

Unemployed individuals` preferences towards social investment policies

A case study of unemployed people`s preferences between
labor market trainings and unemployment cash benefits in
Sweden

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Abstract

This master's thesis designed to understand the social policy preferences of unemployed people from human capital investment perspectives. The aim of the research is to explain social policy preferences by referring to human capital theory to understand unemployed people's preferences between unemployment cash benefits and labor market trainings. The research takes upskilling, earnings, together with labor market situations (mismatch between education and labor market and transition from school to work) and defines these concepts under the theoretical framework to understand the phenomena of human capital investment in unemployed people's policy preferences in labor market.

The study is designed as qualitative case study to answer the research questions with semi-structured expert interviews.

The empirical data of the research supports the theoretical implications that it is reasonable to study unemployed individuals' social policy preferences under the human capital theory. The study findings show that job seekers prefer labor market trainings in order to invest in human capital.

Key words: human capital theory, labor market trainings, social investment, social policy preferences, unemployment cash benefits,

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Table of Contents

- 1 Introduction..... 1**
 - 1.1 Background 1
 - 1.2 Problematization..... 2
 - 1.3 Research Aim and Research Questions..... 3
- 2 Literature Review 4**
 - 2.1 Unemployment cash benefits 4
 - 2.2 Active labor market policies 5
 - 2.3 Social investment policies in labor market 6
 - 2.4 Individuals` social policy preferences in labor market 7
- 3 Theoretical Framework..... 10**
 - 3.1 Human capital investment in the activation of labor supply 10
 - 3.2 Human Capital Theory 12
 - 3.2.1 Upskilling, earnings, mismatch between education and labor market, and transition from school to work..... 13
- 4 Methodology 17**
 - 4.1 Research Paradigm – Ontological and Epistemological Considerations 17
 - 4.2 Research Approach – Abductive..... 18
 - 4.3 Research Method Selection – Qualitative Research 19
 - 4.4 Research Design – Case Study with a mixture of Phenomenology 20
 - 4.4.1 Case Selection Rationale 21
 - 4.5 Main Data – Semi-Structured Interview 22
 - 4.5.1 Interviewees Selection..... 23
 - 4.5.2 Data Collection..... 24
 - 4.5.3 Interview Guide..... 26
 - 4.5.4 Data Analysis 28
 - 4.6 Ethical Considerations..... 29
- 5 Data Description and Analysis..... 30**
 - 5.1 Social policy preference of unemployed people between unemployment cash benefits and labor market trainings..... 30
 - 5.2 Human capital investment in unemployed individuals` social policy preferences 35
 - 5.3 Upskilling 38
 - 5.4 Earnings..... 39

5.5	Mismatch in and transition to labor market	40
6	Discussion and Conclusion.....	44
6.1	Discussion	44
6.2	Conclusion.....	49
6.3	Contributions, Future Research Directions and Limitations	50
7	References.....	53

1 Introduction

1.1 Background

Social investment state as the last phase of development of the European welfare state model emerged on the policy agendas since the middle of the 1990s. The idea of the social investment state refers to investment policies which is opposite to traditional cash benefits and associates social investment with non-cash benefits and human capital policies (Bonoli, 2010; Economist, 1998). Governments started to design more market-driven policies and put people into market through new investment oriented programs (Kvist, 2015). Generally speaking, social investment policies are the policies that aim to develop human capital stock by investing in skills and education in a knowledge-based economy (Bonoli & Natali 2012; Jenson 2009). In other way, the concept of social investment presents a new phase of welfare policies where human capital investment is the crucial policy measure of policy agendas.

Indeed, well-educated people and technological innovations build together a strong interdependence that increases total productivity of labor supply and economic growth. New demand in labor market and traditional welfare policies urged new cooperation between social and economic policies to compete against new social risks, unemployment and financial crises. Consequently, re-designed social policies aimed at more employment and female and children-friendly policy measures to facilitate labor market entrance, generate real wage, and prevent from the social exclusion. With these means, transition from social assistance policies to activation policies emerged the importance of investing in cognitive skills for more productivity in post-industrial societies. Accordingly, education and training credited as the most adequate policy measure to technological and scientific challenges (Almendarez, 2013; Becker 1994; Becker, Murphy & Tamura, 1994; Bonoli & Natali, 2012; Garritzmann, Hausermann, Parlier & Zollinger 2017; Hemerijck, 2005). To cut cash benefits and instead to promote activation of the workforce in labor market together with an investment in education gained attention as two basic ideas behind the concept of social investment (Bonoli, 2010; Bonoli & Natali 2012; Gingrich & Ansell 2015). Activation of labor supply implemented through training and job support programs (Kananen, Taylor-Gooby & Larsen 2006).

Nordic countries mostly implement offensive or universalistic type of activation policies where human capital policies through labor market education and trainings are the main policy tools against unemployment (Barbier, 2001; Bonoli, 2010). Offensive and defensive terminologies presented by Bonoli (2010) as workfare classification with the reference of Tofing (1999). Particularly, Sweden is one of the high-level training countries that provides easy access to labor market and on-job trainings (Mignot, 2013) to activate labor supply and keep them in the job market for the long term (Kananen et al., 2006).

1.2 Problematization

In fact, post-industrial societies altered social policy preferences and policy demand of individuals, and this consequently led to transitions in social policy formulation (Fossati & Hausermann 2014). Governments started to design and expand social investment policies to respond to public demand on new social programs (Busemeyer, Garritzmann & Neimanns, 2015). The previous studies Bonoli and Natali, (2012), Fossati (2018), Fossati and Hausermann (2014), Garritzmann, Busemeyer and Neimanns (2018), Garritzmann et al. (2017), Gingrich and Ansell (2012), Hauserman, Kurer and Schwander (2015), Kananen et al., (2006), Margalit (2013), Julian, Garritzmann, Busemeyer and Neimanns (2018) stress the importance of the understanding of individuals' preferences and support towards social investment policies, particularly in labor market. However, there is still a lack of literature on investigating individuals' preferences on social investment policies (Garritzmann et al., 2018; Julian et al. 2018). Mostly the subject studied through different perspectives than the human capital investment concept. Following the argument, the prior researches in individuals' social policy preferences, examine the relationship between individuals' preferences and voting or party systems, or the structure of welfare state, national level institutions, as well as the role of economic self-interest that shape social policy preferences of individuals (Busemeyer et al., 2015; Busemeyer & Neimanns 2017; Fossati 2018; Fossati & Hausermann 2014; Gingrich & Ansell 2012; Gingrich & Ansell 2015; Hausermann et al., 2015; Margalit, 2013). Although the literature associates social investment policies and active labor market trainings with human capital investment, education, income, upskilling and labor market position, those have mostly been theorized under the homo economicus model, or self-interest context to examine preferences of individuals towards social investment or activation policies (Busemeyer et al., 2015; Busemeyer & Neimanns, 2017; Margalit 2013). Additionally, social investment policies in the literature are subject to

either emergence or design of such policies in specific policy fields/countries, or its policy effects on economic growth, employment, social inclusion and poverty reduction (Garritzmann et al., 2017, Garritzmann et al., 2018).

1.3 Research Aim and Research Questions

This master thesis aims to link social investment policies together with active labor market policies under the human capital investment concept and provide unemployment cash benefits as an alternative to active labor market policies or labor market education. This master's thesis designed to understand the social policy preferences of unemployed people from human capital investment perspectives. The aim of the research is to explain social policy preferences by referring to human capital theory to understand unemployed people's preferences between unemployment cash benefits and labor market trainings. Accordingly, the following research questions guiding this study:

RQ1: What is the social policy preference of unemployed individuals between unemployment cash benefits and labor market trainings?

RQ2: What makes unemployed people prefer one policy to another policy?

Studying workforce social policy preferences through the human capital investment will contribute in a different way of analysis of social policy preferences of unemployed people. With this, the study will provide a new outlook for an understanding of individuals' preferences from the standpoint of human capital theory. Accordingly, the understanding of the nature of social policy preference of unemployed people will be a key for the social relevance of the research. The study seeks out to understand the preferences of unemployed individuals towards specific social policies in the context of Sweden.

The thesis is structured as follows: the present introduction chapter is followed by the literature review including the theoretical background that develops the framework to study the unemployed preferences from the viewpoint of human capital theory. Afterwards, the methodology chapter covers the logic and structure of the empirical study. The researcher interprets and analysis the empirical findings and discussion with the following chapters. At the end, the researcher presents the general insights of the study and answers to the research questions with the conclusion chapter.

2 Literature Review

The literature review chapter starts with the brief information about unemployment cash benefits and follows the presentation of the concept of active labor market and social investment policies in the background of human capital investment. The study literature continues the extensive discussion on individuals' social policy preferences in labor market. Afterwards, human capital theory is introduced as the theoretical framework for the research.

2.1 Unemployment cash benefits

The existing literature in employment policies mainly gives unemployment cash benefits under the passive employment policies classification (Auer et al., 2008). Meager (2008) also specifies unemployment cash benefits under the passive employment policies, and refers those as replacement of real wage for the unemployed people. Meager (2018) includes unemployment benefits and insurance together with early retirement into passive policies. Passive policies with a generous benefits system lower work incentives in labor market. Cash assistance also causes a moral hazard effect and slows down the job search activities (Martin R., Nativel C., & Sunley, 2008). On the other hand, passive policies considered not as an alternative to active policies, giving that, ALMPs just far from the traditional social protection policies which the social protection with unemployment cash assistance is more specific for passive employment policies (Martin et al., 2008). Andersen (2012) indicates unemployment cash benefits under the passive employment measures and justifies activation policies in the market with qualification improvement programs to move the workforce from their inactive labor market situation. Therefore, the policy shift from passive to activation policies characterized by the restrictions on cash assistance and activation (social investment and human capital policies) of labor supply (Bonoli, 2010).

2.2 Active labor market policies

Social investment and human capital investment are the basic policy tools of active labor market policies which push the process of activation from traditional social policies (Bonoli, 2010). Literature differentiates passive employment policies from active employment policies accordingly as follows: passive employment policies cover unemployment benefits during the unemployed period as replacement of real wage. Active employment policies boost labor supply to re-enter into labor market and stimulate labor demand by deregulation as well as other types of ALMP programs (Meager, 2008). Activation in labor market refers to the development of human capital and the movement of people from cash assistance into workforce productivity (Bonoli 2009; Zollner, Fritsch & Wyrwich, 2016). The literature shows that when Western Europe was suffering from a high unemployment especially in the past decades countries started to implement activation reforms. The study by Caruana and Theuma (2012) gives a time scenario of ALPM reforms throughout three phases in the European labor market. The first phase the 1950s-1960s is called Post War Era where rapid economic growth and labor supply shortage occurred in the industry. During that time employment policies mainly aimed at train the workforce. The second phase is given during the 1970s-1980s as Post Oil Shock Era (1973-1975) with industrial employment crises. And the last phase covers the 1990s and 2000s when recessions and postindustrial unemployment were at their peak. Consequently, policy change has been ended up with a shift from passive policies to bring unemployed people into the market. So, the main principle of the ALMPs is to activate labor supply and bring more people into the workforce and jobs. Furthermore, the main target of ALMPs is to keep entrants in the market in the long run together with expanding employment opportunities for job seekers and improving a match between open vacancies and unemployed people. By doing so ALMPs are able to cut unemployment by increasing labor force participation and create net income – real wage rather than social unemployment benefits (Auer et al., 2008; Hill & Halpin 2008; Meager, 2008; Kluge, 2005; Zollner et al., 2016). For this purpose, ALMPs aim to stimulate jobless individuals to seek for jobs; increase their employability; expand employment opportunities for occupationally active population; motivate labor demand and create efficient market institutions to manage the implementation of activation policy (OECD, 2018).

2.3 Social investment policies in labor market

Social investment policies are the policies that create, preserve and maintain human capital (Garrizmann et al., 2017). Generally, the concept of the social investment policies is quite broad. In short, scholars argue that displacement between traditional social protection system and active employment policies brought a new perspective to social policies (Bonoli, 2010; Bonoli & Natali, 2012; Hemerijck, 2015). The literature supports the idea of sustainable strategies, effective employment policies, and efficient social protection systems in order to achieve high economic growth and poverty reduction in societies. Thus, increasing employment and cutting poverty in line with human capital development is the central idea of social investment (Cataldo & Pose, 2016; Garrizmann et al., 2017; Jenson 2009). New social democracy can be found with its main components, flexicurity, social investment, and human capital in the “Third Way” concept (Bonoli, 2010). The “Third Way” concept targets to reshape the traditional welfare state as a social investment state. Bringing more investment in human capital is the core objective of this state (Economist, 1998). To decrease social inequality and promote economic growth, social investment initiatives – invest in human capital and create a more skilled workforce – emerged on the European policy agendas since the beginning of the 2000s (Kvist, 2015). The development of human capital is given in the social investment content as skill improvement for individual fully participation in employment and social life. In fact, investing in human capital directly improves labor market performance as well as reduces the dependence of the unemployed on cash benefits (Fossati & Hausermann 2014). “... welfare states not only play a redistributive role but also insecure against the risk of income loss is well accepted in the social policy literature” (Gingrich & Ansell 2012, p.1627). Children, women, young people, people with disabilities and people with specific needs are more target groups of social investment agendas (European Commission, 2018). Concerning this, the main mission of governments in welfare is to assist such people to enter and succeed in the education and labor market (Bonoli 2009).

Post-industrial economies have difficulties that social investment states are forced to redesign welfare policies in a way: to fight against skills shortage in labor market by promoting supply-side activation policies; to boost female participation in labor market by fostering education and in response to labor market competitiveness increase provision of labor market trainings for employed (on-job trainings) and unemployed people (Fossati & Hausermann 2014). On that account, investment in human capital, facilitate access to employment and secure the depletion of human capital along with unemployment are the fundamental directions of social investment (Bonoli 2009).

2.4 Individuals' social policy preferences in labor market

Individuals' social policy preferences are pulled in two directions. The first direction classifies passive policy instruments such as income redistribution, social assistance and minimum wage regulation that have the present time value of policy outcomes. The second direction labels social investment measures such as childcare, education and trainings, activation of labor supply that targets policy outcomes towards the future (Fossati & Hausermann, 2014). Social programs are designed to help people to handle unemployment risk in two directions. Hereby, people have two choices to make a preference over public cash benefits or more investment in skills (Gingrich & Ansell, 2012). Individuals' preferences on investing in human capital are associated with their future expectations (benefits that occur in the future) and access to financial resources (Becker 1962; Ehrenberg & Smith 2012; Wehl 2020). For instance, on-job trainings as investment in human capital affect future earnings opposite to present consumption (Becker, 1962). The study by Wehl (2020) identifies individuals' preferences on social policy with their expected benefits. Those individuals are 1) who benefits from policy now, 2) who expects a benefit in the future, and 3) who believes in benefit in the future. These benefits are directly related to income and employment perspectives. Furthermore, Wehl (2020) specifies these people into three categories: 1) unemployed, 2) in risk labor market position, 3) worries for job security for whatever. And all three groups of people demand either cash benefits or active labor market policies during the unemployment period.

Social investment policies affect individuals' social and economic background, change the structure of labor market, and investing in human skills increase wages and make the market more competitive. In short, social investment policies particularly are supported by the well-educated middle class (Garritzmann et al., 2018) individuals benefit from such policies via education, trainings and etc. (Gingrich & Ansell 2015). Garritzmann et al. (2018) states that since age matters for social policy preferences, elderly people support compensatory policies because of pensions, and young people prefer investment policies because of income factor. The previous studies argue that social investment policies are well supported from individuals' perspective with regard to investment in skills and increase employment chances (Garritzmann et al. 2017; Bonoli & Natali, 2012). Financial shocks and unemployment forced people to shift their preferences on welfare policies and personnel economic interest was the main explanatory factor of this preference change. Understanding of incentives that shape individuals' preferences on social policies (welfare and redistribution, individuals' position in labor market) has been given attention by governments to design

national welfare policies. Obviously, labor market position (loss of employment) of individuals` was the main indicator for preference change (Iversen & Soskice 2001; Margalit 2013). People with more inherent in labor market risk support and demand more public social spending and it clearly describes that labor market position of individuals in fact form their preferences on social policies (Gingrich & Ansell, 2012). Even though gaining new skills or upskilling happens in the process of educational investment, skills have direct consequences on individuals` position in labor market therefore such investment determines preferences being not on education but on employment policies (Garritzmann et al., 2017).

In fact, people want to be protected by such social policies that reduce their social risks which are actually the sum of individuals` risks. The individual risk captures the direct risk from labor market and urgency to this risk shape individual preferences (Gingrich & Ansell, 2012). Individuals` economic situations lead their approach towards social policies (Iversen & Soskice, 2001). Thus, public support for social policies captures the hidden motives of individual risks and preferences. The individual risk here refers to the risk that comes from the inherent riskiness of individual`s job or skills (Gingrich & Ansell, 2012).

Social policies are outputs of societal interests where preferences of political parties, trade unions, and employers are in favor of social investment (Garritzmann et al., 2017). The preferences of another group of actors – low educated or low skilled persons, young families, alone mothers – changed to social investment policies with regard to new social risks (Garritzmann et al., 2017; Kananen et al., 2006). Beneficiary groups who support social investment are different from those people who support social transfers. For instance, young, well-educated, high skilled and middle-class and even richer individuals support and benefit from social investment particularly investment in education and labor market trainings (Garritzmann et al. 2017; Garritzmann et al., 2018; Julian et al. 2018). Hauserman et al., (2015) differ high-skilled labor supply from low-skilled supply and argue that social policy preferences also differ between them. Thus, a high-skilled workforce is more human capital capable and prefers activation policies in employment that support their integration into the labor market and secure them from unemployment.

It is not true to relate individual`s social policy preference to the level (more or less) of public expenditures on social programs. While on the contrary, the post-industrial economy and knowledge-based society as well as labor market structure heavily affected the nature of social policy demand. Consequently, post-industrial societies changed social policy preferences and citizens` demand, and this reasonably led to changes in welfare agendas. Hence, the shift in employment policies from cash benefits to activation policies was one of the renewed policy instruments on agendas (Fossati & Hausermann, 2014). The people under the risk of unemployment started to support government programs in active labor market policies to facilitate access into labor market (Fossati 2018; Margalit 2013). Promote labor supply

participation and investing in people`s skills are the essential characteristics of re-designed social policies. And these factors as the new face of social policies actually brought more actor involvement in the reorientation of welfare policies (Bonoli & Natali, 2012).

3 Theoretical Framework

The study literature provides a better understanding of individuals' preferences in social investment policies. This chapter develops the theoretical foundation due to the fact in the interdependence between employment policies and human capital investment, and suggests that investment in human capital motivate unemployed individuals' preferences in labor market. The framework chapter first presents the role of human capital investment in the activation of labor supply and then follows the human capital theory subchapter. Later, upskilling, earnings, mismatch between education and labor market, and transition from school to work are given under the theory to bring more insights to the unemployed preferences in labor market policies.

3.1 Human capital investment in the activation of labor supply

Human capital competes with physical and financial capital in terms of personnel and national wealth. And investment in human capital is the most significant determinant of long-term employment because human capital refers to workforce productivity and education and labor market programs which are the core measures in such investment (Almendarez, 2013; Iversen & Soskice, 2001; Sweetland, 1996). Expenditures on education, training, medical care and etc. are also capital in the sense that raises income, upgrades skills, and improves health. Consequently, such capital turns to human capital that differs from financial and physical capital (Becker, 1994). More than 5 per cent of national income covers public expenditures on education by advanced industrial countries where public demands push governments to invest more in education (Gingrich & Ansell, 2015).

There are many research findings in positive correlation among education, employment, better life conditions and social inclusion. The common assumption is that human capital investment has direct and indirect effects on employment. Direct effect considered as creating broad employability perspectives in the background of education. On the other hand, increases chances for better and higher paid jobs. The indirect effect is that investing in human capital promotes mobility in societies that

consequently ends up with more inclusive societies (Cataldo & Pose, 2016). Human capital investment and upskilling of labor supply is one of the active labor market policy measures. In other words, trainings and educational programs are among the activation policies in employment. These measures are supply-side activation policies associated with vocational education and labor market trainings to create a more skilled labor supply for market (Bonoli 2010, Calmfors 1994, Katz 1994). "Active labor market policies are measures that targeted at the unemployed and disadvantaged (low - wage) workers with the intent of improving the functioning of the labor market" (Katz, 1994, p.259). Education and market training programs are the supply side activation policies that aim to improve the workforce productivity and skills (Katz, 1994). Since the workforce was started to be extracted from its inactive position, policy programs mainly applied to qualification improvement, the intensity of job search, stimulating real wage and expanding the labor force participation. In a theory, human capital investment is given as a new social policy measure to boost economic efficiency and shrinks the gap between well and poorly-educated individuals (Hemerijck 2005). Growth in knowledge brings more investment in new technologies, research, and human capital. Human capital, technology, and productivity with other determinants explain the country's growth and economic performance over time (Becker et al., 1994). Consequently, economic progress becomes more dependent on human capital development and innovations in the technological and scientific world (Becker & Murphy, 1994). Human capital as a local economic indicator has high significance for economic growth and employment. Labor market is divided into low-skilled and high-skilled employment where low-skilled employment has negative consequences such as social exclusion in the long run. For instance, 1990s unemployment in Europe forced the governments to take actions in upskilling of the workforce (Cataldo & Pose, 2016).

Three main functions of social investment programs actually explain the link between social investment and investment in human capital. First, social investment is an investment in human capital to create new skills. Second, social investment is skill mobilization of human capital for labor market participation. Third, social investment is an investment in skills to maintain and improve human capabilities to handle circumstances in a better way (Garritzmann et al., 2017). Human capital investment in labor skills takes place in three phases: school years; higher education, college or vocational training and the last stage is after entering labor market where workers increase their human capital through labor market trainings (Ehrenberg & Smith 2012).

3.2 Human Capital Theory

Human capital theory developed by Becker G., Mincer J. and Schultz T. that explains the correlation between individuals' decision in investing in human capital (education and training) and future labor market earnings (McKernan & Ratcliffe, 2002; Blair 2018; Sweetland 1996). The principal idea of the theory is that individuals gain new skills through investing in their human capital and this investment leads to higher income (Blair, 2018). Mainly, the theory applied to study the correlation between educational attainments and personal income through the academic literature. The theory measures human capital investment in education and trainings in terms of income (Blair, 2018). More clearly, human capital theory examines the impact of educational investment on income growth, effects of education on economic development, and the correlation between education and future social-economic returns (Almendarez 2013; Becker, 1994; Blair 2018; Ehrenberg & Smith 2012; Garritzmann et al., 2017; Iversen & Soskice, 2001; McKernan & Ratcliffe, 2002; Poteliene & Tamasauskiene, 2014; Sweetland 1996).

Alternatively, this master thesis applies the human capital theory within the qualitative research and investigates social policy preferences of unemployed individuals in labor market. The researcher's extensive literature review on social investment policies, human capital investment, and ALMP showed the only research by Iversen and Soskice (2001) that presents the human capital theory in studying social policy preferences of the workforce. Authors define human skills as investment and investigate workers' preferences for social protection on the basis of this investment. With the idea of Iversen and Soskice (2001), this research brings human capital theory to study unemployed individuals' preferences between unemployment cash benefits and labor market trainings. The study draws earnings (directly from the theory), upskilling (both from the theory and the literature in labor market trainings) together with labor market situations (from the literature in labor market), mismatch between education and labor market, and transition from school to work, and defines these concepts under the theoretical framework to understand the phenomena of human capital investment in unemployed people's policy preferences.

3.2.1 Upskilling, earnings, mismatch between education and labor market, and transition from school to work

Upskilling of the workforce through labor market trainings

Education and labor market trainings are the main investment measures in human capital that play a crucial role in building the supply of skills (Almendarez, 2013; Becker, 1994). Accumulation of human capital through labor market trainings boosts employment in the background of better-skilled manpower (Almendarez, 2013.) In the long-term perspective, ALMPs promote the development of education and training system to enhance productivity and employability of the workforce. Human capital investment is the main policy tool of social investment policies in employment. And, active labor market training is a human resource investment in labor skills (Bonoli, 2009). Three categories of the workforce can benefit from labor market trainings. They are, low-skilled and unskilled workforce, skilled young people in the stage of “from school to work”, and displacement of skilled workers between jobs (Kluve, Rother & Puerta, 2012). Unemployed problem is common among the less-skilled workforce and new entrants of the job market. Thus, labor market trainings help to increase total employment by increasing the number of skilled labor force (Katz, 1994). Furthermore, unskilled labor force moves to skilled labor pool through the skill investment in trainings (Caruana & Theuma, 2012). Jackman, Layard, and Nickell (2005) show training policy out of four strategies to tackle unemployment. Katz (1994) argues that training programs are useful to prevent long-run unemployment and to keep the unemployed active in the market via participation.

Indeed, the literature shows labor market investment via trainings and vocational programs is a way to activate labor supply by moving beneficiaries from the unemployment benefit protection system to employment. Investment in education and trainings has direct effects on labor market participation (Garritzmann 2016; Julian et al. 2018). Kluve (2005) describes labor market trainings as classic measure of ALMP. Calmfors, Forslund and Hemstrom (2001) and Kluve (2005) argue that labor training programs among the active employment policy measures cause for better productivity and employment perspectives in the market. Labor market trainings affect the competitiveness of the market with higher reservation earnings. The other advantage of training programs is having an affirmative signaling effect on the labor demand.

Earnings in labor market Human capital investment in economics refers to economic returns or the economic value of education. Clearly, such investments lead to advance economy and wealth creation. It is an investment of current resources in exchange for future returns (Poteliene & Tamasauskiene, 2014). If we take into consideration the behavioural predictions in economics from the point of view of scarcity and rationality,

then the present value of investing in education simply is associated with the utility maximization of individuals. The presumption is investing your limited time in education or training increases the earnings per unit of time in the future (Poteliene & Tamasauskiene, 2014).

The following table classifies the studies that support the correlation between income and human capital investment.

Almendarez (2013)	Education is also an economic good because it maximizes utility satisfaction by developing human resources for better economic and social situation.
Becker (1994)	There are correlation and causation between income growth and human capital investment. Educational participation (also learning and trainings that occur outside of schools) obviously cause income growth.
Calmfors, Forslund and Hemstrom (2001)	Active labor market trainings increase the reservation wage for workers.
Ehenberg and Simith (2011)	Human capital investment in labor skills makes labor supply more productive and this productivity has relevance importance on earnings in the labor market
Gingrich and Ansell (2015)	One of the consequences of investing in skills for individuals is measured by higher wages in the labor market. There is a clear correlation between skill upgrading and wage increment
Katz (1994)	Education and labor market training systems affect different perspectives on net income and employment.
McKernan and Ratcliffe (2002)	Earnings are always higher in comparison with others for individuals who have higher-level education background or more training participation in the labor market.
Sweeland 1996 (p.345)	"... trainings and skill - human capital - importantly affected personal income dispersions"

Table 1 Overview of the studies that support the correlation between income and human capital investment

Mismatch between education and labor market, Transition from school to work As mentioned in the previous chapter of the study three categories of the workforce can benefit from labor market trainings. They are, low-skilled and unskilled workforce, skilled young people in the stage of from school to work, and displacement of skilled workers between jobs (Kluve et al., 2012). Young people are the ones who are willing more to invest in human capital than older people because they want to increase future earnings (Ehrenberg & Smith, 1991). Societies are full of highly educated people where labor markets only accept those whose skills match with labor demand. But it is also a fact that labor demand is not always in favor of highly skilled workers. On the other hand, when there are more people with higher education background then labor market cannot fully provide proper jobs for those people and they may get forced to non-graduate jobs in the end. Hereby, a mismatch occurs when jobs do not require a university degree. OECD (2016) defines the mismatch in labor market in three categories: qualification mismatch, the field of study mismatch and skill mismatch. Qualification mismatch arises when the connection differs between education and job. If the educational background is higher than the job requirement then the worker is over-qualified for this job. If the opposite is true, then the worker is under-qualified. Field of study mismatch arises when a worker is employed in a field that differs from his specialization or study. Skill mismatch arises when workers' skills are not adequate for the job; if skills higher than what the actual job requires then workers are over-skilled. Again if the opposite is true, then workers are under-skilled. If labor market is rich with vacancies then activation policies can find a match between supply and demand to reduce unemployment (Calmfors, 2004). Indeed, labor demand and institutional differences play a crucial role in this matter (Gingrich & Ansell, 2017). However, adequacy of education to labor market is the key factor of the problem.

Upskilling through labor market trainings strengthen individual skills and create a match between workers and jobs in the labor market (Calmfors 1994; Fossati, 2018; Julian et al., 2018). Thus, labor market trainings as an investment measure in human capital support the move from school to work and facilitate education – labor market transition (Garritzmann et al., 2017). Effective labor market investment through education and trainings leads smoothly to transition from school to work for the young workforce, and this transition also guarantees the effectiveness of ALPMs at the microeconomic level (Caroleo & Pastrote, 2003). Better-skilled labor supply reduces the risk of unemployment in the background of better education as well as easy movement from school to work (Katz, 1994). It is one of the targets of activation reforms to improve a match between open vacancies and job seekers. By doing so, ALMPs are able to cut unemployment via more labor force participation in the market also create net income instead of cash benefits (Auer et al., 2008). Furthermore, the main target of ALMP is to keep entrants in the market in the long run together with expanding employment

opportunities for job seekers and improving a match between open vacancies and unemployed people

4 Methodology

This chapter focuses on the research paradigm, approach, design and method that has been used to collect data and analyze it.



Source: Adapted from Bryman 2012 and Creswell and Poth (2018, p. 50).

4.1 Research Paradigm – Ontological and Epistemological Considerations

Ontological (about what exist) and epistemological (how we know it) (May, 2011) position shapes a research approach to theory and methodology in the study. Ontology is the reality that is (in) dependent on our knowledge, and epistemology is a theory of examining social reality (Marsh et al., 2018). The research aims to understand the social policy preferences of unemployed people from human capital investment perspectives. Because the perspectives shape preferences, then the reality is socially constructed by individuals that varies between them (Marsh et al., 2018) and specified as multiple realities. Clearly, reality does not exist out of knowledge and human perceptions give sense to social reality. Hence, the reality is seen from the constructivist ontological position. Indeed, socially constructed reality based upon individuals` motives, actions and interpretations (Marsh et al., 2018; Nogeste, 2021), then concerns interpretivist theory of knowledge that holds multiple ways of experiencing realities by actors (Nogeste, 2021). On the other hand, interpretive understanding of social actions brings causal explanation for the way and effects of actions. Social reality has meanings for people and they reflect these meanings by their actions in the way that they percept it (Bryman, 2012). Differently, individuals give subjective meanings to their experiences (Creswell & Poth, 2018). Therefore, it is crucial for the

researcher to get into people's common-sense thinking and interprets their actions and view to social reality from there (Bryman, 2012). Constructivist researcher looks at the research subject from many participants' views and interaction among them (Creswell & Poth, 2018). This research underpins interpretivist epistemological approach where the reality has subjective meanings, and while the researcher interprets these meanings, understanding of preferences, so there is a double interpretation (Bryman, 2012; Marsh et al., 2018). The understanding of the preferences is subject to the experts' experience in unemployed individuals and their participation in labor market trainings, thus the knowledge is gained through an interpretative analysis of these events. Hereby, understanding of the research subject constructed and interpreted through the gathered data (Thanh & Thanh, 2015), thus the research paradigm of the study allows the researcher to interpret the findings (Creswell & Poth, 2018). Furthermore, being an interpretivist research the study aims to understand the preference from the standpoint of job seekers' understanding of investment in human capital and draw on the theory that reflects the reality (Marsh et al, 2018). Else, interpretivism allows the researcher to discover the social reality through individuals' view and interviewees' experiences (Thanh & Thanh, 2015), and to unfold the subjective reality as perceived by them (Nogeste, 2021).

4.2 Research Approach – Abductive

Research approach frames the relationship between theory and research (Bryman, 2012), thus, research purpose defines two research approaches: first, inductive research that refers to data-driven, and second, deductive research that applies theory-driven research approach (Manners, Lynggaard & Lofgren, 2015; Nogeste, 2021). Research chooses a deductive approach when broad literature develops theoretical underpinnings for the research subject. Opposite to the inductive approach that collected data develops a theory, in deductive research collected data examines a theory (Nogeste, 2021) which means theory comes before empirical evidence (May, 2011) and theoretical considerations guide the process of data collection and analysis (Bryman, 2012).

Constructivist researcher develops a theory from the meanings instead of relies on the theory (Creswell & Poth, 2018) however, almost every research starts with a theory that frame the research subject (Bryman, 2012), hereby, there is no absolute inductive research. Even though the literature enables present theoretical framework which is characteristic for the deductive approach (Bryman, 2012), the current research is not deductive either. Because mostly the human capital theory examines the human capital investment and future earnings, but as this research aims to

study unemployed individuals' social policy preferences according to the human capital theory then the research approach places between deductive and inductive reasoning. Considering the research intends to link human capital theory to social policy preferences of individuals from the human capital investment perspective, therefore abductive research approach is reasonable for the study. The abductive approach presents a theoretical understanding of the research subject and studies the subject from the explanation and understanding of participants (Bryman, 2012).

4.3 Research Method Selection – Qualitative Research

Methods selection in research defines data collection, data analysis and interpretations and depends on the type of data needs for the study (Creswell, 2013). The ontological and epistemological considerations of this study allow the researcher to apply the qualitative research method (Bryman 2012, May, 2011) considering that such research method is well-applicable for constructivist and interpretivist paradigm (Thanh & Thanh, 2015; Toshkov, 2018). Qualitative research starts with the theoretical assumptions and studies the research subject through the meaning and understanding of individuals. Moreover, qualitative research allows the researcher to get a complex understanding of the topic by talking with people based on his/her knowledge derived from the existing literature (Creswell & Poth, 2018). In a qualitative research the researcher able to interpret data understanding, explore and explain individual or group perception in social issues (Creswell, 2013). Reminding that this research holds interpretivist approach thus qualitative methodology is applicable to study context through social actors' interpretations (Bryman, 2012). Moreover, examining the research subject by interpretations of participants proves the rationality of the qualitative approach to the study (Thanh & Thanh, 2015).

4.4 Research Design – Case Study with a mixture of Phenomenology

This research answers the research questions in the example of the Sweden labor market, so the case study design fits into the study. Additionally, since the research subject is explained from the perspectives of many individuals thus, the study also consistent with phenomenological research. With reference to Creswell and Poth (2018) the researcher specifies the study as phenomenological and case study research. Phenomenological research allows the researcher to describe common meanings of a phenomenon as experienced by several participants. “The inquirer then collects data from persons who have experienced the phenomenon and develops a composite description of the essence of the experience for all of the individuals” (Creswell & Poth, 2018, p.121). A case study is one of the main qualitative research design that capture empirical inquiry “of a particular contemporary phenomenon within its real-life context using multiple sources of evidence” (Nogeste, 2021, p.5). Case studies examine a particular location for an investigation and such area studies are the ones with a focus on a particular part/event of the world (King et al., 1994). The use of case studies provides in-depth knowledge about a certain context that allows the researcher to investigate a subject in detail within the specific case (Denscombe, 2014). It is more informing to study social reality within a single case study so that singularity has a clear-cut reflection of the global knowledge at the local level (May, 2011).

The research applies the abductive research approach in the subject by referring to the theoretical underpinnings, and Sweden is being considered as a case study to explain individuals` social policy preferences by bringing the bond between theory and labor market education. By doing so, the researcher is able to collect first-hand information about the research subject in a specific scene. The chosen case derived from the link between the literature and theoretical underpinnings where generally in qualitative research cases should have theoretical orientation from the beginning (Silvermen, 2013). Because mostly qualitative research guided by theoretical logic rather than statistical (Bryman, 2012). Therefore, the presented case study aims to understand the social policy preferences of unemployed individuals and the human capital investment behind these preferences.

Although a qualitative case study limits the generalization of the findings (Bryman, 2012; Denscombe, 2014) and this research does not claim any generalization, however, Sweden can be considered as exemplifying case from the issue of external validity (Bryman, 2012) where findings can be representative of a broad group of cases (May, 2011). For instance, Sweden can exemplify under the classification of Nordic countries. First of all, the clear link between the literature and theoretical reasoning allows the

researcher to study the subject in the example of Sweden where a suitable context for social investment policies exists. It is also important to define the case based on the theoretical reasoning of the study (May, 2011). Besides, the epistemological approach of the study also justifies that researcher can employ a case study to answer the research question (Thanh & Thanh, 2015). Even though the researcher gives the case more theoretical priorities however it is not theoretical sampling because the purpose of the case selection is not pure theory and does not aim to test the theory (Silvermen, 2013).

4.4.1 Case Selection Rationale

Sweden is an interesting case for the study from some perspectives. First, the existing literature defines the country as a pioneer in ALMPs since the 1950s in the background of active labor market trainings, job creation and public employment services under the supply-side policies (Barbier 2001; Bonoli 2010). Sweden chooses an “enabling” policy approach in ALMPs which is more human capital and training based. The policy target is to prevent low-skilled workforce marginalization and increase the match between supply and demand in the labor market through labor market trainings (Fossati 2018). Education and trainings are essential for the skilled labor force (OECD, 2015). Sweden well-developed the activation of labor supply through labor market trainings to facilitate access to employment and keep workers in the market for the long term (Kananen et al., 2006). Furthermore, Sweden is considered one of the high-level training countries that provide easy access to labor market trainings and on-job trainings (Mignot, 2013). In general, the country is known for its successful policy approach and programs in social investment (Garritzmann et al., 2017), and considered as higher education-oriented country (Gingrich and Ansell, 2017, Mignot, 2013) where labor market already adjusted to the high-skilled and well-educated workforce over time (Gingrich and Ansell, 2017; Zakova 2013). Thus, it is rationale to study unemployed preferences towards social investment policies where education and human capital investment promoted well. However, youth is always under the risk of unemployment with uncompleted secondary education or low skills. Thus, the Swedish labor market is not optimistic for young people with these backgrounds who have difficulties entering to the job market. Because the job market in Sweden is high-quality and technical jobs based thus youth with such background are more vulnerable to unemployment risk (Zakova, 2013). Following this, OECD (2015) states that low-skilled youth having difficulties to enter job market and student performance affected negatively because of the skills mismatch that emerges from the inadequacy between education and labor market. Lastly, labor market trainings are well-supported at the public level in the country. For

instance, Arbetsformedlingen (Swedish Public Employment Agency) provides a wide range of labor market trainings for unemployed people. Arbetsformedlingen is a Swedish public authority under the Ministry of Employment that contributes to a well-functioning of labor market through active labor market programs: labor market trainings, internships and start-up business support (Andersson & Thyni, 2021). Thus, the study collects semi-structured interviews with experts from Arbetsformedlingen and Malmo Stad. to get deep insights into the research topic and gather first-hand information.

In Sweden, labor market trainings (Arbetsmarknadsutbildning in Swedish) are for unemployed people or for the ones who are at the risk of being unemployed. These trainings increase the chance of unemployed to get a job and help companies to find employees. Trainings offer monthly wage to participants and last up to one year. In case of rejection to participate in such trainings unemployed can be deprived of cash benefits however it is not a common case (Richardson & Berg, 2006). Labor market training is a shorter vocational training that aims to strengthen the job seeker's opportunities for work. Labor market training also improves the matching in the labor market by making it easier for employers to find labor with in-demand skills, among other things through investments in training in the shortage (Andersson & Thyni, 2021).

4.5 Main Data – Semi-Structured Interview

Case and phenomenological studies usually associate with qualitative research methods such as observations and semi-structured interviews (Bryman, 2012; Creswell & Poth, 2018) particularly in phenomenological studies the researcher collects data through interviewing people who experienced the phenomenon (Creswell & Poth, 2018). Interviews and surveys are the tools for collecting data from people (Nogeste, 2021) and interviews are widely used research method tools in qualitative studies (King et al., 1994). Data collection can be done through documents and people. Thus, interviews are the source for data collection from people where the researcher has close direct contact with interviewees (Nogeste, 2021). Within the constructivist approach, interviews enable the researcher to look at the people's experiences or stories in a way of how they describe their world (Silvermen, 2013).

The research employs the semi-structured interview to understand unemployed people's preferences in social policies from the consultants' view. The epistemological position of the study allows the researcher to analyze the data qualitatively through interviews (Marsh et al., 2018)

because interviewees create different meanings for social actors in different contexts (Silvermen, 2013) and answer the research questions. A semi-structured interview enables the researcher to utilize the interview, manipulate the interview questions` sequence and allow the interviewees to answer more their own terms (May, 2011).

4.5.1 Interviewees Selection

The researcher applies a purposive (expert) sampling to study the research interest with the help of experts who consultant unemployed people, have deep insights about the subject and desire to share their experiences. Thus, the researcher conducts a total of nine semi-structured interviews with consultants from the South Regional Office of Arbetsformedlingen and Malmo Stad. Initially, the semi-structured interview scheduling was discussed with ten interviewees. However, one contributor withdrew from participating due to issues related to Covid-19. In total, nine consultants were purposefully selected to be the key interviewees and the interviews were collected with the semi-structured interview questionnaire. Selection and interviewing multiple key informants for the study is rationale particularly because of their direct works with unemployed people and different outlooks in relevant cases. Furthermore, they have practical knowledge about unemployed situation in unemployment cash benefits and labor market trainings and they have clear perspectives towards the understanding of unemployed approach on both. More than that, collected interviews with multiple key informants increase the validity and reliability of collected data confirming the literature and provides data triangulation through numerous information sources (Gaya & Smith, 2016). Data triangulation can be used in interpretivist case study. The purpose of the data triangulation is to discover the diverse meanings of the subject by different actors and to interweave various arguments on the point of the same reality (May, 2011). Furthermore, a snowball sampling method is chosen within the research to reach more contributors for interviews. The snowball sampling is one the sampling techniques that allow the researcher to ask for future interviewees from the people who have already been interviewed (Merkens, 2004) or differently, use the help of initial interviewees to have contact their social networks (Silvermen, 2013).

The below-given table represents an overview of the interviewees and interview methods. The researcher has a commitment to confidentiality in the interviewing. Considering that the researcher informed the participants about the confidentiality thus, the interviewees` identities are given by their current work position within the known organization.

ID	Work Title	Company	Data	Interview method	Interview duration
i1	SIUS consultant	Arbetsformedlingen	13/04/2021	Zoom	59 min.
i2	Arbetsformedlare	Arbetsformedlingen	15/05/2021	Face-to-face	60 min.
i3	SIUS consultant	Arbetsformedlingen	15/05/2021	Zoom	48 min.
i4	Consultant/Arbetsmarknadsavdelningen	Malmo Stad.	15/05/2021	Face-to-face	47 min.
i5	SIUS consultant	Arbetsformedlingen	16/05/2021	On phone	73 min.
i6	Consultant	Arbetsformedlingen	19/05/2021	Zoom	45 min.
i7	Unit Manager / Arbetutbildning	Arbetsformedlingen	20/05/2021	Face-to-face	60 min.
i8	Section Manager / SIUS consultants	Arbetsformedlingen	20/05/2021	On phone	40 min.
i9	SIUS consultant	Arbetsformedlingen	26/05/2021	On phone	35 min.

Table 2 Overview of the interviewees and interview methods

4.5.2 Data Collection

Due to the many reasons such as language barrier (Swedish-English), consultants' busy schedule, contact issues the researcher was able to collect nine semi-structured consultant interviews. On the other hand, as the language was a barrier between consultants and the researcher, thus the researcher collected the last two interviews with a written structured questionnaire in Swedish. However, the empirical data does not refer to this data. First, the answers were the same as the previous interviewees' answers; second, the number of the collected semi-structured interviews was sufficient to reach the theoretical saturation. Therefore, this data has not been analyzed for further study. Moreover, as it was not possible to translate the text professionally (Swe-Eng) thus, the researcher avoided affecting the research quality negatively. Starting from the eighth interviewees, the data continued its repetitiveness that made a clear point for "theoretical saturation" by increasing the reliability of the research findings (May, 2011). To reach saturation is not only about to stop continuing with data collection when it starts to be repeated. If the interviews do not give new information or develop insights for the theory then it can be also considered as achieved

in saturation (Bryman, 2012). Although the researcher discovered a few new issues for the research problem as this information did not follow further thoughts or kind of replicated, therewith the data shows a clear saturation.

The interviews were carried based on different techniques in the research. While three interviews held via Zoom online platform, the other three interviews conducted on phone. It must be said that phone interviews were the same quality as other interviews and did not harm the interview quality. For instance, the fifth interview lasted an hour and thirteen minutes by phone interview. The reason for the phone interviews was that Zoom is banned in Arbetsformedlingen, so that those interviewees preferred to give an interview on phone rather than using their own laptop. It is worth noting at this point that, even though there is the Covid-19 pandemic, however, the researcher still was lucky to conduct three physical interviews (face-to-face) at Arbetsformedlingen in Malmo. Another further point is that remote interviews allowed the researcher to make interview with consultants outside of Malmo city. Following, three consultants were online interviewed for the study from Helsingborg employment office, who works with job seekers in Nordvastra (northwest) Skane.

Writing up notes and recording for the later transcribing agreed upon with interviewees at the beginning of each interview. Only two interviewees did not give permission for the recording and the researcher manually noted the answers while responded. At the earliest, the transcripts were sent to interviewees` approval via e-mail. All nine interviews are transcribed into the texts. Each interview lasted between 40-60 minutes with an average of 45 minutes. Immediately after each interview, the researcher transcribed and coloured the data according to the key concepts. Interviewees were asked to talk about their experience in working with unemployed people and share their knowledge in job seekers` approach to cash benefits and labor market trainings. The researcher tried to keep the planned sequence of the questions while the interview process. However, the type of the interview allowed the researcher to make interchanges among the interview questions` order which is applicable in qualitative interviewing to maximize reliability and validity of key concepts by getting rich detailed answers (Bryman, 2012). Moreover, the researcher made additional questions on the spot per interviewees` answers to get clear responses on the topic. Sometimes also the researcher re-formulated interview questions or answers to avoid misinterpretation in the study. Moreover, the researcher made comments on the interviewees` answers to keep interviewees on the same topic and make the interview more conversational. The researcher also was open to additionally raised issues by interviewees which might be contributive to findings.

4.5.3 Interview Guide

The interview guide is a list of questions or topic related concepts which the researcher should follow to some extent when collects semi-structured interviews (Bryman, 2012). The researcher relied on the study recommendations by Bryman 2012 for the preparation of interview guide in the following manner: make interview questions reasonably by sequence on the topic however be open for change in the order of questions in the actual interview; design your questions in a certain sense to help you to find an answer for the research question; use a clear and simple language between you and interviewees.

The interplay between theoretical assumptions and interview questions is applicable within a theory-oriented research (Schmidt, 2004). Following this, the actual interview guide was created in accordance with the theoretical framework and research questions. The coherence between the theory and interview questions assures that the interview questions and responses attempt to focus on the research interest.

Theme	Theme questions
Opening	<ul style="list-style-type: none"> • Introducing of researcher, the research topic and the purpose of the study • Informing about <i>recording, anonymity and confidentiality</i>
Introduction	<ol style="list-style-type: none"> 1. What is your current position at (Arbetsformedlingen; Malmo Stad)? 2. How would you describe your current work with unemployed people? 3. To what extent your work covers working with labor market trainings?
Experts` opinion on individuals` preferences in labor market	<ol style="list-style-type: none"> 4. What is social assistance preference of unemployed individual in Sweden between unemployment cash benefits and labor market trainings? 5. In your experience, how unemployed see the difference between cash benefits and labor market trainings? 6. What do you think; job seekers mostly prefer labor market trainings or unemployment cash benefits? 7. In your experience, what makes unemployed individual to prefer labor market trainings? What are the circumstances? 8. Do you think job seekers value labor market trainings as human capital investment? In what ways? 9. How would you interpret unemployed

	<p>individuals` incentives towards labor market trainings in terms of human capital investment?</p>
Upskilling	<p>10. In your experience, how low-skilled people see labor market trainings? What are their expected benefits from it?</p> <p>11. 'Job seekers participate in labor market trainings because they want to learn or develop their skills' – so how would you describe this statement in real life case?</p> <p>12. Do you think the unemployed hope for employment or better employment opportunities by investing in skills through labor market trainings?</p>
Earnings	<p>13. How income factor triggers job seekers` participation in labor market trainings?</p> <p>14. Investment in education or skills through labor market trainings increases earnings in future – what do you think, how labor market training participant see this correlation?</p> <p>15. In your experience, people participate in trainings just because it is a substitution/replacement of cash benefits or they believe in this correlation?</p>
Mismatch between education and labor market, Transition from school to work	<p>16. To what extent mismatch between education and labor market forces unemployed to invest in their education or skills through labor market trainings after school or university?</p> <p>17. Are there many people from different study background who want to attend trainings to learn new skills opposite to educational background?</p> <p>18. Is investment in human capital through labor market trainings hope or solution for the unemployed in job match?</p> <p>19. In your experience, do young people who are from school to work transition consider labor market trainings as an investment in their labor market productivity and opportunity to enter the market?</p> <p>20. In what ways would you interpret the human capital investment understanding of the unemployed under the circumstance of mismatch and transition from school to work? Is there a willing for labor market trainings?</p> <p>21. To what degree labor market trainings can be an educational / market investment for young people after school education?</p>
Closing	<ul style="list-style-type: none"> • Is there anything you would like to add that I have not brought up? • What would be your recommendations for further investigation in this research topic?

Table 3 full interview script

4.5.4 Data Analysis

The analysis of the conducted empirical data starts with the transcribing of interviews and continues with the reading. The researcher considers two important factors, as stated in the study of Schmidt (2004) – own prior knowledge in the chosen theory and the research questions – when analyzing the transcripts. The directive rule in the analytical strategy of a semi-structured interview is to find and maintain an exchange between obtained data and theoretical framework (Schmidt, 2004). In accordance with the mentioned study arguments, the researcher not only focused on the early defined key concepts in the interviewees' answers but also read each text carefully to see whether there are new insights to the research subject or newly emerged concepts.

Later, the researcher coloured the analytical concepts as coding in the text for the further stage of the data analysis. Still, there is no exact method for interview data analysis (Alshenqeeti, 2014), thus, the researcher found it reasonable to use colours under the coding. The coding is the third stage of the analytical strategy of semi-structured interviews (Schmidt, 2004) and the method is important to explain/analyze the collected data (May, 2011) as well as, coding is about how the researcher defines the data for analysis (Gibbs, 2007). Coding is usually used in the qualitative thematic analysis in order to put conducted data into component parts and give labels to them. Coding of transcripts enables the researcher to interpret data in connection with a literature review and prior knowledge in theory (Bryman, 2012). The researcher used a few colours per key concepts of the study to retrieve all similar texts, ideas and explanations. As suggested by Gibbs (2007) this form of retrieval facilitates organizing and examining the data more structurally. Moreover, the researcher refers to the concept-driving coding where categories or concepts under these codes come from the study literature. It allows the researcher to consider analytical and theoretical issues while coding, as it is important within the coding process (Gibbs, 2007).

Colours	Description of Colour
yellow	individual preferences
brown	unemployment cash benefits
blue	human capital investment
red	upskilling
green	earnings
grey	mismatch between education and labor market
pink	transition from school to work

Table 4 Coding schemes

4.6 Ethical Considerations

It is important to follow ethical consideration in the case of human participation within the research (Alshenqeeti, 2014). Ethical considerations guide the conduct of research, form research practice and legitimate research. Research ethics should be regardless of space and situations for the researcher (May, 2011). Ethical issues should be considered at every stage of the interview (Alshenqeeti, 2014).

Within this research, in every interview, the researcher informed the interviewee about the confidentiality and privacy of the conducted interviews that consistent with Creswell and Poth (2018) who stress the necessity of ethical issues in data collection. Additionally, at the start of every interview, the researcher introduced the research subject and purpose by not unfolding the nature of the research. Also, the interviewees were informed about the recording at the beginnings; recording is considered practical and ethical within the research (May, 2011). In case of not allowing the recording, the interview discussion noted by the researcher and sent to the interviewee for approval and correction (if needed) later on via e-mail. As agreed upon before, the researcher named the interviewees with their current work positions within the organizations to keep the confidentiality and followed the ethical considerations in the data analysis stage as well (Creswell & Poth, 2018).

5 Data Description and Analysis

The chapter presents the analysis of the data collected with nine semi-structured interviews. First, the researcher classified the interviewees' answers to present unemployed preference between unemployment cash benefits and labor market trainings in Sweden. Following, the second research question is answered through the interpretation of consultants' answers to explain human capital investment in the preferences.

5.1 Social policy preference of unemployed people between unemployment cash benefits and labor market trainings

All the interviews started by talking about unemployed individuals' social policy preference between unemployment cash benefits and labor market trainings. Correspondingly, six of the interviewees showed the preference majority in the interest of labor market trainings participation (i1; i2; i3; i4; i8; i9). Noteworthy, when interviewees were asked about the unemployed preference in the forms of *"What is social assistance preference of unemployed individual in Sweden between unemployment cash benefits and labor market trainings?"* or differently, *"Do you think there are many jobless people prefer labor market trainings or labor market investment more than prefer unemployment cash benefits?"* the given responses by most (6/9) interviewees support the preference of job seekers in the interest of the labor market training participation.

Interviewee 2: "Free will wins. People [job seekers] choose trainings by their own [without a force by caseworkers] When we [consultants] offer labor market trainings very few people say no. Because education is a value for them, they value education. ..."

Interviewee 8: "I would say there are people [the unemployed] who enjoy getting cash benefits but that are not the common case. Common case is people want trainings, to train themselves, and get a job or education".

Interviewee 9: "... I do believe in that people do prefer more labor market trainings in Sweden because to get a job or to get employed it is important in Sweden".

The interview answers reveal that sometimes it is difficult for job seekers to see the advantages or get agreed upon the participation from the beginning. Therefore, it is also the consultants' duty to inform them about the advantages or motivate them for participation because it works to bring them to trainings later on. Interviewee 6 and Interviewee 7 put the unemployed individuals' preference on the side of labor market training participation together with the determining factors of support and motivation. Both interviewees argued that in order to engage more job seeker participation in labor market trainings our (Arbetsformedlingen) consultants should support them in the process and motivate them to get educated. Hence, motivation and belief towards an education bring more unemployed people into labor market trainings. "And they almost too easy [...] and motivate themselves to get our [consultants] attention that they want to go on our labor market trainings" (i6). Only, interviewee 5 gave the opposite argument to the fact of preference majority for labor market training participation. The interviewee justified his argument with the lack of motivation by the unemployed people and their attitude to the money that paid for training participants.

Interviewee 5: "We [consultants] need to promote such trainings and motivate them [the unemployed] to take part in it. Because, sometimes they do not see the difference [between unemployment cash benefits and training participation]".

"Because earnings from labor market trainings and cash benefits kind of the same".

Some of the interviewees point out that it is difficult for them to justify the flow in the participation of labor market trainings by exact numbers or refer to the statistics. Nevertheless, they indicate the numbers roughly by percentage and gave the weight for the trainings participation (i1; i2; i3).

Interviewee 1: "It is [labor market trainings] more they [unemployed individuals] choose by themselves. I would say 75 per cent say they want trainings. 25 per cent just participate; otherwise they know they will not get money [unemployment cash benefits]".

Interviewee 2: "... they are 10 per cent I would say that dependent on cash benefits. 90 per cent unemployed would like something [labor market education] to do".

Interviewee 3: "... I would say, let's say 60/40 in advance of education [unemployed people willingness to participate in labor market trainings]".

The labor market consequences of the Covid-19 pandemic either the impact of the pandemic on jobs and incomes are a special case for future researches. In order to avoid confirmation bias, the researcher did not include specific questions in the interview guide in this matter. However, some interviewees make a point of more job seekers' participation independently in labor market trainings during that period (i6; i7; i8; i9).

Interviewee 7: "So that it was [labor market trainings] a big chance for unemployed people in Sweden during the pandemic. So many people take a chance now".

Interviewee 7 also brings up the discussion about the new group of labor market training participants who lost their jobs recently, either are having a higher education background during the pandemic. Hereby, the interviewee includes 50 – 60 per cent of current training participants into this new group. Interviewee 8 further supports the same thought by highlighting job seekers', specifically young unemployed people's participation desire over labor market trainings. "Today even we have people [jobless] with higher education background who come to take labor market trainings" (i8).

Interview 9: "And I can say we have more and more people now [during pandemic] who want to participate in trainings".

A few interviewees do not include higher-educated people among training participants (i2) because they argue that today's labor market in Sweden is more highly educated workforce oriented (i5), and such trainings address low-skilled labor supply with the demand on specific or low-skilled jobs in the job market (i2; i4; i5; i7; i8).

As stated by the interviewed experts there is no big difference in financial benefits between unemployment cash benefits and monthly payment for the participation in labor market trainings which is called the activity support. It was pointed out by almost every interviewee (i1; i2; i3; i4; i5; i6;) that the amount of money is the same for the unemployed

individual either if she/he receives unemployment cash benefits or participates in labor market trainings. “.. today you [job seekers] go on trainings or benefits [unemployment cash benefits], this is the same amount of money” (i4). “If they [the unemployed] choose training, it is exactly the same money with cash benefits” (i1). Interviewee 6 stresses that there is no difference if you are a training participant or unemployment cash benefit receiver, at the end you will get the same amount of money. Interviewee 9 gives another explanation and expresses that firstly, unemployment cash benefits are not the same amount of money with a salary for people. Secondly, the unemployed understands that it is lower amount which is given in a short period.

Interviewee 3: “... but of course when you [the unemployed] enter an education, trainings, you do not get more benefits [earnings], or, you know that money [unemployment cash benefits or training participation wages] remains the same. And for some people [job seekers], they think that [is] okay, if I will just stay at home I will get this [the same amount of] money [unemployment cash benefits]. I have to do something [participate in training] and there is no difference in the amount of money I get”.

Notwithstanding the fact of the same money or financial support in both cases, 70 per cent of interviewees justify unemployed interest – preference – towards labor market trainings based on their free-will and personal motives into education (i1; i2; i3; i4; i8; i9). To start with the reality, in fact, the unemployed person does not have a choice between two options when it comes to agreeing on any specific training offer by Arbetsformedlingen in Sweden. Some interviewees explained that if the unemployed depends on cash benefits for a long time then we must find proper training and make an offer for them which could be obligatory, and sometimes job seekers are kind of obliged to take these trainings (i1; i2; i3; i7). Otherwise in case of many times rejection from training participation even could end up with cut off in unemployment cash benefits. Interviewee 2 says that unemployed people can either get unemployment cash benefits or participate in labor market trainings. The researcher had a very interesting discussion with the interviewees about the preference outcome in terms of the same level of financial support for training participants and receivers of unemployment cash benefits. Another informative part of the interviews was to see whether it is a free choice or free-willing in favor of the training participation. So that, most of the interviewees of the study mentioned the unemployed interest in human capital investment behind their training participation in case of the same monthly financial support as cash benefits. Interviewees claim that even though the monthly payment is the same for receivers and participants, job seekers prefer to get labor market education.

On the other hand, many interviewees confirm free will in the training participation which also indicates the preference generality to the trainings.

Interviewee 7 thinks that sometimes the unemployed understand the training participation as an alternative way of continuing to receive monthly financial assistance.

Interview 1: "In some way it [choice] depends on unemployed. ... You know, if you are unemployed you get the cash every month to do nothing, [by doing nothing] okay. But if we [consultants] find a job [labor market training] for you, you have to accept it. If you turn it down, you will not receive this cash money every month".

In the very beginning of the interviews, it was interesting for the researcher if it is deprivation of unemployment cash benefits that drives job seeker intention to attend to labor market trainings. Or differently, to participate in labor market trainings is not always the unemployed choice. However, 6/9 of interviewees debated that job seekers prefer labor market trainings by their free will as well as on purpose for education and labor market investment (i1; i2; i3; i4; i8; i9). "I think [the] main reason [to prefer trainings] is to educate, to learn new skills" (i2). Consequently, job seekers intend to attend labor market trainings not always when there is an offer by a consultant, but in most cases, they prefer participation independently.

Interviewee 4: "But who [unemployed] understands the values of education, they accept our offer for trainings or education".

Interviewee 5 differentiate the labor market trainings from unemployment cash benefits in way that when unemployed people prefer to go for labor market trainings then it is obvious that they prefer to educate themselves through such labor trainings.

Interviewee 1 at the start explains that the preference proportion is 50/50 among the people when it comes to make preference over labor market trainings by their own will. However, after a long discussion at the end interviewee 1 end up with the idea that more jobless people go for labor market trainings rest on their free will. "More in favor of free-willing to choose labor market trainings" (i1). Interview 2 claims that very few unemployed people do not agree to take part in labor market trainings when they get an offer and "the people who would like to have these labor market trainings, they would like to have an education". Interviewee 3 remarks that there are also jobless people that think they are forced to take labor market trainings whereas the majority chooses such trainings freely. The same interviewee emphasizes that unemployed people see labor market trainings as educational value that they can build on it. Interview 9 stresses the point

that there are more and more unemployed people now with the intention to participate in labor market trainings. "... they think they can change their life by getting educated" (i9).

Interview 4: "In my opinion, people and young [job seekers] no one wants to go on cash benefits. No one wants to do that. There is always something behind why. So I do not see people in there more want to stay on cash".

"... So it is reality that they [the unemployed] want to do something [labor market education] to get out of cash benefits ... "

Interviewee 8: "But I would say most people see it [labor market trainings] as opportunity because they are willing to change labor market situation [to get employed]".

There are also a few arguments by interviewees who think jobless people do not see the difference between unemployment cash benefits and labor market training participation giving that they are not motivated with a view towards education from the beginning (i5; i7) "Before the pandemic it was hard to find people to study [participate in trainings], we pushed people to go to trainings" (i7). However, interviewee 7 also agrees with the free flow in labor market trainings participation during the Covid-19 pandemic.

But at the same time interviewees 3, 5, 6 and 7 believe that consultants by their support and help can change the situation for the better and can motivate job seekers to prefer labor market trainings by their free will with the understanding of the necessity of education and better employment perspectives. Interviewee 3 also agree with consultants` support thoughts and stresses that it is also consultants` duty to inform the jobless people about the trainings` benefits and explain to them that little effort within trainings can bring more benefits in the future.

5.2 Human capital investment in unemployed individuals` social policy preferences

In consideration of the previous chapter`s discussion six out of all interviewees claim that unemployed individuals prefer labor market trainings on their own choice and with the purpose of education and labor

market investment ((i1; i2; i3; i4; i8; i9). Acquiring this information helped the researcher to move further in the research interest and to lead the interviews` discussion answering the second research question.

Almost every interviewee of the study has a positive reaction about the unemployed individuals` approach to labor market trainings from the human capital investment perspective. In the opinion of interviewee 1, job seekers see such trainings as an investment because they want to get a job in the market. With reference to the interviewee 2 unemployed individuals value labor market trainings as human capital investment for them. Interviewee 3 emphasizes that as long as the labor market gives more access to labor market education either study more people are willing to get engaged in such education. "But the most people already know that labor market education is important to get a better life in the market" (i4). Further comment was by interviewee 4 that the approach by the unemployed people to labor market trainings should be understood in a way of educating and protecting them against future unemployment risks. The opposite argument made by interviewee 5 "sadly, not all of them [participants of labor market trainings] understand it [trainings] as human capital investment. Interviewee 6 divides job seekers` approach to labor market trainings into two groups. The first group of people is self-motivated to take part in such trainings. However, the second group of people (who are not actually many) dependent on cash benefits need guidance or consultant support so as to notice such education as investment in their skills and labor market perspectives. Interviewee 7 also mentions that training participants understand that participation allows them to invest in their labor productivity.

Interviewee 7: "So they [unemployed] want to find a job. They try, try again and when they will realise that it is hard to find a job in this way then they look for options to educate them for the market".

Interviewee 8: "But I would say most people [unemployed] see it [labor market trainings] as opportunity because they are willing to change labor market situation".

"I think many people [unemployed] understand that in order to get money, I need a right education, right skills".

As explained by interviewee 1 that the unemployed understand such training participation in a way to get a real job and make more earnings in a later stage. In agreement with this thought, interviewee 3 and interviewee 4 stress that people without a job actualize such trainings or education as a chance to change their labor market situation for the better. "They

[unemployed] say I have to do something [to get labor market education] because I want to work” (i4).

Another interesting point expressed by some interviewees is about two different thoughts on the join between the duration of unemployment and the participation in labor market trainings (i1; i2; i3; i6; i8) Interviewees 1, 2 and 3 argue that job seekers are more open to such education if they are under the unemployment status for a long period of time. “... people who have not been employed for that long, already, I think, usually more open to education and to change their lives” (i3). The people who are unemployed for ages or have never been employed, they think that with the help of labor market trainings can learn something that leads to jobs and earnings (i1). Contrary, interviewee 2 claims that people who are registered in Arbetsformedlingen since many years ago they are not interested in more than cash benefits. Interviewee 6 thinks the same as his colleague (i2) and mentions that people under the long-term unemployment status are not interested and motivated in labor education and they prefer more to maintain their cash benefit receiver status. “May be some people who are unemployed for a long time do not realise it” (i8).

What was interesting that most of the interviewees mentioned the understanding of the importance of labor education either labor market trainings by jobless people in bad times. The reference has already been made to interviewees 3, 6, 7, 8, and 9 that the job seekers are more into trainings in the situation of the Covid-19 pandemic. Further comprising, interviewee 3 and interviewee 9 stress that during the recession or hard times unemployed people understand that they should make educational investment in their labor productivity in order to get easy access to employment again. It is argued by interviewee 7 that people changed their mind in the interest of labor market trainings to compete with the unintended consequences of such a crisis.

Some interviewees think that it depends on specialization for the unemployed to understand labor market trainings as an investment in human capital. Because they want to see what they will get at the end and whether this will help them to get employed in future. For instance, interviewee 2 saying that there are people who come to trainings to get a driver`s education. Interview 5 indicates the nurse or driving education among these and argues that unemployed people are into more training participation if they see benefits or employment chances beforehand. Interview 7 refers to people who want to become a welder or a baker. The interviewee says that those people value trainings as an investment in labor productivity because “they think if I study to become a welder I get a certificate that I am a welder. And I will get a well-paid job” (i7).

5.3 Upskilling

As presented by the previous parts in this chapter, the interviewees show the unemployed individuals' preference towards labor market trainings mainly depending on the understanding of investment in human capital either labor market productivity. Upskilling is introduced as one of the cornerstones of labor market education under the human capital investment by the study literature. Following, this point is discussed with the interviewees to see if it is one of the explanations behind the social policy preference of the unemployed. All of the interviewees answer that the unemployed having an understanding of upskilling through training participation. More than that, all interviewees of the study draw attention to training participants' expectations on employment perspectives through upskilling (i1; i2; i3; i4; i5; i6; i8; i9). "...many of them [participants] want to invest in and get more skills and get a job in future] (i1). "They [participants] realise that education or as you [the researcher] say trainings can open a door for them [participants], their future in employment". (i3). "... many people understand the correlation between training and skills and getting a job" (i8). Interview 9 states that labor market trainings motivate job seekers to get a job by improving their skills in the market.

Interview 3: "I would say, 65 – 70 per cent have gotten jobs at the end, because they really had a huge need for this kind of education".

Interviewees 4 and interviewee 8 also support the idea of upskilling through labor market trainings. It is argued by both interviewees that unemployed people want a job, and this is the main reason to participate in trainings, they aim to develop their skills through trainings and get out of cash benefits. Interviewee 6 further supports these thoughts by explaining that the unemployed see labor education as an investment in skills that enables getting out of cash benefits. A few interviewees mention that labor market trainings are short-term education that aim to improve supply skills, and should not be understood as for example university education.

Some interviewees mentioned that the problem with unemployed people in Sweden is either they have only school education or lack of

experience (i1; i6). Thus, mainly they are low-educated or low-skilled job seekers that attend labor market trainings (i2; i4; i6) because “they [participants] want to learn new skills, go to jobs where will earn money with these skills” (i2). Interview 8 states that job seekers value trainings to learn skills that allow them to get employed.

Interviewee 4: “In Sweden only 5 per cent of jobs do not require [higher] education, it is [called] low-skilled jobs. So, if you do not have anything, education, work experience, nothing. You have to build up yourself. Here they [unemployed] see [labor] education or trainings as opportunity. Yeah, it helps them. So, with their labor market education, skills, they know will have a future chance to get a job”.

But then again interview 5 gives another view to the training participation of the low-skilled workforce. The interviewee claims that “labor market trainings do not give better perspectives for low-skilled or low-educated people, today Sweden has an industrial market, farm jobs, or jobs which are done by hand, or low-skilled required jobs, they disappeared” (i5). But at the same time, the interviewee admits that “if people [unemployed] see the benefit then they intend to invest in skills through labor market trainings. It also depends on what are today`s market requirements. If they can realize this demand then they invest and get a job at the end”.

5.4 Earnings

The interviewees of the study bring up different thoughts on earnings by explaining the unemployed approach to labor market trainings. The interviewees of the study stress that income triggers training participation in a way of future and higher earnings in the job market (i1; i2; i3; i4; i6; i7; i8; i9).

In reference to the first three interviewees unemployed understands that labor market participation provides more money than unemployment cash benefits in the background of future employment where they can even double their earnings. Interviewee 6 stresses that the unemployed prefer trainings because they want to get out of unemployment and cash benefits

and to earn a real wage. Further, interviewee 4 states that unemployed people know they cannot live with cash benefits or a small amount of money for a lifelong and a job is a good source for making their own money.

As presented (see 5.1.) already the interviewees indicated the same level of amount for both unemployment cash benefits and labor market training participation. It has been described that even though the financial support is the same for both cases, job seekers still prefer trainings because the current financial support is not the only determinant in favour of training participation.

Interviewee 6: "But 99 per cent of those going to labor market trainings really know that as long as I am in education, this is the amount I will get satisfied during this. And when it [training] ends, then I [will] get the wages even more wages".

Referring to interviewee 7 and interviewee 8, unemployed individuals prefer trainings because they do not intend in being addicted to unemployment cash benefits so that they prefer to invest in their skills for more earnings, better employment perspectives and well-being.

Interviewee 9: "Unemployment cash benefits are not the same as well-paid job for people. They [unemployed] see unemployment cash benefits as lower amount in the short term. So, they want to earn more, here higher income or real wage is the trigger in Sweden to participate in trainings".

5.5 Mismatch in and transition to labor market

It is many interviewee`s reflections that first, the labor market in Sweden is more on the basis of highly qualified jobs. Same as interviewee 4 interviewee 2 also stresses that the labor market in Sweden is higher education either gymnasium oriented. Interviewee 4 confirms this thought: "but they [the unemployed youth] cannot only manage with these programs [labor market trainings]. Because [labor] market requires higher educated people..." The interviewee also stresses those unskilled jobs in Sweden fewer

than 5 per cent. Second, most young unemployed people without higher education background do not see the importance of human capital investment at the beginning (i2; i3; i4; i5; i7). In accordance with all mentioned, unemployed individuals hold different views in both cases – mismatch and transition - that make their preference on labor market trainings disputable in the human capital context.

Interview 1 argues that sometimes the school or university education does not help people to match in the job market. There are people with such background work for low paid and temporary jobs. However, those people are among the participants of labor market trainings or practices that want to learn specific skills to find a proper job. Interviewee 4 later adds that there are many unemployed people among the training participants with different educational background.

Interviewee 9: "Majority of people who take part in labor market trainings do not hold bachelor education. Or, they have tough schooling. Their intention is to get educated, or learn new skills to get a job at the end".

Interview 9 brings another perspective in the unemployed approach to labor market trainings. The interviewee explains that job seekers participate in trainings also because to develop their out-dated skills, as well as, to learn new skills against their educational background to find a new job in this direction. According to interviewee 5, the mismatch between education and labor market is not a common case in Sweden. Even though it is not a common case, however, it is still a problem. "Of course, labor market trainings provide a match with jobs" (i5). "They [unemployed] look at trainings in a way to get trained and match with jobs" (i8). Interviewee 7 gives further support to this statement, especially after the pandemic many people became unemployed, and they attend trainings to learn some skills to be ready for business or company change when back to work. Interview 8 gives a broad explanation; many unemployed people attend trainings to change their background. For instance, people from outside of Sweden. They see labor market trainings to enter the job market and find a match there.

Interviewee 3: "But I think it is a question of realizing that the old ways [occupations] are not possible anymore and really have to adapt".

Interview 4: "Market changes, job changes; they understand that they [unemployed] should learn something or new skills or new something to be employed for all time".

During the interviews, a few interviewees made a point about the adequacy of trainings to labor supply shortage in the job market. They assume that the unemployed invest in their skills and education through labor market trainings to match with this shortage. Because labor market trainings are also designed to provide those fields with labor supply to close the skill gaps and workforce shortage (i2; i3; i8).

Interviewees give different and interesting insights into the situation of unemployed young people in the transition from school to work. Interviewee 2 shows the linkage between low-skilled jobs and young people without higher education background. Due to this, many young people with only school education do not want to attend labor market trainings given that they prefer low-skilled jobs.

Interviewee 2: "Some of them [the unemployed youth] want to get cash benefits or quick jobs. Nothing more. Some of them very frustrated. They did not go to the gymnasium. Then I would say labor market education is not popular for young people, if you do not have gymnasium. They would like to have a work as soon as possible. Doing easy works; like driving, delivery, something like that. I think they are not really interested in education. Because if they have been interested in education they would go to the gymnasium. They want money as soon as possible.

Interviewee 3 and Interviewee 4 and interviewee 7 further support this, by bringing attention to the lack of motivation by unemployed young people in labor market trainings participation. Thus, trainings could be the last option for them when they realize the importance of educational investment after failures in the job market or by our (consultants) guidance (i3; i4; 9) Interviewee 4 says that "and young people whom I met they got demotivated from school. We need to motivate them to take an education". Interviewee 5 states that, young unemployed neither motivated in training participation nor they understand trainings as an investment. Interviewee 7 and interviewee 9 also bring a point to less unemployed youth participation in labor market trainings by explaining their intention in immediate cash jobs. However, the interviewee also mentions that after a while young people realize the importance of trainings for better labor market status. Interviewee 9 stresses that since Sweden is a higher internet-technical society therefore young people should be motivated in specific labor market education in this direction.

Interview 3: "They [the unemployed youth] cannot really see the motivation to go from being unemployed, staying at home, getting their benefits".

Interview 4: "Who drops out of school they do not want to invest in their education anymore, they want quickly to get job, earn money. They want to find a quick job".

Interview 5: "They [unemployed youth] take direct jobs. They want immediate money and want to see the immediate results".

Interviewee 9: "Young people mainly go for easy jobs in the market like working in restaurants. They come to labor trainings after losing/quitting the job or when they want to make better labor market perspectives".

Interviewees 6, 7 and 8 agree upon more unemployed young people participation in labor market trainings in the Covid-19 pandemic. All emphasize the flow in training participation even by young people with gymnasium and university background.

6 Discussion and Conclusion

The chapter discusses the empirical data in response to the first and the second research questions and presents the drawn conclusion. The chapter ends with contributions, limitations and proposes the future research directions.

6.1 Discussion

Unemployed individuals` preferences in the interest of labor market trainings - before starting the discussion of the study findings of the preferred choice between two, it must be noted that the study literature gives two options for unemployed choice; preference on unemployment cash benefits or investing in skills (Fossati & Hausermann, 2014; Gingrich & Ansell, 2012; Iversen & Soskice 2001; Wehl, 2020). Under this, the empirical data reports unemployed individuals` preferences in favor of labor market trainings. The findings show job seekers` preferences towards trainings over cash benefits. Here the empirical data supports the previous studies by Bonoli (2009) and Fossati and Hausermann (2014) that investment in human capital cuts down the dependency on unemployment cash benefits and improve labor productivity. In a similar manner, the first-hand data reveals the preference majority for the trainings where unemployed individuals are motivated in skills investment rather than cash benefits.

The empirical data shows the social policy preference towards labor market trainings in several respects. Indeed, these perspectives allow getting a better understanding of unemployed people's approaches to the trainings. To start with the study findings for the first research question (*What is the social policy preference of unemployed individuals between unemployment cash benefits and labor market trainings?*) mainly the actual data reports the preferences in the interest of labor market trainings. Hereby, the common case in Sweden is unemployed participation in the trainings instead of dependency on cash benefits. The study findings show that the unemployed receive the same amount of financial support in case of training participation or receiving cash benefit. Thus, jobless people mainly prefer to participate in

trainings in addition to their monthly financial support. On the other hand, the study findings show free will in training participation that the data reports the preference generality to the trainings. However, the empirical data captures a few arguments over the motivation and support for the training participation. The collected data suggests consultants' support and motivation for more unemployed engagement in labor market trainings. The obtained information varies about the training participation of those people who are under the long-term unemployment status; people under the long-term unemployment status are more open to trainings. However, the data captures also contrary arguments that people with many years' unemployment background are not interested in more than cash benefits. In the last scenario, training participation can be obligatory for those people as continued monthly financial support rather than education but still, it is not a common case among the participants. This empirical finding supports Richardson and Berg (2006) who also stress that this case is unusual for training participants. On the other hand, this information also consistent with Wehl (2020) that the cash benefits receivers is the ones who benefit from policy now.

The study findings in young unemployed people's preference for trainings brings interesting insights to the research topic. The data outcome in less training participation and lack of motivation in skill investment by young people is not consistent with the study of Ehrenberg and Smith (1991). This study findings report that young people, who left school earlier and go to neither gymnasium nor university education, prefer easy jobs, quick access to job market, and immediate income. Thus, the observed data shows less case for young people among the training participants and lack of understanding and motivation in human capital investment. The empirical data supports low-skilled workforce participation in labor market trainings which actually this information aligns with the literature in ALMPs. Another appeared point from the observed data was the adequacy of the trainings to a labor shortage in the market. The findings show that such trainings are designed to provide the job market with the required skills. In fact, the previous studies (Caruana & Theuma, 2012; Fossati & Hausermann, 2014) in ALMPs give a broad overview of the importance of the supply side activation policies and labor market trainings for skills shortage. The findings report more engagement in labor market trainings during the Covid-19 pandemic where unemployed individuals' approach to trainings characterized with the purpose of investment in labor productivity and getting back to employment. In general, this empirical finding appears to support the argument of many previous studies about the historical roots of the ALMP reforms. As cited by Caruana and Theuma (2012) in the study's literature, in reality, crises and unemployment force the shift to active employment policies. What is obvious from the study findings that loss of employment forces more people to

engage in trainings today. It is also relevant to the previous studies by Iversen and Soskice (2001) and Margalit (2013) that labor market position, unemployment situation, is the principal factor for preference change in crises.

To sum up, the study findings indicate unemployed individuals' social policy preferences in the interest of social investment policies in particular labor market trainings. Empirical data shows a few arguments about ignorance of human capital investment by job seekers. They are the ones who receive cash benefits and not interested in investing in their labor productivity. However, the main part of the data supports the human capital investment factor behind the preferences. In that, job seekers prefer training participation in the exchange of skill investment and future expected benefits. Young unemployed people are exception here as their case is different between these two options.

Investment in human capital as the preference indicator for social policy choice of unemployed individuals – the study answered the first research question that the unemployed prefer labor market trainings to cash benefits. And understanding of human capital in this preference is the answer for the second research question (*What makes unemployed people prefer one policy to another policy?*). The study outcome here consistent with Bonoli and Natali (2012), Garritzmann et al. (2017) who consider that unemployed preferences towards social investment policies are motivated by skill investment and employment perspectives. The gathered empirical data explains job seekers' understanding of human capital towards the preference in different ways. The study outcome demonstrates that job seekers conscious of future benefits beyond their preferences. So, the outcome appears to support the given study literature claiming the bond between social policy preference and future policy benefits. The research findings link unemployed individuals' preference on trainings with their expected benefits - expectation and belief in income and employment perspectives - in the future. Here the empirical evidence supports Wehl's (2020) who indicates unemployed preferences on social policies based on their expected benefits from policies. Besides, the empirical findings match with Fossati and Hausermann (2014) by indicating unemployed people's social policy preferences, particularly the preference for trainings, concerning predicted outcomes in the future. On the other hand, the empirical data also supports Ehrenberg and Smith (2012) to confirm the social policy preference for investment in human capital from the perspective of future expectations by individuals. The data analysis provides another evidence for unemployed preference in the interest of human capital investment that consistent with

Cataldo and Pose (2016) who consider education, income, employment perspectives, and better living conditions as direct effects of human capital investment. Given that, the actual data of the study indicates upskilling, income, and a new job as driving forces towards training participation of unemployed. In particular, job is the main motive of job seeker preference in skill investment. Here the findings again support the previous studies by Bonoli and Natali (2012), Garritzmann et al. (2017) that people support social investment policies considering skill investment and employment perspectives. This gives another understanding for the unemployed preference to the trainings that unemployed want to get back to employment by investment rather than keeping unemployed status by receiving cash benefits. The findings explain earnings as another trigger for preference to trainings. Thus, the unemployed believe in future higher income through participation. Clearly, the unemployed want to get out of cash benefits and make net income through skill investment because first, a cash benefit is not a solution for lifelong well-being; second, a real wage is higher than monthly financial support. This explanation brings another point from the empirical data that jobless people prefer trainings because they want to change their market situation by education. Even more, they invest in skills and education to maintain their well-being in the long run. The study data captures a few contrary arguments against the understanding of human capital investment referring to young people and other group of unemployed people who want to continue dependency on cash benefits without attending labor market trainings. The empirical data presents another explanation for low-skilled and low-educated people's participation in trainings; those groups of people intend to learn new skills and back to the job market as drivers, bakers, welders, or nurses. This finding confirms the understanding of human capital investment towards labor productivity by the low-skilled workforce and supports the different parts of the empirical data that the unemployed want to change the labor market position by investing in skills. The empirical findings report that the unemployed make skill investment through trainings to find a job. The data here align with Garritzmann et al. (2017) that upskilling has direct effects on employment. The study findings bring another argument that unemployment is common among low-skilled and low-educated people in Sweden. Therefore, low-skilled unemployed prefer trainings to get skilled and change their labor market situation. As suggested by Katz (1994), labor market training is common among the low-skilled workforce and is a solution to reduce unskilled unemployment. Moreover, Garritzmann et al. (2017) and Kananen et al. (2006) also stress that low-educated and low-skilled workforce support social investment policies against unemployment. However, the empirical findings show also the alternative explanation that it depends on the job market structure to see how the unskilled workforce benefits from the trainings. Obviously, labor

market training in Sweden gives different perspectives for unskilled either low-educated young people. Trainings do not provide better perspectives for these groups of people. The reason, as presented in empirical data, the Swedish labor market is higher education and high technological jobs oriented so that low-skilled jobs are not many. Trainings are also short-term education which teach some skills and should not be understood, for example, university education. Considering, the empirical data suggests that particularly higher education should be promoted among youth to prevent early school leaving and unskilled unemployment to build adequate labor supply for reality. This finding aligns with Zakova (2013) who sees unskilled youth at risk of unemployment with uncompleted secondary education. The author also considers the Swedish labor market not optimistic for unskilled and low-educated young people. Here, the study findings support Zakova (2013) in a way of showing the importance of higher education for young people. Further, the empirical data consistent with OECD (2015) that young people faces with challenges to enter job market, as well as, inadequacy between education and labor market affect students' performance in job market.

In addition to upskilling and earnings, the researcher drew mismatch and transition issues from the academic literature on labor market trainings and challenged the interviewees to see unemployed preference in such circumstances. As stated by Kluge et al., (2012) young people in the transition from school to work are the beneficiaries of labor market trainings, so that, the empirical data explains young unemployed people's preference and understanding of the trainings. So that, there are many people among the participants who want to learn new skills against their educational background or previous work experience. The observation is also applicable for people who come to trainings to develop their outdated skills to match with jobs. As the job market changes, the low-skilled workforce takes advantage of the trainings to match with these changes. It is also because that, trainings are designed per job market requirements and prepare the workforce for needed job areas. Although the observed data reports that mismatch is not a common case in Sweden however immigrants or job seekers with different educational and experience background are the beneficiaries of trainings to match their skills with jobs. The study findings are against young people's (early school leavers) participation in trainings or their understanding of human capital investment. Thus, low-educated unemployed young prefer low-paid and quick jobs in the market. They are not motivated by educational investment; obviously, they leave school earlier and go for easy jobs to earn immediate income. Trainings are not popular among unemployed people with a gymnasium or university education background. However, failure in the job market pushes them to attend labor market trainings later on. Contrary argument is that, there is a flow in

trainings by this group of people in the Covid-19 pandemic. These two contrary statements once again confirm the historical emergence of the activation policies and the importance of education by people in such cases. What is obvious from the empirical data is young unemployed after leaving the school earlier not willing to attend trainings and they are not motivated in educational investment. Considering the highly qualified job-based labor market in Sweden empirical data suggest that young people should continue school education because the job market is more accessible for those people with higher education background as well as low-skilled and low-paid jobs do not give better perspectives in the long-term.

6.2 Conclusion

The research carried out to investigate unemployed individuals' preferences between unemployment cash benefits and labor market trainings referring to human capital theory. Unemployed people's preference to labor market trainings explained through human capital investment. The research questions were answered by analyzing the empirical data gained from the interviews with consultants from Arbetsformedlingen and Malmö Stad. in Sweden.

The study presented two research questions; first, to find out the social policy preference of unemployed people in employment, second, to understand the human capital investment in this preference. The empirical findings answer the research questions that unemployed individuals prefer labor market trainings and investment in human capital gives the understanding for these preferences. The analyzed data provides solid evidence to support the theoretical assumptions by showing the unemployed individuals' preferences in favor of labor market trainings. The empirical data supports the theorized link between social policy preferences of unemployed individuals and human capital investment. Most interviewees of the study argue that job seekers prefer labor market trainings on the basis of investment in human capital rather than to receive monthly cash benefits and not interested in labor market education. However, a few contrary arguments support the preference on unemployment cash benefits; those people do not recognize trainings as investment or interested in participation, and willing to continue dependency on cash benefits. Considering that, upskilling, income, and mismatch between education and the job market bring understanding to the unemployed preference on labor market training participation. Exclusively the transition from school to work explanation gives different insights for preferences of young people in labor market, and

their participation either motivation in human capital investment. Interviews of the study agree that education should be promoted among the early school leavers, and unemployed young people without gymnasium or university background should be motivated towards the trainings. A further emerged point from the interviews was the importance of labor market education in particular during a crisis. What is obvious here that activation of labor supply is also people`s preference in crisis and the unemployed prefer skill investment opposite to cash benefits or keeping inactive labor market position.

To sum up, the research findings are significant to see the unemployed preference between two in case of the same amount of monthly financial support. Further to this, the actual data supports free will and the notion of human capital investment between these preferences. It is also interesting to see unskilled and low-educated young people`s labor market situation in Sweden. Last but not least, referring to a few concepts in the background of the theoretical framework allows the researcher to understand unemployed social policy preference with the chosen theory. Consequently, the empirical data reports unemployed preference towards social investment policies and supports the research theory that allows studying social policy preferences of individuals. In closing, the study findings also support the academic literature about the active employment policies and human capital investment in Sweden. The empirical data findings indicate the understating of education by unemployed people in Sweden. However, the findings leave open room for the discussion about young unemployed people`s motivation and participation in labor market education.

6.3 Contributions, Future Research Directions and Limitations

Contributions and future research directions: research implications of the theory - the empirical findings of the research support the theoretical implications that it is reasonable to study workforce social policy preferences under the human capital theory as suggested by Iversen and Soskice (2001). The research contributes by applying human capital theory with the

qualitative research method to study the social policy preferences of unemployed individuals in labor market. In summary, the given study literature links social investment policies with the concept of human capital investment where active labor market policies (labor market trainings) given with the investment policies. Moreover, from the theoretical perspective labor market training is considered as an investment in human capital. Logically, the researcher referred to human capital theory to study and understand social policy preferences of unemployed people between passive and active employment policies. Consequently, the empirical findings support the theory in studying social policy preferences of individuals, particularly in labor market.

- The research demonstrates the relevance of the human capital theory to study people`s perspectives on social policies in labor market.
- The research findings allow future researches to focus on particular issues of the Swedish labor market such as investigating young people`s understanding and motivation in labor market education.
- With reference to the empirical evidence of the study the researcher proposes a policy recommendation: in order to get more engagement in labor market trainings and increase the effectiveness of the program implementation, unemployed people should be more informed either motivated towards trainings to go out of unemployment cash benefits and back to the job market.

The study *limitations* are given as follows to explain how the methodology limits the study:

- The researcher had difficulties with contacting experts from Arbetsformedlingen for more interviews. First, there was a language barrier between the researcher and interviewees. In order to handle the language problem, the researcher conducted a few more interviews with structured interviews. However, as mentioned earlier, because of reaching the theoretical saturation and not professionally translation of the text the empirical data did not use this information later on. Second, because of the Covid-19 pandemic, it was not possible to reach more people. Even the 10th interviewee infected with the virus and withdrew his participation from the interview.

- The research by being the qualitative case study limits the generalization of the empirical study findings (Bryman, 2012; Denscombe, 2014). Indeed, Sweden is a pioneer in social investment policies however, what would be study findings if the conservative welfare state model selected as a case? Presumably, the study findings might not show the same explanatory features as for other countries. However, it might be possible to use the presented study findings in future comparative case studies to understand the unemployed preference towards labor market trainings.

- Additionally, the interpretivist epistemology of the study also limits the generalization of the study (Marsh et al., 2018).

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