it is not possible to analyse results on the level of the individual social worker, but only on the local project level.

Outcomes differed rather much between the local projects. We will here look at the reduction in cost of social assistance. The comparison is made between twelve pre-program and twelve post-program months. The median time in the project was four months, and most participants entered it in the beginning of 1990. Pre-program cost is increased by 11 percent to compensate for inflation. This figure was the actual increase in the mean cost of social assistance per household and month between 1990 and 1991. Assuming a constant poverty gap, this index should reflect increases in the basic social assistance amount and rents. The increase of the general Consumer Price Index was 9.5 percent and the partial index for housing and fuel costs rose by 18.7 percent. Considering that the ratio of housing cost relative to total expenditure is higher for social assistance households compared to the general population, the index of 11 percent seems to fairly reflect the real increase in living costs for these households.

Table 9.4 Decrease of cost of social assistance between the pre-program and the post-program year, in 1991 prices (SEK).

Local project	Mean pre-program cost	Mean decrease (pre minus post)	SD of decrease	Number of participants
A	57,617	10,183	37,123	45
B	45,321	8,461	28,778	55
C	39,169	9,873	45,425	12
D	37,174	12,271	33,760	68
G	32,367	10,529	32,432	101
K	42,640	-2,930	34,537	84
L	54,695	21,611	44,125	52
M	35,523	4,070	30,158	139
S	47,927	5,815	26,964	73
T	37,117	17,496	29,906	7
Total	41,626	7,752	33,580	636

However, a comparison of outcomes between local projects is insensitive to the index used to equalise prices, while the calculation of cost-effectiveness is sensitive.

The variation in pre-program social assistance was rather large, nearly double as high in the project with the highest cost compared to the project with the lowest cost. As neither of these projects was small, the means should represent real differences. This suggests that there were considerable differences in the selection of participants, dependant upon project objectives and organisation, and the composition of recipients in the local area.

The standard deviation of the decrease is much higher than the mean of the decrease. The individual variation in the difference between pre and post-program cost was substantial, and only 57 percent of the households had decreasing costs.

The mean decrease in the cost of social assistance was slightly less than 19 percent for the whole of the program. In two of the projects, the cost decrease was substantial, 33 percent for project G and 40 percent for L. The cost increased in one project, although this was statistically insignificant. Two perspectives are possible. The first has its origin in administration and social work, looking for successful methods of intervention. If the differences between projects can be explained by methods of intervention and organisation, and if the favourable results can be implemented at large scale, then the municipal budget as well as the recipients can benefice. This perspective has been common in Sweden since social work became professional, in the sense that social workers should be officials and have a special education. Obviously, professional social work is associated with an imperative of knowledge and evidence based practice. To what extent this promise is fulfilled is another matter and few evidence based and well evaluated methods exist. However, the differences in outcome can be interpreted in a perspective of difference between methods.

An alternative hypothesis is that outcome is related to the selection process. Each project or district had considerable discretion regarding the selection process, which also could be influenced by the local composition of recipients. The outcomes can reflect differences in selection of participants, rather than differences in impact. Projects that select less disadvantaged participants get better outcomes, a strategy of "creaming".

Table 9.5 Relation between change of social assistance, local project effect and individual characteristics.
General Linear Model in SPSS, type III sum of squares.

Variables	Unstandardised beta coefficient	Significance
Intercept	-33282	.001
Project A	4563	.468
Project B	4515	.464
Project D	9434	.147
Project G	14880	.011
Project K	-4473	.461
Project L	8933	.253
Project M	4670	.437
Project S	0	Reference
Physical health problem	-3395	.338
Alcohol or drug misuse	-11321	.003
Psychic problem	-4240	.188
Weak labour market experience	1671	.632
Insufficient vocational education	-3100	.340
Poor proficiency in Swedish	-2179	.622
Less than primary education	4401	.295
Secondary education	5942	.098
Post-secondary education	11649	.055
Vocational education	-3197	.438
Years of previous work experience[1]	1825	.199
Age 18 – 24	4266	.280
Age 35 – 49	-1342	.711
Age 50 – 65	-1939	.725
Male	2452	.386
Single adult	-2691	.484
Number of children	3842	.009
Refugee	-2058	.757
Foreign citizen, not refugee	-1592	.706
Swedish citizen, foreign origin	-2773	.464
SA months during pre-program year	3746	.000
SA cost during pre-program year[2]	496	.467
SA months 2 - 3 years before	-240	.230

Notes: N = 552; R^2 adj. = .230, 84 cases were excluded because of missing data on one or more variables.
[1] Five categories. [2] Natural logarithm of cost.
Reference categories were primary school education, age 25 – 34, Swedish born citizen and project S.

To analyse the relationship between project impact contra the influence of individual characteristics, I used a general linear model (SPSS version 11, General Linear Model). This model combines regression analysis and analysis of variance, and the local projects can be included as a factor and individual characteristics as covariates. All known individual variables that could be assumed, or suspected, to be connected with outcome, were included in the model. This is obviously not a theoretical approach. However, little is known about factors that contribute to the reduction of social assistance, and an ambition of creating a theoretical model seemed not possible at this stage. Social worker assessment, previously shown to be correlated with outcome, was included. Human capital is commonly regarded as essential for income and the ability of self-provision, so education and previous work experience were included. Finally, family situation, age, citizenship and previous social assistance were added. Age and education were entered as dummies for intervals, or as categories to avoid problems of non-linearity. The analysis is presented in table 9.5

The local project factor did indeed have a significant influence on decreased cost ($p = .016$). This does not mean that the projects overall had an impact, only that there were some differences between projects. Some were more successful than others, a result that is consistent with positive, negative or no impact overall.

The relation between outcome and the other explanatory variables may be confounded, if participants were not selected at random. Indeed, this was not the case and some local projects had a larger proportion of participants with heavy alcohol or drug use, while other had more refugees and immigrants. The analysis was therefore run without the local project factor. The results were very alike with equal signs and similar magnitudes of the beta coefficients. The only difference worth to mention, was for the variable number of months with social assistance two to three years before program entry. This was now significant at the five- percent level and the beta coefficient more than doubled to -.409.

Project L had a mean cost reduction of SEK 21,611, while project K had a cost increase of SEK 2,930. Does this imply that the successful project K also had a greater impact than the other projects? It is not necessarily so. Varying composition of participants across the projects can result in differing outcomes. In table 9.6 the actual project outcomes are compared to predicted mean outcomes. Prediction is made with the previous general factorial model with the project factor omitted. Project L has the highest expected values in these predictions, values that are close to the actual mean. Only for two projects, there were any essential difference between the actual and the predicted cost decrease.

Table 9.6 Actual and predicted SA cost decrease (pre-program minus post-yearly cost), SEK.

Local project	Mean decrease, all participants	Mean decrease, only partici-pants with full data	Mean of predicted decrease	Estimate of effect
A	10,183	8550	8881	-331
B	8,461	8461	9978	-1517
D	12,271	10846	8111	2735
G	10,529	9376	1532	7844
K	-2,930	-3986	5583	-9569
L	21,611	21611	20256	1355
M	4,070	4018	4511	-493
S	5,815	3709	7172	-3463
Mean	7,752	7150	7150	–
N	636	552	552	552

Project G was successful, with an actual mean cost decrease of about ten thousand crowns compared to a predicted decrease of about two thousand. On the other hand, project K had a cost increase, while the predicted outcome was a moderate decrease. A possible, ex-post facto explanation of why these projects differed from the others is their relation to the employment agencies. Project K was terminated prematurely, and

according to the project social workers, due to lacking co-operation from the local Employment Office. The successful project G was located at the Employment Office in another district, and was served by a fulltime employment official. It seems reasonable that this project also had greater access to employment measures for the participants than the other projects. If this interpretation is correct, it also means that access to extraneous resources was essential for the outcome, maybe more than the quality of the counselling.

Effect evaluation

The outcomes of most local projects were close to what was predicted from the composition of the participants. This result is consistent with that the projects had a positive impact on participants' earnings, and that they had no impact at all. We do not know, what had happened with participants, if they had not participated. Social workers selected the recipients they assessed to benefit from participation, but this practice is largely unevaluated.

In lack of an experimental control group, it can still be possible to construct a comparison group that is fairly equal to the group of participants. What was practically feasible was to use a longitudinal dataset on receipt of social assistance in Malmö 1983 - 1989. The data set consisted of more than 47 thousand households, a subset of the social assistance database at Statistics Sweden. This dataset consisted of 47 thousand households from Statistics Sweden, and was large enough to make a close matching of the 636 participants on existing variables. Each participant was matched on pre-program variables to the closest possible household in the data set on sex, age, cohabitation, number of children, Swedish citizenship, number of months with social assistance during a year, and total payments per year. Matching was done by a computer program that iterated through all households in the dataset until the closest possible match was found, for each participant household. Six comparison groups were created for the years 1983 – 1989, and social assistance for the first year was compared with the following year (table 9.7).

The cost of social assistance decreased in the program group as well as in all comparison groups. However, the comparison groups tended to decrease more than the program group. The size of the decrease varied between the comparison groups. This variation had no relationship to the general level of unemployment, which declined smoothly from 7.1 percent to 2.4 percent between 1983 and 1989, remained very low during 1990 and then rose to 4.4 percent in 1991.

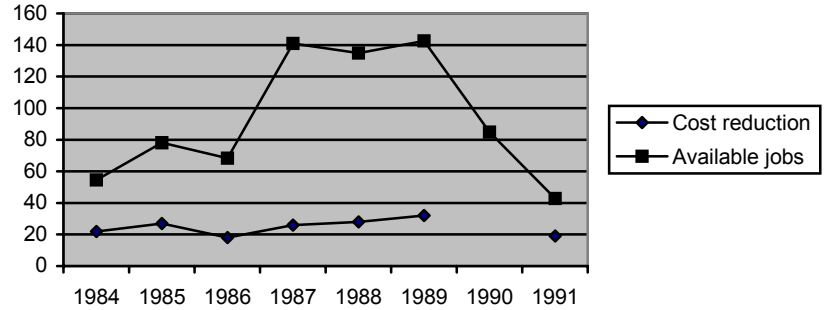
Table 9.7 Change of social assistance cost in the program group and matched comparison groups (constant prices), change from pre-program to post-program year.

Group	Change of cost in percent
Program group (mostly 1990 - 1991)	-19
Matched group 1988 - 1989	-32
Matched group 1987 - 1988	-28
Matched group 1986 - 1987	-26
Matched group 1985 - 1986	-18
Matched group 1984 - 1985	-27
Matched group 1983 - 1984	-22

Note: The comparison groups did not participate in any program, except for a very small part that may have participated in earlier local programs for recipients with psychosocial problems.

As described elsewhere, the relation between unemployment and social assistance is complex. Many of the unemployed does not receive social assistance, and not all recipients are ready to work. However, the number of available jobs seemed to affect the decrease in social assistance during the period. Two figures were substantially lower than the others, the decrease 1985 - 1986 and 1990 - 1991 (the program group). In both these cases, the number of available jobs dropped from the first to the second year. The highest decreases in the comparison groups coincided with rising or very high numbers of available jobs (figure 9.1).

Figure 9.1 Available jobs and cost reduction (from simulated data).



Note: Monthly number of available jobs registered at the Employment office, here scaled down by 10 for presentational purpose.

In summary, the magnitude of the cost decrease was modest in this program, 19 percent in the first follow-up year. The decrease was roughly the same in the program group and in the comparison groups. The decrease in the comparison groups differed between years, and seemed to have a relation to labour market conditions, such as the number of available jobs. If the comparison groups were correctly selected, which means that they were equal to the program group in all other respects than program participation, it must be concluded that there is no evidence that the program had any impact on the cost of social assistance. However, the program and comparison group may differ. Social workers can have selected participants that were more disadvantaged than the matched cases. If so, it is still possible that the program had some impact. It is improbable that such an impact would be of great magnitude, because unknown variables as heavy alcohol use and other handicaps would be partly reflected in matched variables as time and cost of social assistance.

I have also made an alternative estimate, where project K is used as a baseline. This project was discontinued prematurely, with a motivation of lacking support from the employment office. With this baseline, the other projects taken together had a significant positive effect, with a reduction

of social assistance with SEK 12,462 per participant. Another result is that the baseline was – 3,986, which means that social assistance would have increased without program intervention. This does not seem to be credible with regard to the substantial cost reductions, which could be observed on the matched data for all studied years. However, it is possible that the participants were especially disadvantaged, and that this was not captured in the matching. There is also possibility that the program intervention in project K had an effect that was worse than normal assessment and administration. The premature termination of the project could be an indication of internal conflicts and problems, rather than lacking cooperation from the Employment Office. Project K seems also to have been the only one that 'suspended' participants, who were 'unmotivated' from social assistance.

Finally, it is also possible that that the program had no post-program effect, but shortened the participant's present spell and speeded up exit to work and other measures. This hypothesis could not be tested, as monthly, longitudinal data for a comparison group was not available.

Outcomes: Work, Measures or Nothing

Besides measuring mean costs of social assistance for all participants, it is also important to look at what happened to participants after program exit. From the participant's perspective, increased income and participation in society seem more important than decreased social assistance. Outcomes at program exit are classified into three gross categories: work, measures and nothing.

Participants who got a job on the regular labour market, or started a small business are included in the work category. Work outcome was the least common alternative, attained by 22 percent of the participants.

Somewhat more, 30 percent went over to another measure at program exit. Subsidised employment and relief work were classified as measures, as well as a diverse array of alternatives, such as temporary training, unpaid work, job club, work capacity assessment, short-time courses, and in a few cases, secondary school education. The number of cases was less than thirty for all of these alternatives, and it is not possible to evaluate

them separately, as there is a very high variance in outcomes, such as the change of the amount of social assistance.

Nearly half of the participants left the program without work, education or another alternative activity. More than half in this category, dropped out of the program. Drop-out is here used in a broad sense, not necessarily implying that the participant denied to participate or disappeared; only 18% of the drop-outs were recorded as failing to show up for appointments with the social worker. In more than a third of the cases, social workers seem to have accepted or initiated termination of counselling. These participants were coded as unmotivated, uncommunicative or abusing alcohol or drugs. Other causes of drop-out, or premature termination of counselling, were lack of adequate treatment resources, that the participant moved to another district of the city, or was referred to another project. The reason why referral to another project is classified as dropout is that these projects were rather similar, and the referral can be interpreted as a new attempt rather than a real change of treatment conditions. Of course, this assumption may not hold in some of the cases.

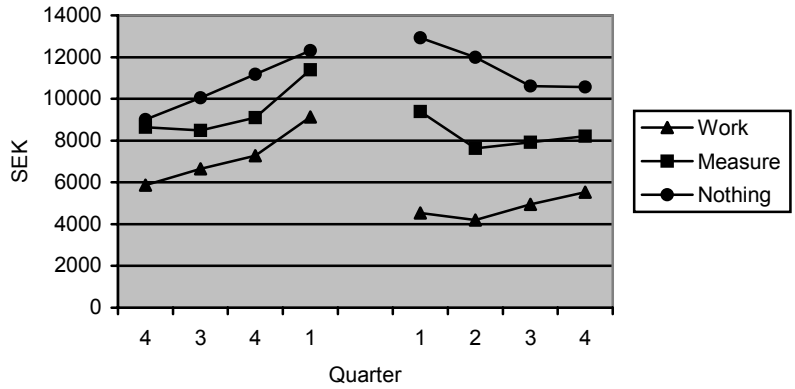
The reduction of social assistance is relatively insensitive to the definition of dropout. Social assistance decreased by SEK 7,752, from the year before to the follow up year, for all participants, and by 4,372 for the dropouts according to the wide definition. Limiting dropout to the core reasons: unmotivated, abuse, uncommunicative and failing to show up, lead to a cost increase of 2579. Social workers generally regard this group as very hard to work with, and success as unlikely. In this perspective, it is interesting that the difference in cost was so moderate.

This result is not equally surprising if the program had no impact on social assistance. Maybe, the "unmotivated" had a high baseline level of social assistance, while the motivated had a low level. Surprisingly, the baseline levels were very close. The total sum of social assistance the year before the program was 39,921 for non-dropouts and 44,965 for the wide definition dropouts and 40,617 for the core dropouts. Social worker classification of a recipient as unmotivated, uncommunicative, or that counselling is interrupted because of abuse of failure to show up, seems to have little prognostic value for the outcome of social assistance. Obviously, the quality of communication is important both for the social worker and the recipient, but it had little influence on the long-term socio-economic situation of the client.

The cost varied much more when recipients were classified according to work outcome, both regarding baseline and post-program outcome. During the four pre-program quarters, the amount of social assistance increased for all three groups: work, measures and "nothing". This mainly reflects that an accumulating number of recipients received social assistance during this period, some had assistance during all twelve months, others entered later, and all received assistance during the last month before program entry.

The baseline level was substantially lower for the work outcome group, which is interpreted as that they had a stronger relation to the labour market than the other groups, shorter spells of social assistance and higher income from social insurance. Post-program cost decreased substantially only in the work outcome group, about by a half compared to the pre-program level. This indicates that work outcome was unstable, at least for a considerable fraction of the recipients. But work also lead to periods of self-support and only 3.6 percent of recipients had social assistance at least ten months during both the year before and after the program.

Figure 9.2 Cost of social assistance, four quarters before program entry and four quarters after program exit, for different outcome groups.



The baseline level was slightly lower for the measures group compared to the nothing group, while the post-program patterns differed. For the measures group, the first post-program quarter was notably lower than the last pre-program quarter; cost decreased the next quarter and stabilised at that level. However, the cost was only slightly lower four quarters after the program compared to four quarters before, indicating that this group moved very slowly towards increased self-sufficiency. The pattern rather reveals a selection of recipients with temporary problems shortly before entry to the program. Half a year after the program, they returned to a point only slightly lower than four quarters before, alternating between social assistance, other measures, and sometimes temporary work. Fifteen percent received social assistance during at least ten month during both the pre and post-program years, indicating that permanent receipt was unusual.

For the "nothing" (no work or measures) outcome group, social assistance changed very little between the quarter before and after the program. During the pre-program year, social assistance increased each quarter and decreased each quarter during the post-program year. At the last quarter recorded, the level was approximately equal to the fourth pre-program quarter. Increased self-sufficiency could not be detected during this period. This does not mean, however, that this group was static and permanently on social assistance. Only 34 percent were on social assistance ten or more months during both pre- and post-program years.

Profiles of Outcome Groups

From the longitudinal data on social assistance, we can see that outcome groups have different patterns. It seems probable that they also differ in other background factors. This will be explored by three logistic regressions on the outcome. First, work outcome is compared to the other outcomes. Then, the measures outcome is compared to the nothing outcome with work outcome excluded (it would not be meaningful to compare the middle group with both tails), and finally the nothing outcome is compared to all others.

Characteristics that are significantly related to work outcome gives the following profile for a participant who exits to work: no physical or

psychic health problems, no heavy alcohol use, many years of previous work experience, age below 35 years, not a refugee, short time in the activation program without dropout. In short, a young, healthy person with previous work experience.

Of course, not all recipients who exited to work had all these characteristics. The profile includes the characteristics that maximises the likelihood for work exit, while few of those actually working had all characteristics.

The profile for a participant, who exited the program for another measure, is: a male refugee below 35 years with insufficient vocational education, poor proficiency in Swedish, short time in the program, and no dropout. The increased likelihood for this group to turn over to measures can be explained by a number of programs specially directed to refugees and immigrants.

For participants who exited the program without work or another measure, the profile is roughly the inverse of the measures group: a married, female Swedish citizen, older than 34 years, with some physical health problem, not assessed as lacking in vocational education and proficiency in Swedish, a tendency to low education and short work experience, and participating long-time in the program with a final program dropout.

One would not expect persons with this profile to be more likely to dropout than others, rather the contrary. It seems more likely that these middle-aged women had poor employment prospects, and hard to be approved for labour market training and education. These circumstances could trigger a program dropout. Overall, this group has a close resemblance to the middle-aged, single women described by Gunnarsson (1993) in a qualitative study. They often ended with social assistance because they were not sick enough to be eligible for sickness insurance, and to old and not healthy enough for becoming employed. This study suggests that the situation may be even worse for married, middle-aged women.

The most successful prediction was achieved when differentiating between recipients who exited to nothing or to something (work or measure). Here, 52 percent could be predicted by chance, while the logistic regression predicted 83 percent correctly; 79 percent of the nothing group was predicted correctly and 86 percent of the work/measures group.

Table 9.8 Logistic regression of participants' characteristics on outcome.

	Work outcome vs. others	Measures vs. nothing	Nothing vs. others
Physical health problem	-1.37**	-.22	.66*
Heavy alcohol or drug abuse	-1.41**	.10	.29
Psychic problem	-.83*	.37	.05
Weak labour market experience	-.12	.72	-.45
Insufficient vocational education	-.44	1.23***	-.94**
Poor proficiency in Swedish	-.30	1.23**	-1.24**
Less than primary education	-.73	-.48	.63
Secondary education	-.27	.42	-.27
Post-secondary education	.37	.41	-.45
Vocational education	-.63	.82	-.52
Previous work experience	.41**	.28	-.30*
Age 18 - 24	.15	.46	-.21
Age 35 - 49	-.77*	-1.09**	1.00**
Age 50 - 65	-1.96**	-1.24*	1.47**
Male	.29	.69*	-.56*
Single adult	.65	.31	-.47
Number of children	-.05	.05	-.04
Refugee	-1.30*	1.6*	-.89
Foreign citizen, not refugee	.13	.69	.-.53
Swedish citizen, foreign origin	-.55	.06	.24
SA months during pre-program year	-.05	.03	.00
SA cost during pre-program year	.00	-.15	.13
SA months 2 - 3 years before	-.01	-.02	.03
Months of participation in program	-.09*	-.07*	.08*
Drop-out from program	-2.63***	-3.31***	3.42***
Constant	-.54	.10	-1.47

* $p < 0.05$ ** $p < 0.01$ *** $p < 0.001$
Reference categories:
Education: primary education
Age: 25 - 34 years
Citizenship: Swedish citizen, born in Sweden
Previous work experience is a five-grade scale

The variables included in this study were not very successful in predicting work exit. Only 48% of those who actually had a work exit were correctly predicted by the logistic regression. Probably important explanatory variables are lacking, although there may also be a chance component in employers selection of job seekers that they employ.

Summary

Eight local activation projects for recipients of social assistance in Malmö were evaluated. Most of the programs had similar results, when compensated for participants' characteristics in a multivariate analysis. One program had a significantly better result than the others in reducing the amount of social assistance and one had worse result, although this difference was not significant.

Composition of participants in the programs had a strong influence on the gross mean result. At this level of description, results of projects depended more on the selection of participants than the effect of the program intervention. Evaluations within the social services are often of this type, which makes resource allocation vulnerable to creaming.

An effect evaluation was made for all programs in relation to a matched comparison group. No effect of the programs could be detected. As an alternative, one of the projects was used as a comparison group. The implementation of this project was regarded as failed within the organisation, and could be assumed to have no effect on participants. In this comparison, the other projects hade a significant positive effect of moderate strength.

The principal conclusion is that selection bias was not controlled adequately in this evaluation. Experimental evaluation is an appropriate method for evaluation of this kind of programs, because selection bias is very difficult to control.

A finial important observation is that, irrespective of evaluation method, nearly half of the participants exited the activation program without finding work, or entering an education or another measure.

10. Discussion

The analyses in this dissertation are based on empirical data that mainly relate to the conditions during the deep unemployment crises of the 1990s, while the time of recovery is largely missing. Have conditions improved considerable since the middle of the 1990s? For the main object of the study, the city of Malmö, the answer is that conditions have improved somewhat but that the basic problems persist.

A soon forthcoming study of my own describes the development between 1990 and 2000 on the city district level and up to 2002 for the whole city. Incomes and employment increased 1997 – 2000 but employment stagnated after that (Giertz 2004, forthcoming). Segregation between districts did not decrease and relative poverty increased. The number of households on social assistance decreased while long-term receipt did not seem to diminish. The disadvantaged district still had an employment level slightly over 50 percent of the working-age population in 2000.

The six districts of Malmö, which were not disadvantaged, had a drop of employment of about 10 percent during the crisis of the 1990s, and half of that was recovered in 2000. Three of the disadvantaged districts dropped about 20 percent, but only a fourth of that was recovered in 2000, while the most disadvantaged district dropped 30 percent, with a recovery of only one sixth. The districts, that were most disadvantaged from the start, had the largest downturns and the slowest recovery.

Immigration

The previous presentation demonstrated that the labour market and immigration are strong determinants of social assistance. Immigration is the single strongest factor in the simple statistical sense of correlation. Does this mean that immigration also is the main cause of social assistance? The problem with the question is that it implicitly singles out one process as the explanation. So the best answer may be another question:

Why has the Swedish society failed so dramatically with the inclusion of immigrants?

There is a strong overlapping of immigrants and unemployed without unemployment insurance, and the answer could equally well be that unemployment is the cause, and that low demand for labour can be explained from perspectives as the post-industrial transformation of dysfunctional labour markets (especially rigid legislation and high minimum wages). In a narrow welfare system approach, one can regard too high barriers to unemployment insurance as the problem and the reason that people are forced to social assistance. This can be a better way of handling the problem, although no solution of the basic problem. The individuals get more social respect as unemployed than as recipients of social assistance, and the employment office is probably more qualified in handling unemployment issues than the social service office that, at least previously, was mainly focused on psychosocial problems rather than employment problems.

From a theoretical point of view, social and economic processes are complex and interdependent in ways that usually makes it impossible to pick out single causes. The conditions in Malmö are intertwined with global social and economic development that lead to the de-industrialisation in Malmö, with disappearance of the jobs that the previous generation of labour market immigrants entered. In this context of international production and trade, it is hardly surprising that people also move over the borders of Sweden. Migration may increase as a consequence of globalisation, but it is not the new phenomena it may appear as in a short historical perspective, with increasing numbers during the last centuries. One then forgets that migration dropped to exceptionally low levels dependant on the Second Word War and the cold war.

Of course, this short historical digression does not diminish the problems of social assistance and unemployment in Malmö. My ambition is rather to show that they are related and that the causal processes are much more complicated than what can be contained in a simplification like "it depends on the immigrants". These arguments are no attempt to conceal or downsize the problems. The problems are serious for the city as well as the immigrants, who can be regarded as victims in the sense, that a refugee arriving to Malmö in the 1990s was likely to become unemployed for very long time and with a risk of lifetime dependence on social assistance.

Social exclusion and polarisation

It can be tempting to regard the currently high levels of social assistance as mainly an immigration problem. Cut off the immigrant share and the figures look much better, especially in Malmö and some other cites with unusually high costs. This is the optimistic perspective, in particular if combined with a prospect of relatively fast integration of immigrants. The social assistance and social exclusion problems are then mainly to regard as temporary aggravations connected to accidental circumstances, such as the for Sweden exceptional mass unemployment of the 1990s, and immigration waves depending on specific political circumstances as the Balkan war, and similar international crises. In this perspective, the Swedish welfare state is still in good health if we omit some erratic incidents.

It is also possible to see the integration problems of immigrants as an indicator of an increasing polarisation in the Swedish society, with a stronger division between insiders and outsiders. The newly arrived immigrants are in a very weak position, and most prone to become outsiders and excluded from arenas, such as the labour market. They are placed last in the queue, and entry into the labour market is difficult not only dependent of competition for the scarce jobs, but further impeded by discrimination. We know that discrimination exists, but have very inadequate knowledge of its extent and effect on labour market outcomes.

There are other indications of an increased polarisation into insiders and outsiders. The unemployed fell into different tiers during the 1990s, with quite different economic consequences depending on entitlement to unemployment insurance. The previous insiders on the labour market could get rather decent income coverage during many years, while newcomers as immigrants and youth had to rely on social assistance. In that sense, the welfare system had strong bonds that hold back or at least delayed that people fell out, while there at the same time were barriers that kept out hundreds of thousands of unemployed. Of course, this was not intentional, but a result of a combination of shortage in labour demand and a welfare system that was constructed for a labour market with very low unemployment where it was easy to pass through the barriers and become entitled to insurance.

Another change in the direction of increased polarisation is increased income differences, and increasing poverty, with a child poverty that not is flattering for an advanced welfare state (Salonen 2003a). A forthcoming

study shows that poverty and spatial segregation have increased dramatically in Malmö between 1990 and 2000. The effects of the unemployment crises hit massively areas that already were disadvantaged. These are areas with a high and rising proportion of immigrants, while areas with high proportions of natives were affected much less (Giertz 2004, forthcoming).

In conclusion, there are many indications of an increasing polarisation between insiders and outsiders with rising number of persons who are excluded from arenas as the labour market. This is obvious for immigrants, but it is still unclear how much this should be interpreted as a result of a situation, where large refugee immigration coincided with mass unemployment, or alternatively, as a new type of stratification connected to changing labour market conditions. The situation is similar for youth, where we know that increasing numbers have employment problems with recurrent movements between temporary jobs, studies and labour market programs. This can be effects of a prolonged establishment phase before permanent employment and longer time means more youth exposed to these problems. It is still unclear if this will result in an increase of permanent exclusion, but there have been a clear increase of the number of persons with temporary jobs and a marginal relation to the labour market and the social insurance systems (Salonen 2003b).

However, the signs of increasing polarisation and social exclusion are bothering, and these should be taken very seriously, and areas of continuous follow-up and research. Irrespective of the general trend, the processes of polarisation have created a new type of segregated and severely disadvantaged areas in Sweden, with a large majority of immigrants and a high concentration of unemployment and poverty. Rosengård in Malmö may be the prime example but there are at least two dozens of areas with similar problems in Sweden (Integrationsverket 2001). The consequences for the growing-up generation are serious, and showing up, for example, in a high proportion of youth, who do not pass high school education, and futile expressions of frustration like throwing stones at public transportation vehicles and destruction.

Discrimination and concentration of disadvantage

There are some questions in relation to the increase of social exclusion that has been approached here, but were not possible to analyse from data available to me. Two important topics are discrimination and the possible reinforcement of disadvantage, when it is highly concentrated in separate areas, rather than more evenly distributed within the city. I will begin with a short discussion of the first question.

Discrimination is an elusive phenomenon that we know exists, but it is difficult to estimate its importance for exclusion from the labour market and receipt of social assistance. An attempt was made in the previous analysis to single out immigration as a determinant of the length of social assistance by compensating for other human capital factors. Almost all of the differences in duration between native and immigrant recipients then disappeared. However, this approach has limitations because the factors we use for statistic control also can be affected by discrimination. If we use previous labour market experience to statistically equalise the groups, this equalisation will not work if immigrants and natives have different opportunities to get a job, or passing an education, depending on ethnic discrimination. This problem can be seen as an example of the very general problem of interaction of structure and agency and the diffuse borders between structural and action oriented variables. Large databases may therefore not be the best instrument when approaching questions on the importance of discrimination, although improvements can be made if more precise data are available for education, skills in Swedish and previous work experience. Better longitudinal data would also augment this kind of analysis. An attempt was made in MLS to collect information on important event and changes for the households for longitudinal analysis, but failed mainly due to problems of continuous data collection, and impossibility to control for missing information. Improvements are possible, but such analysis is much dependant on "soft" data that are hard to collect systematically.

An important question is how the local conditions in neighbourhoods influence the individuals living there. The meaning of unemployment and attitudes toward work are influenced by interaction with others. There are also more extended theories about disadvantage areas that make causal connections between the disadvantage and exclusion in these areas on the one hand and attitudes and subcultures that are dominating in these areas on the other hand. A classical formulation is Oscar Lewis, who regarded

the cultural aspect as dominating and ignored other important aspects, while most others consider the neighbourhood as an additional reinforcement of disadvantage connected with other structural conditions (Wilson 1987, Wilson 1996, Jargowsky 1997). The alternative hypothesis is that the concentration of disadvantage in some areas is dependent on selection and segregation of individuals, while conditions do not become worse than else when many disadvantaged and excluded individuals live in the same area, rather than spread out over the city.

In the analysis of social assistance as dependant on unemployment and immigration, it was shown that this relation did not seem to be linear and better model fit was achieved when an interaction term of unemployment and immigration also was added (chapter four). This can be interpreted as a neighbourhood effect although the evidence is far from conclusive. However, a recent and much more methodologically elaborated study showed a strong neighbourhood effect on unemployment in Stockholm (Hedström, Kolm & Åberg 2003). Further research on this subject is needed and has theoretical as well as practical implications on the policy level.

Activation Programs

The last theme relates to the implications of this study for social work. An obvious conclusion is that very little is known about the impacts of activation programs for recipients of social assistance, or in a more general sense, individuals who are, or are at risk of becoming long-term excluded from the labour market. The two Swedish studies with non-experimental comparison groups show no impact of the intervention (this study and Milton & Bergström 1998). This is far from convincing evidence that these types of programs cannot work. The results of the studies may be biased because of problems with the creation of adequate comparison groups. The studied programs may have been ineffective while other non-evaluated programs actually worked.

Training and activation oriented counselling combined with job-search control seem to be prevailing practices in the municipalities at least for the near future, more on the basis that "something must be done" than based on evidence of its success. Experiences from similar programs in USA show that activation programs can have positive impacts that have been

evaluated in social experiments. These impacts should not be overemphasised; impacts are often small and limited to a small part of the participants. The effects on overall poverty and hardship in the population have been marginal and such programs are not a golden key, although they have been overstated as a new solution. However, well designed programs could be one way to combat social exclusion in combination with structural policies for social integration and equality.

The American experiences have shown that activation programs can have differential impacts for taxpayers and participants. Some programs resulted in decreased costs for the government and also decreased total incomes for the participants. All combinations are possible, win – win situations and at least theoretically also outcomes where both parties loose. From a social work ethics perspective, it should be unacceptable to arrange programs that are contrary to the interests of the clients (e.g. makes them poorer).

Some US experimental demonstration programs showed positive impacts and were also cost-effective. However, many of these programs had aspects that are not appealing, such as focus on forcing people to jobs with wages below the poverty level, and being unsuccessful in moving participants out of poverty. It is evident that activation programs can have a positive impact, but it is uncertain, if they can attain an impact that is greater than the aberration effect, i.e. making work more attractive by mandatory program participation for unemployed, or cutting down benefits after some time of benefit receipt. The programs in USA have been low-cost alternatives, with only few exceptions. This situation is determined by the political realities in USA, where more ambitious and costly alternatives currently are impossible. It is desirable with increased knowledge about the impacts of high-cost programs, which are designed to increase the knowledge and skills of participants in a perspective of long-term self-sufficiency, and a good working life. Such experiments could more likely be implemented in a European context, where the welfare states have more resources and put more emphasis on equality than in USA. However, the resources are scarce also in Sweden, with less option for ambitious and expensive measures than before the 1990s. It is therefore important that programs and interventions, as far as possible, are based on knowledge and evaluations, such as social experiments.

The results from evaluations of activation programs show impacts of limited magnitude. Expectations on activation programs must be realistic

and activation is not a sufficient solution for reduction of marginalisation and social exclusion, and activation must be combined with structural policies that are constructive for marginalised and excluded groups.

Finally, one can ask what the differences are between the new activation programs and the old workhouse system. For recipients of social assistance, two principal characteristics are common: the means-test and the work test. That social assistance is means-tested is obvious but the work test is probably unfamiliar for many readers. The work test was used during the nineteenth century as a method to differentiate between worthy and unworthy applicants for poor relief. Those who accepted to work for relief were regarded as in real need, while those who refused were assumed to not really need help, or have other opportunities.

In this principal respect, there is no difference between the workhouse policy and the new activation policies. The main differences are that the material level of assistance is much higher now, and that the recipient is allowed to live at home instead of in a workhouse. One can also hope that recipients nowadays are treated with more respect, and in a more humanitarian way than at the time of poor relief. However, the unemployed on social assistance are still in a second tier compared to unemployed with insurance. An extension of the unemployment insurance, to include all unemployed, would indicate a more serious concern of the welfare state and, to some degree, elevate that status of those unemployed, who presently have to rely on social assistance.

Appendix 1. Data sets

Malmö Longitudinal Study of Social Assistance (MLS)

Malmö longitudinella socialbidragsstudie (MLS) is a database on households receiving social assistance in the city of Malmö between May 1995 and December 1999. It covers important aspects of the living conditions of the households: family composition, housing conditions, current or previous occupation / activity, education, participation in training and activation programs, and income from social insurance as unemployment, sickness, parental leave benefits and pensions.
Information has been collected when a household entered social assistance, during the period of receipt and, when possible, at exit.

MLS can be used to study a wide range of conditions related to social assistance, as insufficient benefit amounts in social insurance, unemployment, participation in education and training programs, immigration and mobility, single parents and housing conditions.

Malmö is a city in southern Sweden with about 250 thousand inhabitants. The city has a long tradition of industrial production and was prospering in the 1960s. Malmö had severe problems in adapting to the process of de-industrialisation and developing new business activities. Labour force participation dropped to a bottom of 60 percent after the economic restructuring and the unemployment shock of the early 1990s.
Malmö had large labour force immigration during the 1950s and 1960s as well as large refugee immigration during the two last decades of the century. The former group was at risk of unemployment because of the economic restructuring while the latter had severe difficulties in entering the labour market. Not surprisingly, Malmö had the highest level of social assistance among the Swedish municipalities during the last twenty years (prevalence in the population).

Conditions in Malmö cannot be generalised to Sweden at large, although there are other cities that are similar to Malmö, e.g. Gothenburg and Landskrona.

Sample: MLS is a sample of all households receiving social assistance in Malmö between May 1995 and December 1999. It as systematic sample of all households with a reference person (similar to the head of the household) born on two selected days in a month. MLS is a 24 / 365 sample of all households on social assistance in Malmö (and a 24 / 366 sample in leap years). The sample consists of 2467 households.

Data collection: MLS is a co-operative project between the School of Social Work at Lund University and the Social Services in Malmö. Data are collected by caseworkers when administering social assistance for the households included in the sample. Household data are recorded on MLS forms and sent to a project manager at the Social Services, who has access to confidential information in the Social Services' information systems as well as up to date information on the complex and changing organisation of the Social Services (the city is divided into ten districts with separate political boards).

There are three different forms to be filled out by the caseworkers. An entry form is completed for all households that are new to MLS (not previously recorded). It contains information on family composition, housing, education, occupation, labour market measures, health status as well as access to the major social insurance systems for adult members of the household.

A monthly follow-up report is filled in at subsequent decisions on social assistance to monitor changes in household conditions (e.g. entries and exits from work, education, insurance compensation and family changes).

The third form is used to record re-entering households. It includes most of the information in the entry form and also an additional section covering household support during the period off social assistance.

The project manager checks the incoming forms against computer produced lists of entering and exiting households based on the municipal database on social assistance payments. Every decision on social assistance must be entered into the computer before a payment can be made. The manager also reminds caseworkers when forms are lacking.

The main limitation of MLS is the lack of information on conditions after an exit from social assistance (due to the procedure of data collection). For households re-entering social assistance, information on household provision during the exit period is gathered. However, the reasons of exiting social assistance are not covered for a sizeable number of households. Therefore, a supplementary exit-study is presently conducted for a sample of MLS households.

Missing data: MLS has an authorization from the Swedish Data Authority with a requisite that individuals shall be informed on registration in the database and that they have a right to refuse registration. Two percent of the households are missing for this reason and another two percent are missing because of lacking entry forms.
Incoming forms for re-entries have been compared to data on social assistance payments recorded in the municipal computer system. Forms are missing for less than three percent of the re-entries, most of them with a duration of a single month. This means that four percent of the households that should be included in the sample are missing and that three percent of the re-entries of the recorded households are missing.

Household definition: A household is defined according to the principles regarding eligibility for social assistance and legal responsibilities of mutual support by family members. Husbands as well as cohabitating couples have a responsibility of mutual support. Eligibility for social assistance depends on their total income and accepted expenses (basic living costs and actual rent up to a maximum level, and in some cases assistance for special needs). Parents are not obliged to support their children from the age of eighteen years (or up to twenty years if still in secondary school). Therefore, a young person living at his parents´ home can be registered as a separate household (this condition is registered in the residence variable). Also, an old person, living with the core family of his/her child, is recorded as an independent household (this is unusual).

Exit definition: A household is defined as exiting social assistance when it has not received social assistance for two consecutive calendar months. The exit month is registered as the last month when the household received social assistance. At the end of the observation period, this

implies that a household receiving social assistance in November 1999 and not in December 1999 is classified as a non-exit.

This exit definition is made to obtain a reasonable balance between concatenating spells that are very close in time (avoiding division into a very large number of spells) and regard for events that break a period of social assistance, although only temporarily.

A short exit definition may lead to artificial break up of spells. For example, it happens that two separate social assistance payments intended for two separate months are recorded on the same calendar month, e.g. a payment for May is made on the 1st of May and a payment for June on May 31. In other cases, a spell may be interrupted for a month by a retroactive payment such as a tax return, without any substantial change of the condition of the household.

A comparative analysis has shown that a one month exit definition results in considerably more spells than a two month definition, while a three month definition only gives a modest reduction in the number of spells. In this empirical context, a two-month definition seems to give the best balance between sorting out artificial exits and recognition of short breaks that are caused by a real change of household conditions.

Stock and flow: MLS includes households with ongoing social assistance at the start of the observation period in May 1995 and new coming households. The distinction of stock and flow households is made according to the exit definition. New households in May 1995, according to the exit definition, are categorised as flow. Households with ongoing assistance belong to the stock (households receiving social assistance in May and in April or March, and households receiving social assistance in June and in April). This category is recorded in the dummy variable stock.

Secondary sample: Households with a reference person who is born on the selected days in a month belong to the primary sample. Sometimes, the other adult in the household establish an independent household, e.g. after a divorce. These households are included in MLS and belong to the secondary sample. Changes in household composition during uptake of social assistance are usually caught, while re-entries of split-off households are easily lost.

The Malmö Subset of the Louise Database

This dataset is a subset of the Louise database at Statistics Sweden. This subset contains information on every citizen in Malmö who was registered as resident in the city between 1990 and 1996. The dataset is organised longitudinally and the same information is available for all years of residence in Sweden whether the individual lived in Malmö or another municipality.

The dataset contains information on incomes from work and most types of social insurance and benefits, education, immigration, sex, age and family composition. The dataset is based on the individual as a unit but also contains information on total family income. There are problems with the accuracy of data on family composition, although this has been improved in later versions of Louise. Data on labour market measures have also been merged but was not available in the version used here.

A 25 percent random sample of the population in Malmö was used for analysis because of computer constraints.

A detailed description is available in SCB: En longitudinell databas kring utbildning, inkomst och sysselsättning (regularly updated manual):

The Swedish Longitudinal Social Assistance Dataset (SLSA)

This dataset is a 10 percent random sample of the database on social assistance at Statistics Sweden. The dataset is longitudinally organised with household as the unit for the period 1985 – 1997. Information is included on age, sex, citizenship and refugee status of the reference person, family composition, municipality, amount of social assistance during the year and number of months or receipt.

The Helsingborg Social Assistance Dataset (HSA)

This is a longitudinal dataset drawn from the Helsingborg administrative database on social assistance for the years 1988 – 1995. It contains extensive information on incomes and expenses of the household for each

month when the household has applied. Data on income cover work income as well as benefits from social insurance, while registration of expenses usually is limited to rent, child care and union fees.

There is no information on the household for months when the household does not receive social assistance.

Appendix 2

Technical details on the Malmö job search and counselling program

Local projects

The description of the local projects is based on the official project catalogue of the Social Services in Malmö. This catalogue was compiled from report of the project social workers. There is no empirical study of implementation of goals. The following description is summary of the catalogue intended to point out the target group and the main activities of the local projects.

Many districts administered social assistance through routine decisions on social assistance, mainly based on evaluating income in relation a standards for household size. Either short-term assistance could be administered in this way or recipients without special psychosocial problems could be referred to it after an initial assessment. It was called 'EGT-handläggning', basic economic security administration. Special assistants often accomplished EGT-adminstration while social workers were responsible for counselling and assessment of psychosocial problems. In many local projects, counselling was intensified and extended to non-economic problems for recipients with EGT-administration.

Project A. Clients with psychosocial problems and long-term social assistance.
The client group shall be surveyed and assessed. Review of caseload at economy and social sections. Co-operation with social-medical and psychiatric clinic. Participate in the local rehabilitation group (at the General Insurance Office).
Neighbourhood locality.

Project B. Long-term unemployed.
Work with a few, selected clients at a time. Unemployed without age limits. Co-operate with the Employment Office and the Job Club.
Neighbourhood locality.

Project C and D. EGT-follow up.
Continuous and careful follow-up of cases with EGT-administration. Co-operation with EGT-assistants and social workers. Clients with EGT-adminstration in the regular organisation obtain extended counselling.
Located in the Social Services Office.

Project G. Unemployed.
Counselling of unemployed of all ages. Referrals from the regular organisation, from the Employment Office and on the client's own initiative. Breakfast Club with continuous entry of unemployed under 30 years. Co-operation with the Unemployment Office and the Municipal Youth Unit.
Located at the Employment Office.

Project K. Long-term unemployed.
Individual assessment of long-term unemployed, finding solutions in co-operation with the client, and referral to other agencies. An officer from the Employment Office participates a half day weekly. Co-operation with the General Insurance Office, and the counselling and social assistance sections of the Social Services Office. Follow-up contact with clients. Group activities may be implemented at a later stage of the project.
Neighbourhood locality.

Project L. Work preparation for refugees.
Introductory information on Swedish social conditions. To follow up refugees and immigrants after SFI (Swedish for Immigrants) with the intention of faster labour market entry. To collect knowledge about refugees' conditions. Co-operation with immigrant organisations, SFI and an employment officer, who participates half a day weekly. Referral of immigrants from the Social Services Office with priority for long-term unemployed. _Working with groups of five to six recipients with mixed citizenship.
Neighbourhood locality.

Project M. Job club.
Work with unemployed of all ages (initial upper limit was removed). Group meetings during the morning in a neighbourhood locality. Help with job search. Contact person at the Employment Office participates in the job club. Co-operation with and referrals from the Social Services Office. One officer is specialised on contacts with other agencies and individual counselling.
Neighbourhood locality and the Social Services Office.

Project S. Social-medical assessment.
Assessment based on psychological tests and interviews, in some cases individual psychotherapy. Referral to the General Insurance Office for disability pension and to the Labour Rehabilitation Office for assessment of work capacity and training. Project personnel consisted of a psychologist and a social worker.
Located at the Social Services Office.

Project T. Social work with unemployed (no further description was available).

A consequence of the program was that the districts could employ more social workers for the administration of social assistance. Primarily, social workers selected long-term recipients for intensified individual assessment and counselling. The districts had hardly any resources of their own for education and training. Mainly, two ways of reducing dependence on social assistance were possible. Counselling and information on job search could change the motivation and behaviour of recipients and increase their likelihood of finding a job. Secondly, social workers had more time for referrals and contacts with authorities organising education and training, mainly the Employment Office. To the extent that referrals were successful, recipients could get training and sometimes educational benefits that reduced or substituted social assistance. Therefore, an increased referral rate could result in decreased cost for social assistance and transfer of cost to other authorities.

Missing data

Only cases with full data on social assistance during one year before and after participation in the program are included in the evaluation in chapter nine. A comparison of pre-program participant characteristics is presented in table 1. The groups are fairly large and large differences between the groups should be statistically significant. Most differences are insignificant. The most important differences are year of entry into the program and number of months in the program. Nearly all included cases entered the program in 1990 while two thirds of the excluded cases started later. The duration of the participation for excluded cases was nearly double as high compared to included cases. Obviously, late entry and long participation was obstacles to the twelve-month follow-up of social assistance. The duration of participation is the variable that most threatens to be connected with selection bias. If the program has a positive effect, it may be higher for those who participated a long time in the program. More likely, long participation is related to bad labour market opportunities. However, in the analysis of included cases in chapter nine, the relation between participation time and decreased cost of social assistance was insignificant.

Fewer of the included had psychic problems than the excluded. Foreign citizenship, care of children and weak labour market experience was more common among the included than among the excluded. To a large extent the groups are overlapping with some overweight of immigrants among the included and a slight emphasis on psychosocial problems among excluded. There is unquestionably a selection bias, but it seems improbable that differences in the observed variables would result in any large difference in outcome between groups. Worse is that unobserved variables may have influenced if cases were followed up for twelve months of not. Recipients with poor opportunities, entering the project early, were more likely to stay a long time in the program than recipients with good opportunities. Late exit from the program was related to a greater likelihood of missing follow-up data.

Table 1. Comparison of cases included vs. excluded from the analysis in chapter 9.

Variable	Included in analysis		Excluded		Signifi-cance
		N		N	
Physical health problem	24%	632	26%	386	–
Heavy alcohol / drug use	18%	632	20%	386	–
Psychic problem	27%	632	36%	386	**
Weak labour market experience	26%	632	26%	386	–
Insufficient vocational education	34%	632	35%	386	–
Poor proficiency in Swedish	15%	632	10%	386	*
Age 18 - 24	18%	632	20%	398	–
Age 25 - 34	36%	632	35%	398	–
Age 35 - 49	34%	632	31%	398	–
Age 50 - 65	12%	632	14%	398	–
Male	62%	636	66%	399	–
Married / couple	22%	626	17%	397	–
Care of children	31%	636	20%	397	***
Less than primary edu.	18%	607	14%	392	–
Primary education	40%	607	44%	392	–
Secondary education	23%	607	21%	392	–
Post-secondary edu.	6%	607	7%	392	–
Vocational education	14%	607	14%	392	–
Less than one year of work	24%	582	17%	374	*
Refugee	9%	636	8%	400	–
Foreign citizen	21%	634	13%	390	**
Swedish citizen with foreign origin	19%	634	15%	390	–
SA months during pre-program year	7.51	636	7.66	341	–
SA months 2 - 3 years before program	12.55	632	11.37	334	*

SA cost during pre-program year	37,501	636	40,511	341	–
Months in program	4.75	623	9.25	334	***
Entering program 1990	95%	623	36%	334	***

* p < .05 ** p < .01 *** p < .001
Maximum number (without missing values) for included is 636 and for excluded 400.

Missing follow-up data can largely be explained by late program exit (table 1). In these cases, the project personnel had not enough time to collect data for the twelve-month follow-up. Another cause for missing data is that the local projects were finished at different times, sometimes prematurely after decisions from district managers, who favoured using the funding for other purposes. Finally, missing data can be a consequence of lack of time or carelessness of the project personnel.

Table 2. Time of program exit and missing follow-up data.

Period	Number of cases	Percent missing follow-up data
1990, first half	146	1.4
1990, second half	242	8.3
1991, first half	262	10.7
1991, second half	137	83.2
1992	174	100.0
Missing exit time	75	82.7
Total	1036	38.6

One important outcome was recorded both for included and excluded cases, the occupational status at program exit. Included cases were three times work likely to find work in the open labour market than excluded (table 2). This striking difference could depend on differences among groups but also that those with late exit encountered a fast shrinking demand for labour. In 1990 there were three unemployed per job opening, twelve in 1991 and thirty-eight in 1992 (mean of monthly statistics, Malmö Statistisk Årsbok 1994).

Table 3. Work outcome for cases included vs. excluded from the analysis in chapter 9.

Outcome	Included in analysis	Excluded
Work	22%	7%
Other measures	30%	31%
Nothing	48%	62%
Number of cases	636	397

There is a strong correlation between time of program entry and missing follow-up data. I made two logistic regressions on work outcome to study the relative effects of entry time and incomplete follow-up data (cases excluded from the effect evaluation, table 4). The previously used pre-program variables were used in both regressions, but in the Backward Wald type of logistic regression, many were automatically dropped in the final regression equation. When both a dummy variable for included cases and time of program start were entered, the later variable was insignificant and dropped in the regression. However, without the dummy variable, time of program entry was clearly significant and had approximately the same beta weight as the dummy for included. My interpretation is that the variables are highly overlapping, but that the time of program entry cannot entirely explain which cases were followed-up fully and included in the effect analysis. The inclusion variable had an independent effect. The results of the regressions indicate that there is a selection bias, which can probably be attributed to recipients that entered the program early and stayed in it so long time that complete follow-up data was not collected. These recipients were probably relatively disadvantaged with the consequence that the effect evaluation overestimates the program effect, if there was any. On the other hand, the importance of the selection bias appears to be moderate. The inclusion variable had a significant relation to work outcome, but a number of other variables were each of similar or greater importance for work outcome.

Table 4. Logistic regression on work outcome with and without dummy variable for included (with full follow up data). Backward Wald model.

	Beta coefficient	Significance	Beta coefficient	Significance
	With		*Without*	
Physical health problem	-.9318	**	-.8511	**
Heavy alcohol / drug use	-.8082	*	-.8493	*
Psychic problem	-.6829	**	-.7156	**
Less than primary education	-1.1548	**	-1.0433	**
Years of work experience	.4319	***	.4183	***
Age 35 - 49	-.9277	***	-.9282	***
Age 50 - 65	-1.6027	**	-1.6007	**
Refugee	-1.0949	**	-1.0723	*
Program drop-out	-2.0878	***	-2.0887	***
Months in program (log)	-.4327	**	-.5800	***
Vocational education	-.5544		Rem.	
Married / couple	Rem.		-.4830	
Entry 1990	Rem.		.8301	**
Dummy for included	1.0507	***	NE	
Constant	-1.6717	***	-.7897	

Rem. = removed from the equation by the regression model
NE = not entered into the regression
* p < .05 ** p < .01 *** p < .001
Variables kept only in one of the models were significant at the 10 percent level but not at 5 percent.

References

Achen, Christopher H. 1982. *Interpreting and Using Regression*. Newbury Park: Sage.

Aguilar, Renato & Björn Gustafsson. 1989. "Kommunerna och ekonomisk bistånd." Göteborg: Nationalekonomiska institutionen.

Andrén, Thomas & Björn Gustafsson. 2002. "Income Effects from Labor Market Training Programs in Sweden during the 80's and 90's." Uppsala: IFAU.

Arai, Mahmood; Håkan Regnér & Lena Schröder. 1999. Är arbetsmarknaden öppen för alla? In *Långtidsutredningen, bilaga 6*. Stockholm.

Bane, Mary Jo & David T. Ellwood. 1983. *The Dynamics of Dependence: The Routes to Self-sufficiency*. Cambridge, MA: Urban Systems Research and Engineering Inc.

—. 1986. Slipping Into and Out of Poverty: The Dynamics of Spells. *Journal of Human Resources,* 21:1-23.

Barnow, Burt S. 1987. The Impact of CETA Programs on Earnings: A Review of the Literature. *Journal of Human Resources,* 22:157-193.

Bell, Stephen H., Larry L. Orr, John D. Blomquist & Glen G. Cain. 1995. *Program Applicants as a Comparison Group in Evaluating Training Programs*. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research.

Bentham, Jeremy. 1841. *Outline of a Work Entitled Pauper Management Improved.* Edinburgh: William Tait.

Berglind, Hans & Anna Lena Lindquist. 1972. *Utslagningen på arbetsmarknaden*. Lund: Studentlitteratur.

Bergmark, Åke. 1991. *Socialbidrag och försörjning: En studie av bidragstagande bland ensamstående utan barn.* Stockholm: Socialhögskolan, Stockholms universitet.

Bjurling, Oscar. 1956. *Stadens fattiga: En studie över fattigdom och fattigvård i Malmö.* Malmö: Malmö stads fattigvårdsstyrelse.

Björklund, Anders. 1988. What Experiments Are Needed for Manpower Policy? *Journal of Human Resources,* 23:267-277.

—. 1991. Evaluation of Labour Market Policy in Sweden. In *Evaluating Labour Market and Social Programmes*. Paris: OECD.

Blank, Rebecca M. & Patricia Ruggles. 1994. Short-Term Recidivism Among Public-Assistance Recipients. *American Economic Review,* 84:49-53.

Bloom, Dan & Charles Michalopoulos. 2001. "How Welfare and Work Policies Affect Employment and Income: A Synthesis of Research." New York: Manpower Demonstration Research Corporation.

Blossfeld, Hans-Peter; Alfred Hamerle & Karl Ulrich Mayer. 1989. *Event History Analysis*. Hillsdale, NJ: Lawrence Erlbaum.

Blossfeld, Hans-Peter & Götz Rohwer. 1995. *Techniques of Event History Modeling.* Mahwah, NJ: Lawrence Erlbaum.

Boje, Thomas P. & Rune Åberg. 1999. Den nya danska arbetsmarknadspolitiken - rättigheter såväl som skyldigheter. *Arbetsmarknad & Arbetsliv,* 5:5-26.

Borjas, George J. 1988. *International Differences in the Labour Market Performance of Immigrants.* Kalamazoo: W. E. Upjohn Institute.

—. 1994. The Economics of Immigration. *Journal of Economic Literature,* 32:1667-1717.

Boruch, Robert F. 1997. *Randomized Experiments for Planning and Evaluation.* Thousand Oaks: Sage.

Boyer, George R. 1990. *An Economic History of the English Poor Law, 1750 - 1850.* Cambridge: Cambridge University Press.

Burtless, Gary. 1995. The Case for Randomized Field Trials in Economic and Policy Research. *Journal of Economic Perspectives,* 9:63-84.

Byberg, Ingrid. 1998. *Arbetsmetoder och socialbidrag: En studie av olika faktorers betydelse för kommunernas socialbidragskostnader.* Stockholm: Socialstyrelsen, SoS-rapport 1998:11.

—. 2002. *Kontroll eller handlingsfrihet? - en studie av organiseringens betydelse i socialbidragsarbetet.* Stockholm: Institutionen för socialt arbete, Stockholms universitet.

Calmfors, Lars; Anders Forslund & Maria Hemström. 2002. "Does active labour market policy work? Lessons from the Swedish experiences." Uppsala: IFAU.

Carling, Kenneth & Laura Larsson. 2000. Att utvärdera arbetsmarknadspolitiken i Sverige - Rätt svar är viktigt, men vilken var nu frågan? *Arbetsmarknad & Arbetsliv,* 6:185-192.

Cook, Thomas D. & Donald T. Campbell. 1979. *Quasi-experimentation : design & analysis issues for field settings.* Chicago: Rand McNally.

Crowther, M. A. 1981. *The Workhouse System, 1834 - 1929: The History of an English Social Institution.* Cambridge: Methuen.

Danziger, Sheldon & Peter Gottschalk 1995. *America Unequal.* New York: Russell Sage Foundation.

Danziger, Sheldon, Colleen M. Heflin, Mary E. Corcoran, Elizabeth Oltmans & Hui-Chen Wang. 2002. Does It Pay to Move from Welfare to Work? *Journal of Policy Analysis and Management,* 21:671-692.

de la Porte, Caroline; Philippe Pochet & Graham Room. 2001. Social Benchmarking, Policy Making and New Governance in the EU. *Journal of European Social Policy,* 11:291-307.

Dellgran, Peter. 1993. *Socialpolitikens ambitioner eller de fattigas strategier. Om kommunala skillnader i ungdomars socialbidragstagande.* Göteborg: Rapport 1992:3, Institutionen för socialt arbete, Göteborgs universitet.

Digby, Anne. 1989. *British Welfare Policy: Workhouse to Workfare.* London: Faber and Faber.

Duncan, Greg J. (Ed.). 1984. *Years of Poverty, Years of Plenty: The Changing Economic Fortunes of American Workers and Families*. Ann Arbor: Institute for Social Research.

Edgren-Schori, Maud. 2000. *Social exclusion - en kunskapsöversikt och begreppsanalys*. Stockholm: Institutionen för socialt arbete, Stockholms universitet.

Edin, Kathryn & Laura Lein. 1997. *Making Ends Meet: How Single Mothers Survive Welfare and Low-Wage Work*. New York: Russell Sage Foundation.

Ekberg, Jan & Björn Gustafsson. 1995. *Invandrare på arbetsmarknaden*. Kristianstad: SNS Förlag.

EU. 2000a. Charter of Fundamental Rights of the European Union. *Official Journal of the European Communities*:C 364.

—. 2000b. European Social Agenda, approved by the Nice European Council meeting on 7, 8 and December 2000. *Official Journal of the European Communities*:C 157.

—. 2001. Treaty of Nice. *Official Journal of the European Communities*:C 80.

Fraker, Thomas & Rebecca Maynard. 1987. The Adequacy of Comparison Group Designs for Evaluation of Employment-Related Programs. *Journal of Human Resources,* 22:194-227.

Franzén, Eva. 1997. Socialbidrag och invandrare. *Socialvetenskaplig tidskrift,* 4.

Friedlander, Daniel & Gary Burtless. 1995. *Five Years After: The Long-Term Effects of Welfare-To-Work Programs*. New York: Russell Sage Foundation.

Friedlander, Daniel; David H. Greenberg & Philip K. Robins. 1997. Evaluating Government Training Programs for the Economically Disadvantaged. *Journal of Economic Literature,* 35:1809-1855.

Friedlander, Daniel & Judith M. Gueron. 1992. Are High-Cost Services More Effective than Low-Cost Services? In *Evaluating Welfare and Training Programs*, edited by Charles F. Manski and Irwin Garfinkel. Cambridge: Harvard University Press.

Friedlander, Daniel & Philip Robins. 1995. Evaluating Program Evaluations: New Evidence on Commonly Used Nonexperimental Methods. *American Economic Review,* 85:923-937.

Fröberg, Daniela & Linus Lindqvist. 2002. "Deltagarna i aktivitetsgarantin." Uppsala: IFAU.

Gans, Herbert. 1995. *The War Against the Poor: The Underclass and Antipoverty Policy*. New York: BasicBooks.

Geremek, Bronislaw. 1991. *Den europeiska fattigdomens betydelse*. Stockholm: Ordfront.

Giertz, Anders. 2000. Utvärdering av socialbidrag och aktivering i USA. In *Socialbidrag i forskning och praktik*, edited by Annika Puide. Stockholm: Gothia.

—. 2001a. "Arbetsrapport om modellkostnadsanalys av socialbidag. Rapport på uppdrag av Statskontoret inom ramen för utvärdering av storstadssatsningen." Lund: Socialhögskolan, Lunds universitet.

Giertz, Anders. 2001b. "Immigration and Social Assistance Duration." Lund: Mimeo, School of Social Work, Lund University.
—. 2001c. "Socialbidrag och försörjning i Malmö under 1990-talet. Bakgrundsmaterial till utvärdering av Storstadssatsningen." Lund: Socialhögskolan, Lunds universitet.
—. 2004, forthcoming. "Socialbidrag och försörjning i Malmö - Storstadssatsningen och utvecklingen 1990 - 2000."
Gottschalk , Peter & Robert Moffitt. 1994. Welfare Dependence: Concepts, Measures, and Trends. *American Economic Review,* 84:38-42.
Grubb, W. Norton. 1996. *Learning to Work: The Case for Reintegrating Job Training and Education*. New York: Russell Sage Foundation.
Gueron, Judith M. & Edward Pauly. 1991. *From Welfare to Work*. New York: Russell Sage Foundation.
Gujarati, Damodar N. 1995. *Basic Econometrics (3rd ed.)*. New York: McGraw-Hill.
Gunnarsson, Evy. 1993. *I välfärdens utmarker: Om socialbidrag och försörjning bland ensamstående kvinnor utan barn*. Stockholm: Rapport i socialt arbete nr 64, Institutionen för socialt arbete, Stockholms universitet.
Gustafsson, Björn. 1983. "Socialhjälpens bestämningsfaktorer." Stockholm: Delegationen för social forskning.
—. 1984. *En bok om fattigdom*. Lund: Studentlitteratur.
—. 2002. Assessing Non-use of Social Assistance. *European Journal of Social Work,* 5:149-158.
Gustafsson, Björn; Lars-Christer Hydén & Tapio Salonen. 1993. Decision-making on Social Assistance in Major Cities in Sweden. *Scandinavian Journal of Social Welfare,* 2:197-203.
Gustafsson, Björn & Wolfgang Voges. 1998. Contrasting Welfare Dynamics: Germany and Sweden compared. In *The Dynamics of Modern Society*, edited by Lutz Leisering and Robert Walker. Bristol: Policy Press.
Gustafsson, Katarina & Helena Persson. 1989. "Arbete i stället för bidrag - En samhällsekonomisk kostnads- och intäktsanalys av utökade personalinsatser för arbetslösa socialbidragstagare." Uppsala: Nationalekonomiska institutionen, Uppsala Universitet.
Halleröd, Björn. 1988. *Socialbidragstagande i kommunerna 1980 och 1985*. Umeå: Umeå Studies in Sociology.
—. 1991. *Den svenska fattigdomen: En studie av fattigdom och socialbidragstagande*. Lund: Arkiv.
—. 1997. Forskning om fattigdom, relativ deprivation och social exkludering. Pp. 137-162 In *Välfärd och ojämlikhet i 20-årsperspektiv 1975-1995*. Stockholm: SCB.
Hallsten, Lennart; Kerstin Isaksson & Helene Andersson. 2002. "Rinkeby Arbetscentrum - verksamhetsidéer, genomförande och sysselsättningseffekter av ett projekt för långtidsarbetslösa invandrare." Uppsala: Institutet för arbetsmarknadspolitisk utvärdering.

Hallström, Nils-Eric. 1997. "Arbetslöshet, sysselsättning, försörjning: en studie av kommunernas insatser mot arbetslösheten i Östergötland." Linköpings universitet.
Handler, Joel F. & Yeheskel Hasenfeld. 1991. *The Moral Construction of Poverty: Welfare Reform in America*. Newbury Park: Sage.
Heckman, James J. 1997. The Value of Quantitative Evidence on the Effect of the Past on the Present. *American Economic Review,* 87:404-408.
Heckman, James J. & Joseph V. Hotz. 1989. Choosing Among Alternative Nonexperimental Methods for Estimating the Impact of Social Programs: The Case of Manpower Training. *Journal of the American Statistical Association,* 84:862-880.
Heckman, James J. & Jeffrey A. Smith. 1995. Assessing the Case for Social Experiments. *Journal of Economic Perspectives,* 9:85-110.
Hedström, Peter; Ann-Sofie Kolm & Yvonne Åberg. 2003. "Social interactions and unemployment." Uppsala: IFAU Working paper 2003:15.
Hill, Martha S. 1992. *The Panel Study of Income Dynamics*. Newbury Park: Sage.
Himmelfarb, Getrude. 1985. *The Idea of Poverty*. New York: Vintage.
Hydén, Lars-Christer. 1996. Att besluta om socialbidrag : förändringar av beslut och attityder till socialbidrag 1990-1994. *Socialvetenskaplig tidskrift,* 3.
Hägglund, Pathric. 2002. Första året med Aktivitetsgarantin - succé eller fiasko? *Arbetsmarknad & Arbetsliv,* 8:95-109.
Häll, Lars. 1997. Invandrarnas levnadsförhållanden. In *Välfärd och ojämlikhet i ett 20-årsperspektiv*. Stockholm: SCB.
Inghe, Gunnar & Maj-Britt Inghe. 1967. *Den ofärdiga välfärden*. Stockholm: Tiden/Folksam.
Integrationsverket. 2001. *Utvecklingen i storstadssatsningens 24 bostadsområden 1997 - 2000*. Trelleborg: Integrationsverkets rapportserie 2001:9.
Isaksson, Kerstin & Lars Svedberg. 1989. *Permanent tillfällighet ? om arbete och socialbidragstagande i en klientgrupp*. Stockholm: FoU-byrån vid Stockholms socialförvaltning.
Jargowsky, Paul A. 1997. *Poverty and Place: Ghettos, Barrios and the American City*. New York: Russell Sage Foundation.
Jönsson, Leif R. 2003. *Arbetslöshet, ekonomi och skam - Om att vara arbetslös i dagens Sverige*. Lund: Socialhögskolan, Lunds universitet.
Karlsson, Urban. 1995. Uppsalamodellen - ett nygammalt arbetssätt inom socialt arbete. *Nordisk Socialt Arbeid,* 15.
Katz, Michael B. 1986. *In the Shadow of the Poorhouse: A Social History of Welfare in America*. New York: BasicBooks.
Kennedy, Peter. 1992. *A Guide to Econometrics (3rd ed.)*. Cambridge: MIT Press.
Knutsson, Gert & Kjell Stridsman. 1988. *Fattiga i Sverige*. Stockholm: Allmänna förlaget.
Korpi, Walter. 1971. *Fattigdom i välfärden*. Stockholm: Tidens förlag.

LaLonde, Robert J. 1986. Evaluating the Economic Evaluations of Training Programs with Experimental Data. *American Economic Review,* 76:604-620.
Larsson, Håkan & Stefan Morén. 1988. *Organisationens mänskliga insida: Om det sociala arbetes utvecklingsmöjligheter*. Umeå: Institutionen för socialt arbete.
Larsson, Laura. 2002. *Evaluating Social Programs: Active Labour Market Policies and Social Structure*. Uppsala: Uppsala University.
Leisering, Lutz & Stephan Leibfried. 1999. *Time and Poverty in Western Welfare States*. Cambridge: Cambridge University Press.
Leisering, Lutz & Robert Walker (Eds.). 1998. *The Dynamics of Modern Society*. Bristol: Policy Press.
Levitas, Ruth. 1999. Defining and Measuring Social Exclusion: A Critical Overview of Current Proposals. *Radical Statistics*.
Lindbeck, Alvar. 1997. The Swedish Experiment. *Journal of Economic Literature,* 35:1273-1309.
Lødemel, Ivar. 1997. *Pisken i arbeidslinja: Om iverksetjinga av arbeid for sosialhjelp*. Oslo: Forskningsstiftelsen Fafo.
Lødemel, Ivar & Heather Trickey (Eds.). 2001. *An Offer You can't Refuse: Workfare in International Perspective*. Bristol: Policy Press.
Manski, Charles F. & Irwin Garfinkel (Eds.). 1992. *Evaluating Welfare and Training Programs*. Cambridge: Harvard University Press.
Marklund, Staffan; Karin Nordenstam & Roland Penton. 1984. *Socialvärlden: Om mötet mellan socialarbetare och klient*. Stockholm: Liber.
Massey, Douglas S. 1996. The Age of Extremes: Concentrated Affluence and Poverty in the Twenty-first Century. *Demography,* 33:395-412.
Meyer, Bruce D. 1995. Lessons from the U.S. Unemployment Insurance Experiments. *Journal of Economic Literature,* 33:91-131.
Miller, Gale. 1991. *Enforcing the Work Ethic: Rhetoric and Everyday Life in a Work Incentive Program*. Albany: State University of New York Press.
Milton, Pia & Reinhold Bergström. 1998. "Uppsalamodellen och socialbidragstagarna: En effektutvärdering." Stockholm: Centrum för socialt arbete, Socialstyrelsen.
Moffitt, Robert. 1992. Incentive Effects of the U.S. Welfare System: A Review. *Journal of Economic Literature,* 30:1-61.
—. 1996. The Effect of Employment and Training Programs on the Entry and Exit from the Welfare Caseload. *Journal of Policy Analysis and Management,* 15:32-50.
Nilsson, Gerry. 1989. "Fattigliv." Lund: Meddelanden från Socialhögskolan 1989:1.
Nilsson, Åke. 1999. Invandrare – 500 000 eller 1,7 miljoner? *Välfärdsbulletinen*.
Nygren, Lennart. 1986. *Nedläggningen av NCB i Köpmanholmen - en studie av de hushållsekonomiska konsekvenserna*. Umeå: Institutionen för socialt arbete, Umeå universitet.

Ohlsson, Rolf & Jonas Olofsson. 1998. *Arbetslöshetens dilemma*. Stockholm: SNS Förlag.
Orr, Larry L. 1999. *Social Experiments: Evaluating Public Programs with Experimental Methods*. Newbury Park: Sage.
Orr, Larry L., Howard S. Bloom, Stephen H. Bell, Fred Doolittle, Winston Lin & George Cave. 1996. *Does Training for the Disadvantaged Work? Evidence from the National JTPA Study*. Washington: Urban Institute Press.
Ostrom, Charles W. 1990. *Time series analysis: regression techniques*. Newbury Park: Sage.
Persson, Lena. 1999. "En studie av arbete i stället för socialbidrag." Lund: Socialhögskolan, Lunds universitet.
Pettersson, Ulla. 1986. *Socialtjänsten i praktiken: från mål till verklighet*. Stockholm: Skeab.
Piven, Frances Fox & Richard A. Cloward. 1993. *Regulating the Poor: The Functions of Public Welfare*. New York: Vintage Books.
Puide, Annika. 1985. *Klienterna och socialtänsten*. Stockholm: Stockholms universitet, Socialhögskolan.
Regeringen. 2001. "Swedens's Action Plan Against Poverty and Social Exclusion." Stockholm: Regeringskansliet.
Regnér, Håkan. 1997. *Training at the Job ant Training for a New Job: Two Swedish Studies*. Stockholm: Swedish Institute for Social Research.
Ringen, Stein. 1988. Direct and Indirect Measures of Poverty. *Journal of Social Policy,* 17:351-365.
Robson, Colin. 2002. *Real World Research (2nd ed.)*. Oxford: Blackwell.
Room, Graham (Ed.). 1995. *Beyond the Threshold: The Measurement and Analysis of Social Exclusion*. Bristol: Policy Press.
—. 1999. Social Exclusion, Solidarity and the Challenge of Globalization. *International Journal of Social Welfare,* 8:166-174.
Rowntree, Seebohm. 1901. *Poverty: Study of Town Life*. London: McMillan.
Rönnlund, Eileen. 1992. *Socialt arbete - att se möjligheter*. Stockholm: Almqvist & Wiksell.
Salonen, Tapio. 1988. "Malmö - i kulmen av fattigdomscykeln." Lund: Meddelanden från Socialhögskolan 1988:4.
—. 1993. *Margins of Welfare: A Study of Modern Functions of Social Assistance*. Kristianstad: Hällestad Press.
—. 1996. *Övervältringar inom socialsektorn*. Stockholm: Kommentus förlag.
—. 2003a. "Barns ekonomiska utsatthet - Årsrapport 2003." Stockholm: Rädda barnen.
—. 2003b. "Ungas ekonomi och etablering." Stockholm: Ungdomsstyrelsens skrifter 2003:9.

Salonen, Tapio & Rickard Ulmestig. 2004. "Nedersta steget: En studie om kommunal aktivering." Institutionen för vårdvetenskap och socialt arbete, Växjö universitet.
Saraceno, Chiara (Ed.). 2002. *Social Assistance Dynamics in Europe: Local and National Poverty Regimes*. Bristol: Policy Press.
SCB. 1987. *Socialbidragstagarna: Levnadsförhållanden 1983 - 85*. Stockholm: Statistiska centralbyrån.
Schwartz, Brita & Annika Puide. 1993. "Kommunala kostnadsvariationer : en studie av området Individ- och familjeomsorg." Stockholm: EFI Research Paper 6507.
Sen, Amartya. 1992. *Inequality Reexamined*. Cambridge: Harvard University Press.
—. 2000. "Social Exclusion: Concept, Application, and Scrutiny." Manila: Asian Development Bank.
Sianesi, Barbara. 2001. "An Evaluation of the Active Labour Market Programmes in Sweden." Uppsala: IFAU.
Silver, Hilary. 1994. Social Exclusion and Social Solidarity: Three Paradigms. *International Labour Review,* 133:531-578.
Social Exclusion Unit. 2001. "Preventing Social Exclusion." London: Cabinet Office.
Socialdepartementet. 1987. "Om socialbidrag - analyser av utvecklingen under 1980-talet." Stockholm: Socialdepartementet, Ds S 1987:2.
Socialstyrelsen. 1990. "På väg från socialbyrån: Att ge människor alternativ till socialbidrag." Stockholm: Socialstyrelsen.
—. 1995. "Socialbidragsnormen - en översyn." Stockholm: Socialstyrelsen.
—. 1999. "Socialbidrag 1998." Stockholm: Socialstyrelsen.
Solow, Robert M. 1998. *Work and Welfare*. Princeton: Princeton University Press.
Sparén, Pär. 1986. "Socialbidragstagande i landets kommuner." Stockholm: Sociologiska institutionen.
Stenberg, Sten-Åke. 1999. Arbetslöshet och fattigdom i Sverige från 1920-tal till 1990-tal: En kombinerad makro- och mikroanalys. *Sociologisk forskning*:172-191.
Sunesson, Sune. 1981. *När man inte lyckas: Om hinder, vanmakt och oförmåga i socialt arbete*. Stockholm: AWE/Geber.
—. 1985. *Ändra allt! - En uppmaning till socialarbetare*. Malmö: Liber.
Svedberg, Lars. 1995. *Marginalitet: Ett socialt dilemma*. Lund: Studentlitteratur.
—. 1998. "Marginella positioner. Kritisk diskussion om begrepp, teori och empiri." Stockholm: EpC-Rapport 1997:5, Socialstyrelsen.
Svenska Kommunförbundet. 2001. "Synpunkter på aktivitetsgarantin och övergångsarbetsmarknaden. SK:2001/1395." Stockholm.
Therborn, Göran. 1995. *European Modernity and Beyond: The Trajectory of European Societies 1945 - 2000*. London: Sage.

Tobin, James. 1994. Poverty in Relation to Macroeconomic Trends, Cycles, and Policies. In *Confronting Poverty: Prescriptions for Change*, edited by Sheldon Danziger, Gary D. Sandefur, and Daniel H. Weinberg. Cambridge: Harvard University Press.

Townsend, Peter. 1979. *Poverty in the United Kingdom*. Harmondsworth: Penguin.

Trygghed, Sven. 1996. *Arbetslös och medellös: En studie av beredskapsarbetare i Stockholm*. Stockholm: Rapport i socialt arbete nr 78, Institutionen för socialt arbete, Stockholms universitet.

Walker, Robert. 1994. *Poverty Dynamics: Issues and Examples*. Aldershot: Avebury.

van Berkel, Rik & Iver Hornemann Møller (Eds.). 2002. *Active Social Policies in the EU: Inclusion through Participation?* Bristol: Policy Press.

van Berkel, Rik; Iver Hornemann Møller & Colin C. Williams. 2002. The Concept of Inclusion/Exclusion and the Concept of Work. In *Active Social Policies in the EU*, edited by Rik van Berkel and Iver Hornemann Møller. Bristol: Policy Press.

Wilson, William Julius. 1987. *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy*. Chicago: University of Chicago Press.

—. 1996. *When Work Disappears: The World of the New Urban Poor*. New York: Alfred A. Knopf.

Vogel, Joachim. 2002. Strategies and Traditions in Swedish Social Reporting: A 30-year Experience. *Social Indicators Research,* 58:89-113.

Yamaguchi, Kazuo. 1991. *Event History Analysis*. Newbury Park: Sage.

Zedlewski, Sheila R. 2002. "Left Behind or Staying Away? Eligible Parents Who Remain Off TANF." Washington: Urban Institute.

Åman, Anders. 1976. *Om den offentliga vården: Byggnader och verksamheter vid svenska vårdinstitutioner under 1800- och 1900-talen*. Uddevalla: LiberFörlag - Sveriges Arkitekturmuseum.

Lund Dissertations in Social Work

1. Svensson, Kerstin (2001) *I stället för fängelse? En studie av vårdande makt, straff och socialt arbete i frivård.*
2. Jönson, Håkan (2001) *Det moderna åldrandet. Pensionärsorganisationernas bilder av äldre 1941-1995.*
3. Habermann, Ulla (2001) *En postmoderne helgen? - om motiver til frivillighed.*
4. Jarhag, Sven (2001) *Planering eller frigörelse? En studie om bemyndigande.*
5. Tops, Dolf (2001) *A society with or without drugs? Continuity and change in drug policies in Sweden and the Netherlands.*
6. Montesino, Norma (2002) *Zigenarfrågan. Intervention och romantik.*
7. Nieminen Kristofersson, Tuija (2002) *Krisgrupper och spontant stöd - om insatser efter branden i Göteborg 1998.*
8. Laanemets, Leili (2002) *Skapande av femininitet - om kvinnor i missbrukarbehandling.*
9. Magnusson, Jan (2002) *Ny situation - ny organisation. Gatutidningen Situation Sthlm 1995-2000.*
10. Johnsson, Eva (2002) *Självmordsförsök bland narkotikamissbrukare.*
11. Skytte, Marianne (2002) *Anbringelse af etniske minoritetsbørn - om socialarbejderes vurderinger og handlinger.*
12. Trulsson, Karin (2003) *Konturer av ett kvinnligt fält. Om missbrukande kvinnors möten i familjeliv och behandling.*
13. Bangura Arvidsson, Maria (2003) *Ifrågasatta fäder - Olika bilder av fäder till socialt utsatta barn.*
14. Jönsson, Leif R (2003) *Arbetslöshet, ekonomi och skam. Om att vara arbetslös i dagens Sverige.*
15. Ingvad, Bengt (2003) *Omsorg och relationer. Om det känslomässiga samspelet i hemtjänsten.*
16. Hedblom, Agneta (2004) *Aktiveringspolitikens Janusansikte. En studie av differentiering, inklusion och marginalisering.*
17. Blomberg, Staffan (2004) *Specialiserad biståndshandläggning inom den kommunala äldreomsorgen. Genomförandet av en organisationsreform och dess praktik.*

18. Granér, Rolf (2004) *Patrullerande polisers yrkeskultur.*
19. Giertz, Anders (2004) *Making the Poor Work – Social Assistance and Activation Programs in Sweden.*

Utgivna av Socialhögskolan, Lunds universitet.
Published by School of Social Work, Lund University.