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# SUBSIDIZED EMPLOYMENT AND THE SYMBOLIC SEGMENTATION OF INTERNAL MARKETS

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An interview study with Swedish workers on wage  
subsidies on navigating dual labor markets.

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## **Abstract**

The aim of the study was to complement dual labor market research by qualitatively exploring how labor market segmentations may be understood beyond sociodemographics or inequalities of job quality. By interviewing 12 Swedish workers with wage subsidies I have found that access to high job quality may facilitate trajectories towards primary market sectors, but they are only relevant so far as the workers feel that they deserve access to good jobs. Among the main findings were segmentations within the workplace between those employed through wage subsidies and those who were not. This is because as subsidy programmes eventually reduce compensation when workers become more productive, internal market logics are reversed as employers are incentivized to obfuscate improvements during yearly revisions with the Swedish Public Employment Agency. These workers may then become relegated to a secondary internal market with fewer options of tenures and job advancements compared to workers who entered through non-interventionist market mechanisms. Beyond material inequalities between colleagues, a symbolic segmentation between “adequate” and “disadvantaged” workers were prevalent in descriptions of work experiences, suggesting an inequality of social selves.

**Keywords:** wage subsidy, dual labor market, disability, criminal record, interactionism

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# Introduction

*While I am on the way to the bus, I usually feel a knot in my stomach. While on it, the pain gets worse, and I consider getting off. What is the point of going to work? Everyone thinks I'm bad at my job and the boss will probably yell at me today again. He tells me I have been working here for so long and wonders why I have not gotten better. "I don't know" I usually say. Because I don't. I have been working as a dishwasher at this restaurant for two years and I want nothing more than to be good enough. To be a trusted team member. Someone who belongs. Someone who doesn't forget. Sometimes I cry at work because my co-workers yell at me. I left the Daily Activities because I wanted to work and be included like everyone else, but this job is making me sick and I don't know what to do.*

*(Lisa, pilot interview #1)*

A few years ago my informal contact Lisa decided that she wanted to leave her protected employment form of Daily Activities (daglig verksamhet) in favor of exploring her possibilities on the labor market with the help of wage subsidies. While the protected employment was a good stepping stone for her, the daily wage was 60 SEK (5,15 EURO) and she was sustaining herself with added social insurances. She had read on the homepage on the Swedish Public Employment Agency that through wage subsidies, persons with disabilities can get a job on the regular labor market. By having the Swedish Public Employment Agency pay a portion of the salary, employers would be willing to give her a chance and the programme is built in such a way where participants are allowed a longer learning curve, adjusted work tasks and lower intensity along with guidance (Arbetsförmedlingen, 2019).

I have followed her worklife informally for around two years since she first started being open about her experiences with subsidized employment. At the restaurant, the employer had her working overtime and covering for sick employees, leading to a much higher work intensity than was agreed upon in the subsidy contract. Non-disabled co-workers were expressing irritation that she could not keep a high enough pace during evenings with missing staff and barely talked to her during breaks. She told me that the work was unbearable and that the case worker at the Swedish Public Employment Agency said that the only thing he could do was either keep the wage subsidy or remove it. After a while she quit herself, receiving financial sanctions on her social insurances for not working. After a couple of months she was matched in a small cafeteria, where she would be serving food and coffee. At this workplace, some customers asked her why she looked so different and why she never smiled. A co-worker

without wage subsidies would get angry at her for not learning the coffee machine fast enough and once shoved her away mid-brewing, telling her in front of customers to go clean the tables instead. She worked there for a month without having any contract signed, nor information on her salary before the employer told the Swedish Public Employment Agency that they no longer had use for her services. The contract was retroactively signed at the lowest possible salary that was negotiated through unionized collective agreements. After this, her relative said that Lisa's confidence had hit rock bottom and Lisa expressed that most of the job listings were not made for someone like her. That she will always be poor and that she will never find a good job.

As of writing, she works an unpaid internship at a government-owned organization called Samhall, in hopes of gaining subsidized employment. She has recently completed her first three-month period, which was extended by another three months, because they are still not sure if she will be a good fit.

## Research problem

There is a large body of research that found that there are certain disadvantaged groups of workers such as those with disabilities whom are overrepresented in long term unemployment and wage inequalities (Arbetsförmedlingen, 2019; Decker et al., 2015; DeLeire, 2001; Jones, 2006; Martin Jr, 2004; Mueller-Smith, 2015; Prop. 2016/17:188; Statistics Sweden, 2022).

Out of the Swedish workforce consisting of 6 420 000 persons, there are 477 000 thousand persons with work-related disabilities and most of them are reported to be vulnerable on the labor market (Arbetsförmedlingen, 2019; Statistics Sweden, 2022). Some economic theories claim that the cause of long term unemployment and wage inequalities for these groups is because of their inability to meet the employers' rational expectations on productivity, meaning that they cost too much to hire compared to what they produce in return (Fischer, 1977; Kantor, 1979; Prychitko & Phelan, 1988). Suggested theoretical solutions on how to stimulate employers' demand for disadvantaged workers is to either increase their productivity through training or make them cheaper to employ (Castelló-Climent & Doménech, 2014; Gintis, 2007; Hahn, 1980; Lee & Lee, 2018; Mincer, 1958; Pauw & Edwards, 2006).

The Swedish government bases a great deal of their labor market intervention policies on these economic theories and as of 2022, 104 000 wage subsidies had been administered to groups with long term unemployment (Arbetsförmedlingen, 2019; Habibija, 2022).

A targeted wage subsidy means that the employer gains monetary compensation in parity with the workers' inability to meet productivity demands. Post-wage subsidy, the disadvantaged workers should in theory be considered to be on equal footing with those who manage to find employment without governmental intervention, because the cost-to-productivity ratio is equalized (De Koning, 1993; Katz, 1996; Pauw & Edwards, 2006). In the labor market report of 2019, the Swedish Public Employment Agency references a Swedish impact evaluation from 2014 to cement the success of targeted wage subsidies (Arbetsförmedlingen, 2019; Eliason & Angelov, 2014). The study compares groups of job seekers within the Swedish Public Employment Agency and find that those with wage subsidies reported more employed hours than those without the programme (ibid.).

Landsorganisationen i Sverige, acronymed LO, is an umbrella organization of 14 worker unions. They synthesized Swedish databases and found that a majority of Swedish people with wage subsidies are overrepresented in jobs with low wages and poor working conditions (Habibija, 2022). The author writes that the Swedish labor market seems to be segmented into two parts: a primary sector for non-disadvantaged workers with access to a heterogeneity of job types, and a secondary sector for persons on wage subsidies whom only have access to bad jobs with few opportunities for advancements (ibid.). These segmentations pose as anomalies to economists because in theory they should not happen after compensating employers with wage subsidies (Reich et al., 1973). Dual labor market researchers position themselves in relation to these anomalies and try to come up with sociological explanations to the question: *How is it that some groups of disadvantaged workers remain in these secondary market sectors even when economic models on governmental intervention claim that they should not?* (ibid.).

The segmentation into dual labor markets has been attributed to varying forms of discrimination, inequality of education and job morals, complex socialization processes that make people choose bad jobs, and that job quality in itself either facilitates or hinders labor market mobility (Averitt, 1968; Baron & Bielby, 1980; Bulow & Summers, 1986; Jones, 2006; Kalleberg, 2013; Martin Jr, 2004).

LO writes that the causation of segmentation for workers on wage subsidies is a black box and needs more research, but they make tentative claims that perhaps this segmentation may

be alleviated if the Swedish Public Employment Agency concerned themselves with more than merely finding employment, but also following up the quality of these jobs (Habibija, 2022).

In my second pilot interview, Peter, a person with several years of experience with wage subsidies says the following about his experiences with how the Swedish Public Employment Agency follows up job quality:

*The Swedish Public Employment Agency only cares about getting you a job, but not what happens afterwards. My appointed case worker visits my workplace once per year, signs the wage subsidy contract and asks me in front of my employer if I can attest that the contract is being followed. I always say yes, but the answer is always no. What else can I do?*

*(Peter, pilot interview #2)*

A common theme regarding these varying claims of causation for segmentation, be they economic or sociological, is that they have a top-down perspective that does not involve the voices of the persons that are intimately affected by these interventions. This is relevant because the measured success from international research and Swedish impact evaluations have blind spots for job quality, meaning that their success stories do not match the experiences of those in my two pilot interviews (Arbetsförmedlingen, 2019; De Koning, 1993; Eliason & Angelov, 2014; Isbell & Smith, 1991; Katz, 1996; Phelps, 1994).

I asked Peter what this study on wage subsidies should focus on, to which he answered:

*Just talk to the people on wage subsidies. Keep an open mind and give them a voice... because evaluations don't show what we experience on a daily basis in our workplace.*

*(Peter, pilot interview #2)*

And I did just that. In this study I have performed 13 open thematic interviews with persons on wage subsidies. The introduction letter had the title "*What happens after gaining employment through wage subsidies?*" and an overwhelming majority expressed how happy they were to finally be able to talk freely about their work experiences without being constrained by deductive methods. The thirteenth interview was an ad-hoc unrecorded consultative discussion on the findings, because the respondent was disappointed that they did not make it into the first twelve interviews. The main finding was that while job quality may affect the merits needed to gain access to a primary market sector, the respondents ability to convert these merits into labor market mobility is contingent on the confidence to use them. This confidence was shaped through daily micro-interactions at work and some said that there



were invisible divisions between disabled and non-disabled colleagues which made them feel like second class employees.

This study has both policy and equity implications, because these interviews may contribute to dual labor market research by qualitatively exploring which role internal segmentations may play in reinforcing labor market vulnerabilities for persons on wage subsidies.

## Literature review

In this literature review, I will begin by relating labor market segmentations to the philosophical field of social stratification because it puts the study in a larger perspective that also involves morals and social order. Then I will look at how economic bodies of research have made claims to defining the problem- and it's solutions by intervening in the market mechanisms to equalize differences through monetary incentives. Finally I will contrast these economic studies with sociological claims to explain why markets become segmented eventhough the economic models say they should not.

**Search methods:** In order to get a feel for the research field, I started with searching Google Scholar for research specifically on wage subsidies and then followed the articles' reference lists towards other macro economical interventions, such as job expansion policies. These articles led towards the underlying theories these interventions are based on. Some of the articles were critiquing these theories and led me into sociological explanations on labor market inequalities. Inspired by previous articles I started searching for research on the groups that were emergent as vulnerable: some type of migrants, some forms of disabilities and persons with criminal pasts and substance addiction. Most of all I tried to find qualitative studies on wage subsidy programmes, which were quite rare. Towards the end of the search, a metaperspective of social stratification emerged, which nuances inequalities beyond employment status. In the end some of the most used search combinations were: general equilibrium, labor supply, keynesian, wage subsidy, disability + labor market outcome, criminal + labor market outcome, dual labor market, dual labor market + disability, dual labor market + criminal~, social stratification.

## Labor market segmentation from the perspective of social stratification

Social stratification is the process and the outcome of separating people into different groups, otherwise called stratas. Studies on labor market segmentation may get some of their significance through this philosophical field, because disadvantaged workers' market positions may also be understood to represent their moral positions within a social order.

Durkheim and Simpson (2013) wrote in the book *The division of labour in society*, that social order depends on the unspoken collective acknowledgement that we as humans complement each other through different occupational roles, so far as we work towards common collective goals. These goals are often considered to consist of universalistic morals, which is why they need not be spoken. The second part of Durkheim and Simpsons' (2013) work is that social order is also upheld through repression towards those that break the unspoken rules, where tribunals and codified sanctions are deemed universal in human history. The adhesive that holds us together is the knowledge that we can be punished and cast out from the collective, should we break the trust of the invisible human contract.

Social order and cohesiveness has not only been understood from a collective consensus perspective however. Smith (1981) argued that social order is derived from a series of individualistic and self-serving economic-minded acts. A good society is built on individuals whom are aware of the collective consciousness, so far as they can use it to maximize their own profits. This means that mercantile acts and inventions are profit-maximizing because they respond to the collective needs of society, and are then sold on different markets. This means that an invisible force of collective individual acts will lead societies to prosper. By this logic, social stratification of economic winners and losers can be seen as a natural outcome of ones inability to adequately supply the collective demands of society, because someone else already did it better, or faster. Smith's (1981) work on *An inquiry into the nature and causes of the wealth of nations* can be seen as the most influential progenitor of capitalism, where the intrinsic nature of winners and losers lead to aggregate prosperity through the market efficiency that comes from competition.

Weber et al. (1978) nuances this discussion with the proposition of different types of classes. A class does not only represent a current position, but a trajectory. Classes are then described as probabilistic in that they represent the likelihood to find, not only material sources, but also a place in life and inner satisfaction. Weber et al. (1978) builds upon Cooley's (1909) studies

on the rigidity of caste systems to argue that the drivers to class stratification are contingent on the prevailing mode of stratification within a context: a rigid feudal-like system or merit-based mercantilism. From the perspective of industrialized western countries where the labor market has been a mode of stratification, economic outcome studies for vulnerable groups may be seen as the largest predictor of finding happiness (Weber et al. 1978).

Below I will discuss how researchers have concerned themselves with mapping out differences in economic vulnerabilities between groups. While migrant groups are reoccurring as vulnerable in labor market outcome studies, there have also been indications to the variation of severity of this vulnerability with migration type, institutional setups and regime types (Brücker et al., 2021; Kogan, 2016; Malaeb & Wahba, 2018; Sainsbury, 2012). This means that eventhough migrants also receive subsidies in Sweden, the complexity of scope goes beyond this study. The same goes for gendered variations in labor market outcomes as well as ethnic minorities overrepresentation of income inequality, because they also seem to have variations with institutional setups (Kushi & McManus, 2018; Lefranc, 2010; Moller & Stearns, 2012).

Two groups that seem to be universally disadvantaged on the labor market, however, are persons with disabilities and persons with criminal pasts (Burkhardt, 2009; Bushway, 2004; Decker et al., 2015; Jones, 2021; Jones, 2006; Martin Jr, 2004; Mueller-Smith, 2015; Pettinicchio & Maroto, 2017; Raphael, 2014).

The way in which society should view these stratifications morally has been under contention within research on political philosophy. Mill (2014) argued in his book *Utilitarianism* that stratifications may be acceptable, so far as the sum of the actions of individuals in society led to an aggregate increase of goodness and utility. Rawls (1971) argued in his *Theory of Justice* that inequality in itself is immoral and outweighs a greater good. Clark and Gintis (1978) built upon the work of Rawls (1971) and emphasized that the alleviation of stratification could not be left to the sum of actions by individuals, because institutions have knowledge of aggregate outcomes and put an emphasis on interventionist policies. The work of Keynes (1936) has had a big impact on how policymakers in western industrialized countries have taken on the role of intervening with market logics. This is because in his work *The general theory of employment, interest and money* (ibid.), it is theorized that because of the way market advantages compound, there will be inevitable market failures that strongly shift the leverage towards employers.

In the next two sections of this literature review, I will contrast two perspectives on labor market segmentations, which also represents claims to their solutions: a human capital perspective and a sociological perspective. This is because they have practical implications for how wage subsidies may be administered by government- and experienced by the programme recipients.

## Human capital perspectives on long term unemployment and its accompanied solutions

Through the lens of neoclassic economics there is only one market and the segmentation is between employed and unemployed people (Yashiv, 2000). One of the fundamental drivers for segmentation is the premise of a general equilibrium, which represents the efficient point at which the demand for labor meets the supply of labor (Gintis, 2007; Hahn, 1980). Through rational choices of self interested profit maximizations, employers hire on the margin and carefully calculate the ratio of hiring costs to increased productivity for every new person they employ (Prychitko & Phelan, 1988). Researchers have looked at the decisions behind supplying labor, and one of the findings is that workers choose the employer at the margin as well: this is because they aim to find an intersect of monetary income per unit of leisure time that is traded away (Krusell et al., 2011). Researchers have also concerned themselves with natural shifts towards market failures in the general equilibrium: in part because of compounding market effects, but also because of imperfect information or deviations from rational choices by the actors on the market (Ackerman, 2002; Angeletos & Lian, 2023; Hammond, 1998). Labor market vulnerability through this lens been understood as workers' individual failures to meet the rational expectations of productivity from employers, which is why they are either unemployed or otherwise overrepresented in poverty (Fischer, 1977; Kantor, 1979; Yashiv, 2000).

The proposed solution to inequality has then been to equalize human capital: education, trade skills and other competences that make them attractive enough for employers (Castelló-Climent & Doménech, 2014; Lee & Lee, 2018). Another way to equalize the balance on the labor market has been through job expansion policies, in which it is theorized that through market de-regulations, or job subsidies targeted towards firms, the total demand for labor will go up, which will lower productivity demands incrementally, meaning that those who almost made it before, will be first in line towards employment (Orbeta Jr et al., 2014). The effects of job expansion policies has been questioned: Wright and Dwyer (2003) studied the effects of

job expansion periods in the 1960's and 1990's United States and found that even though more jobs were created and aggregate demand for labor went up, there were tentative results that some groups such as ethnic minorities were clustered towards low paying jobs.

Below I will discuss how researchers have tried to solve unequal market outcomes for disadvantaged workers through the social investment perspective.

Through literature reviews and political sentiment analysis, Giddens (1998) discussed the pros and cons of a mixed economy, where part of the government's role may be to invest in individuals' abilities to find welfare through market mechanisms. This social investment, has been supported empirically to reduce unemployment, but may also reinforcing market vulnerabilities: this is because policies tied to social investment may overlook pre-existing market failures, or even reinforce them because individuals search jobs by availability instead of job quality (Cantillon, 2011; De la Porte & Jacobsson, 2011; Knabe & Plum, 2010; Mincer, 1958).

Another way of including disadvantaged workers with insufficient human capital has been to stimulate employers' demand for their labor through wage subsidies: By having governments pay the portion of the wage that the employer otherwise would pay, the cost to productivity ratio is shifted downwards, meaning that persons with lower productivity would be accepted by employers (De Koning 1993). Pauw and Edwards (2006) saw unemployment as a pressure on the state and found that the costs of wage subsidies are lower than the long term costs of market exclusion, because it alleviates social transfers and social problems.

In a Swedish evaluative report, quasi-experiments were made with persons who are coded at the Swedish Public Employment Agency as having work-related disabilities (Eliason & Angelov, 2014). By comparing group A, which had targeted wage subsidies, with group B, that received other nonspecified interventionist programmes, the group with targeted wage subsidies had a modest impact on hours worked per month and increase in net social wages, which means market related income plus economic transfers.

Katz (1996) bridged the gap between economics and sociology in the study of wage subsidies. By following general and targeted wage subsidies through three decades in the United States combined with a literature review, Katz (1996) found that wage subsidies that were targeted towards disadvantaged groups did have a modest impact on demand for the labor of disadvantaged groups, but had unreliable take-ups. The assumption was they may be underutilized because they are stigmatizing for workers, in that they might believe they would

be judged as inadequate if they received governmental interventions for finding employment. Katz (1996) argued for holistic solutions that looked towards the shifts in equilibrium through wage subsidies, investing in human capital as well as acknowledging sociological factors.

In the next section, I will look further at sociological explanations as to why some groups seem to remain vulnerable even after being targets of economic market interventions.

## Sociological explanations for segmented markets

By using the European Union Labour Force Survey, Green and Livanos (2017) found that certain groups were overrepresented in jobs that did not offer full employment. These included young workers, older workers, women, non-nationals, those with low education and those with previous long term unemployment. Standing (2011) also looked towards job quality and concerned himself with how certain groups cluster towards insecure work contracts, which he calls the precariat, where human capital demands are put in relation to inflation of what employers deem to be rational expectations on what an adequate level of productivity is compared to earlier periods.

The way in which some groups are overrepresented in low quality jobs has been researched from the perspective of labor market segmentation (Reich et al., 1973). It comes from empirical observations that there is not one labor market, but two: one for “normal” workers in the primary sector and a secondary sector for disadvantaged workers that mostly contain jobs of poor job quality and few options for advancements (Doeringer & Piore, 1975).

Bulow and Summers (1986) attempted to connect neoclassic economics with elements of sociology, by asking the question: how is it that two groups with the same amount of human capital have different labor market outcomes over time? In the context of the United States in the 1980's, Bulow and Summers (1986) also argued that social, biological or moral inadequacies within the workforce could be drivers towards this division between primary and secondary sectors, which were mostly rooted in complex structural inequalities. Bulow and Summers (1986) used the term shirking to describe how one of the causal factors to segmentation was that employers did not put enough resources into closely monitoring these morally disadvantaged workers, who were predicted to lower their work input when not supervised by managers. In their conclusions, Bulow and Summers (1986) argued that interventionist policies may alleviate these inequalities of labor market outcomes, with a combination of anti-discrimination- and affirmative actions policies, combined with subsidies

to increase wages for the low paying jobs. This was a monetary incentive to prevent disadvantaged workers from shirking or quitting their jobs.

Harrison (1971) responds in their literature review to previous assumptions in 1960's that the sociological explanation for differences in human capital or education is more than unequal distribution between ethnic groups, and argued that when holding ethnic groups constant, there are class differences in the who gets access to primary sector jobs, with particular attention towards American ghettos. Taste discrimination from employers represents their unwillingness to hire certain groups because of moral reasons or non-proven predictions of differences in productivity based on sociodemographic belonging, and Isbell and Smith (1991) continued this debate by promoting wage subsidies towards employers to counter-act taste discriminations towards those deemed disadvantaged.

Supported Employment is a multidisciplinary intervention that is similar to purely economic wage subsidies and contain holistic help with matching, emotional support and follow up. A meta-analysis of previous impact studies indicate that this form is effective in gaining and maintaining employment (Marshall et al., 2014). While the study does take subjective experiences and some sociological aspects of long term unemployment into account, much like the wage subsidies that intervene with the general equilibrium, this has mostly been studied from a top-down, psychiatric or macroeconomic view. In a ten-year follow-up study, Salyers et al. (2004) did interview Supported Employment participants, but only from the perspective of them being knowledge bearers on the impact of this type of project. Antonson (2002) has studied Supported Employment qualitatively though, and interviews with persons with intellectual disabilities gave respondents opportunities to describe their needs for holistic solutions, outside of just worklife. Antonson (2002) argued that social capital plays a big role and portrayed the amount of informal help that was given by family surrounding money management, living situations and governmental contacts. The author (ibid.) writes that supportive case workers can act as important replacements for disadvantaged workers whom may lack necessary informal help.

While versions of supported employments exist in Sweden, the programme called targeted wage subsidiy primarily focuses on economic stimulation of demand for disadvantaged workers and few qualitative studies have been made in regards to these. Gustafsson et al. (2018; 2014) have made such contributions by semi-structured interviews with persons on wage subsidies as well as with employers. The main contribution was that employers are usually positive towards hiring through wage subsidies but wish to receive more information

from the Swedish Public Employment Agency on expectations, and workers respond that they feel more included once the needs and expectations between all three parties are made clear (ibid.).

## Literature review discussion

The literature review shows that social stratification in western countries has mostly been attributed to the prevailing mode of industrialized capitalism, where future ways of finding happiness and a place in life is attributed to the ability to sell their labor on the job market. Economics-based research believe in one labor market with segmentation of employment types and wages. The proposed solution is to use interventionist programmes to increase workers human capital as well as compensating employers for potential productivity deficiencies. Dual labor market researchers have claimed that there is a secondary market for disadvantaged workers that have macrosociological explanations such as discrimination. Gustafsson et al. (2018) are one of the few that interviewed persons on wage subsidies and concluded that social inclusion goes beyond merely finding employment, because it is facilitated or hindered within the workplace. Of note was that matching persons to a job where they could feel competent and valued was just as important as being able to be open with needs and expectations (ibid.). While this had the position of social inclusion, I will build upon this rare qualitative study and aim to contribute to dual labor market theories by focusing on what happens within the workplace after finding employment. Because of the theoretical nature of the study, the aim and research questions will be presented below the theoretical frameworks.

## Theoretical frameworks

In the theory section I will aim to complement the assumptions made in the literature review by looking at the organizational setups as well as the interactions within the organizations. First I will look at how difference in job quality may be stratifying agents as they present different possibilities to accumulate professional knowledge, certificates and social connections. Beyond the organizational setup, I will use a theory on how social interactions shape our sense of belonging and self worth and apply it to the subjective worklife experiences of disadvantaged workers on wage subsidies. This combination aims to contribute towards dual labor market research by not only looking at the quality of the organizational



setups, but also taking into account how differences in social interactions may have diverging results when holding job quality constant.

## Organizational qualities as drivers for segmentation

Beyond looking at heterogeneity in sociodemographics and other external attributes within the individuals as predictors of segmentation between primary- and secondary sectors, sociologists have argued that the heterogeneity in job quality between jobs act as segmenting drivers themselves. This has been studied in different ways: Baron and Bielby (1980) builds upon previous works of Averitt (1968) *The dual economy* and synthesises it with other literature to give an excellent macrosociological argument towards the importance of organizational structures as drivers of stratifications. Baron and Bielby (1980) lists differences in scale of operations, bargaining contracts, task complexity and modes of supervision as some of the dividers between primary and secondary jobs, and relates them to future stratification trajectories. This research is however too zoomed out to job interactions for disadvantaged workers. I argue that a synthesis of Doeringer and Piore (1985) *Internal labor markets and manpower analysis* and Kalleberg (2013) *Good jobs, bad jobs : the rise of polarized and precarious employment systems in the United States, 1970s to 2000s*, is a good fit because they both operate within the belief that dual labor markets are reinforced by the anatomy of organizations but present more micro-level aspects of job quality that can be applied when understanding the job experiences for disadvantaged workers.

### **Job quality and worker power**

Kalleberg (2013) builds upon the work of Marx and Engels (1954, 1956) and Korpi (1985) with the argument that the old conflict between workers and owners of means of production has been redirected to create a polarization between workers themselves. The role of collective worker power towards employers through labor unions has in part been replaced by individual worker power that is used to compete with other workers on the labor market. Individual worker power represents a combined leverage from human and social capital which in turn means that they are more attractive to employers than other competing workers with less worker power. The way in which a worker gains individual worker power is largely tied to the job quality within a firm (ibid.). A good job contains high levels of work autonomy and access to complex tasks, together with on-the job training and courses. Combined with good wages, acceptable work intensity and access to socialization with other primary workers,

working in good jobs are predicted to open doors to other good jobs in the future because they generate tangible merits and social connections (ibid.).

Kalleberg (2013) argues that labor market segmentation will increase over time because the differences in job qualities will create growing gaps in individual worker power primary workers and disadvantaged workers relegated to a secondary market sector.

### **Internal and external labor markets**

Access to job quality may not always be uniform as there may also be segmentations within the company, as contributed by Doeringer and Piore (1985). The external labor market is what we commonly know as a classic labor market, where monetary market mechanisms of self interests and profit-maximation are dominant. It is mostly on this level that labor market segmentation studies operate because it represents the steps from unemployment to employment (Andrisani, 1973; Averitt, 1968; Doeringer & Piore, 1975).

Once a person finds employment, there may be a temporary respite against outside competition as a work contract signifies a temporal agreement of continued cooperation between worker and employer. Within the firm, a new competition may occur between colleagues to access and monopolize finite organizational resources such as salary increases, better work tasks, educational courses and stronger work contracts (Doeringer & Piore, 1985; Kalleberg, 2018). These so called internal markets operate differently than external ones because the competition does not only include outbidding in terms of cost/productivity, but also by time spent within the company and building social relations (Doeringer & Piore, 1985). The added administrative and social aspect gives the internal market a higher level of rigidity and foreseeableness than a fickle external market, which means that a worker that does their job well can reasonably expect yearly wage revisions and other advancements based on time spent within the company (ibid.).

The author (ibid.) argues that there may be a division between mechanisms and logics within the same organization, where there is a primary internal market sector as well as a secondary one with fewer options of job security and advancements. Doeringer and Piore (1985) write that these internal segmentations may occur when subcontracting or otherwise hiring temporary workers. In this study I will make use of internal market segmentations to explore how the very nature of wage subsidy programmes may lead to emerging segmentations between primary workers that entered through non-interventionist market mechanisms and disadvantaged workers on subsidy programmes. This analytical tool may help us understand

how a job can be both good or bad depending on which side of the internal segmentation disadvantaged workers find themselves in.

In the next section, I will explore how personal experiences may shape what constitutes a good job and what psychological needs need to be met when one has had a series of experiences with worklife disadvantage.

## **Segmenting micro-interactions**

In the previous section I presented Doeringer and Piore (1985) and Kalleberg (2013) theoretical assumptions which state that the compounding polarizations between primary and secondary workers come from the difference in individual worker power, which is mostly generated from good jobs that allows one to accumulate skills, merits and social connections. In this section, I connect those dual labor market theories with interactionist theories by arguing that inequality of worker power also represents inequality of self worth and labor market confidence. This is because the human capital and social capital aspects of worker power is only effective as long as they are congruent between worker and employer, where congruency means that both parties evaluate them the same. In this section of interactionism, which is a combination of social psychology and sociology of emotions, I look at how previous work life experiences shape their self image and self consciousness in regard to their worker power and perception of job quality.

### **Social stratification through interactions**

In the 1914 lecture, Mead and Miller (1982) build upon Cooley (1909) and Durkheim (2013), arguing that social order as well as stratification of groups, is the sum of the actions and imaginations of individuals who share unspoken consciousness towards what it means to be a member of the human collective. Mead and Miller (1982) argue that what makes us specifically human, is not our material shell, but our inner world, our imagination. This inner world largely affects how we perceive- and interact with the material world, and at the same time our inner world influenced by interactions with the outer world. Mead and Miller (1982) argue that the interplay between the material and the inner world creates an interconnected dualism of what is real, because our inner representations have real impacts on the material world and the material world has real impacts on our inner world. At the same time, we can only perceive other people in the material world through our inner representations, because we do not have access to their insides, so we give them life through our inner representations. Mead and Miller (1982) give the example that the act of putting oneself in another person's

position, empathy, does not mean that we can ever truly get inside that person, as it only reflects our inner imagination of how their inside could be. Looking into the eyes of a crying person only has value so far as we relate this to our inner representations.

### **The social self – I and Me**

One of the key contributions of Mead and Miller (1982) that other interactionists have built upon is the notion of the social self. Mead argues that in order to truly look inwards to who we are, we need to divide ourselves into both a subject “I” which is the one watching, and “Me” the object that is being watched. The reason it is called a social self is because we cannot look towards ourselves without empathy, the ability to put ourselves in others people’s positions. Our social selves can only be accessed by acknowledging that other people also have selves with inner worlds, who also have an idea of what it means to part of a bigger collective. But because we cannot truly know another person’s selves, we can only view ourselves by assuming the role of another imagined self in order to subjectively experience the object of our evaluation, the “Me”.

In short this means two things:

1. We can only know the value of our social selves through the eyes of others
2. Since we cannot truly put ourselves into another person’s eyes, we create within our mind an inner representation of how they probably would have evaluated us, given that they are good members of the larger social order.

This becomes relevant in terms of job searching and recruitment: when we consider that it takes two parties to make an evaluation of one’s human capital and moral standing, it is quite possible that beyond taste discrimination, disadvantaged workers may also underevaluate their worth through their imagination in a way that would not be matched with an employer, should they ever even meet in the first place (Bulow & Summers, 1986).

If we try to go beyond snapshots of current employment distributions and look qualitatively through a longer work life narrative, we can imagine that these people have had their social selves shaped through the eyes of others before. And their previous interactions may shape further perceptions where they might anticipate discrimination in situations where they might not occur.

The previous interactions may also leave a certain rigidity of the social self, where it may take some time for previously disadvantaged workers who now entered an internal market, to

change that inner representation of themselves, which is why job quality alone may not be the only predictor of labor market segmentation.

The social self is a good concept to understand individual worker power from the previous theory section. This is because the degree to which it is something that exists objectively and can be perfectly understood by employers with perfect information is an ontological question (Mead & Miller, 1982; Popper, 1979). With the concepts of the social self in relation to “I” and “Me”, we may also view job interviews in regards to the objective relativism that Mead and Miller (1982) argue towards, meaning that our experience is an interplay between our inner world and a material reality. The result of the job interview is then based on each party’s inner estimation on how they would be evaluated by the person in front of them. This will be extra relevant when considering the position of disadvantaged workers who may have long histories of job search rejections.

### **Symbols**

Only accounting for inner estimations represents extreme relativism, because just like Durkheim (2013) used legal systems as expressions of collective consciousness, so does also Mead and Miller (1982) use the concept of symbols, that help individuals find common grounds on estimating the “true value” of something. In the case of dual labor markets, education diplomas are symbols that both the employer and the worker knows represents an estimation of how other people in the greater collective would evaluate this person. Since the wage subsidies are administered to persons with poor work histories, they are themselves symbols of a collective agreement of this person’s disadvantage.

### **Stigma – discredited and discreditable**

Goffman (1986) builds upon the symbolic interactionism of Mead and Miller (1982) by intricately describing the measures disadvantaged persons take to obfuscate a tarnished social self in relations to others, all in order to find acceptance within the larger collective.

In the book *Stigma: Notes on the management of spoiled identity*, Goffman (1986) described that earlier in Greek culture, a stigma was a symbol of a spoiled social self, in that criminals or slaves had special markings carved or burnt into their bodies, so that there would be no common disagreement towards their unability to fit within the greater collective. Goffman (1986) makes a contribution towards contemporary society in that now that markings are not as common in western industrialized countries, so they are either inferred through other symbols or sometimes secretly carried within ourselves. The variation in visible symbols as to

their unablensness to fit within the collective, and their individual attempts to obfuscate information on the “true identity” of their social selves, may help us understand differences in taste-discrimination by employers. A person’s wheelchair may be a symbol of a collective agreement on this person’s predicted ability to meet employer’s rational expectations, while a person with a criminal past may be more successful in hiding it.

There is also an important temporal aspect on the management of a spoiled social self, which can be nuanced with the concepts of discredited versus discreditable.

A person who is discredited has already in some way been “found out”. This does not mean that an employer or colleagues who can infer a person’s value to a generalized collective will automatically sanction a person for sitting in a wheelchair or missing an arm: it only means that they have information in which they can then make a decision on how to treat this person. A discreditable person however, have not yet been found out because they successfully managed to hide a tangible symbol or tarnished biography. Having not yet been found out can also harm disadvantaged workers because they may anticipate that they are only accepted by the manager and colleagues under the condition that they never find out the “true identity” of their social selves. This could have implications for dual labor market research in how one may choose jobs in a secondary sector that may be more accepting of tarnished social selves.

## Theoretical summary

In summary, I have brought together the concept of stratifying organizations and worker power with interactionism, which may contribute to new understandings of dual labor markets. The first aspect is that the social self and stigma may intervene with external- and internal market logics. The second aspect is that because our social selves are reshaped through external interactions, labor market stratification may be understood as a process of micro-interactions rather than statically tied to the objective job qualities within a firm.

## Central concepts

### *Dual labor market*

Primary and secondary sector

Internal and external markets

Job quality

Economic- and noneconomic work rewards

Individualistic worker power

### *Interactionism*

Social stratification

Social self

I and Me

Symbols

Stigma

Discredited and discreditable

## Aim

By interviewing wage subsidy recipients, the study aims to contribute to dual labor market theories by exploring which role internal market segmentations may play in regards to future market mobility

## Research questions

How may internal market segmentations be understood beyond inequalities of job quality between colleagues?

How may interventionist wage subsidy schemes be understood to influence internal market logics?

What role may the discreditation of social selves play in disadvantaged workers' ability to convert accumulated merits into labor market mobility?

## Methodology

### General information

In order to fulfill this study I have had 15 interviews in total: 2 pilot interviews, 12 recorded interviews and a 13th unrecorded interview with note taking for knowledge validation. All of them had experiences with wage subsidies. I have also had unrecorded consultations with two persons from the Swedish Public Employment Agency; two Social Services Agencies; a

representative at one of the Swedish labor unions; three NGOs regarding persons with disabilities and two NGOs regarding persons with criminal pasts.

The 12 recorded interviews represents the data used for analysis. It involves six persons with varying dimensions of disabilities and six with criminal pasts. Most of the interviews were conducted in Swedish and lasted between one and two hours. The age range was between early 20's to early 60's. There was a relatively even distribution in biological sex. All of them had permanent residency, which is relevant for the conditions of labor market participation. The majority of the participants, about two-thirds, were from southern or central Sweden, with the rest being from north of Stockholm. Most of them had histories of trouble with school. A third of them had university credits including bachelor's and master's degrees. The participants with noticeable physical disabilities and intellectual disabilities tended to have had longer post-subsidy careers. Those with disabilities or criminal pasts that were not immediately known about, tended to have longer pre-wage subsidy careers. Some participants within both groups reported positive work experiences until they experienced a change in health, and some of those with criminal pasts also had good work experiences until they had a criminal record.

In this chapter I will go through sampling considerations, a prolonged discussion on how choice of methods are connected to knowledge interests, validity/reliability with a discussion on how the choices of theories relate to how I view claims of knowledge. Finally I will discuss the ethical considerations needed when interviewing persons in vulnerable positions.

## Sampling

The selection was non-probabilistic and theoretically driven (Djurfeldt et al., 2018; Mason, 2017). It was theoretically driven in that among a stratified population that also includes migrants and otherwise long-term unemployed, persons with disabilities and persons with criminal backgrounds were deemed a good fit in relation to the literature review on dual labor markets. Migrants can also be vulnerable on the labor market, but there are great variations in migrant types, citizenship status and education validation that would be too difficult to include together with the other two groups (Sainsbury, 2012) The selection criteria was that they had previous or current experience with wage subsidies and wanted to talk about their experiences. It was non-probabilistic in that the participants were not randomly selected from a predefined population, and the participants self-selected instead (Ahrne & Svensson, 2015; Mason, 2017). This is a vulnerable group and because of Swedish secrecy laws and ethical



considerations, one can not simply gain access to who have wage subsidy programmes and randomly select from that population (Offentlighets-och sekretesslag 2009:400).

The mix of a split between persons with disabilities and those with criminal pasts is theoretically relevant and can possibly contribute to dual labor market theory (Averitt, 1968). This is because they are both deemed very disadvantaged in the literature review and may face taste discriminations, but for different reasons (Burkhardt, 2009; DeLeire, 2001; Jones, 2006; Martin Jr, 2004; Raphael, 2014). One may face productivity discrimination while the group with criminal past may face discrimination based on sociological or moral reasons. It is also the case that one group may, according to interactionist theories, have visible symbolic signifiers as to their value at work, while those with criminal pasts may fit into the group of discreditable, in that they may be accepted as good workers until an employer or colleague finds out about a criminal record or gossip of their criminal pasts.

When deciding how many persons to interview, I was guided by Guest et al. (2006) whom argued that a good predictive measure is 12 persons. This was a response to an ongoing conversation among researchers, where quantitative methods are guided by probabilistic formulas and a calculated sample is taken from a defined population, with a plethora of available post-collection computations to control for selection skew, false negatives or false positives (Djurfeldt et al., 2018). Guest et al. (2006) position themselves in relation to the concept of thematic saturation when working with qualitative approaches, which is an iterative process of increasing the number of interview participants until there are few or no new emerging themes from the interviews. This iterative process may make it difficult to predict the amount of resources, and Guest et al. (2006) made a contribution by analysing a larger study they made with over 60 interview participants. They made a log of the cutoff points to when they started seeing diminishing returns on adding more interview participants and reported that they saw a big dip in emerging themes after twelve interviews. Even though this was made for studies that are larger than master's level studies, I used it as a guideline and in the analysis phase I started to see fewer surprises after nine interviews.

In order to get a hold of 12 persons to interview, I mainly used freestanding NGOs or NGOs connected to wage subsidy programmes as a way of getting a hold of interview persons. In a couple of cases I contacted municipalities. Because of an agreement with respondents in regards to the vulnerabilities, I decided not to name which organizations I used to get a hold of these persons. One of them was through personal contacts, and one of them was through personal contacts as mediated through social media. A lesson learned is in the immense

amount of work it takes to find twelve respondents: especially six within each group. One of the reasons is because for every four to five organizations that agreed to help in mediating contact, maybe one or two responded. In most cases half of them responded to initiating first contact and out of the people that I initiated first contact with, about half of them did not respond to initiate a second contact to book an interview.

In several cases respondents expressed clear interest in wanting to participate, and after we booked a time to interview they then did not respond. This means that in order to get a hold of twelve respondents, I have contacted more than 25 organizations and I had booked a twelfth interview with four persons before a fifth booking went through and resulted in an interview. I asked the final participant what it was like to talk about labor market vulnerabilities and they said that even they considered to back down because of the sensitive nature of the topic, but that they felt it important that studies invite the voices of those whom are subjected to these programmes.

Because of the sensitive nature of the topic, organizations were weary in the beginning and I did not anticipate the emotional cost to contacting so many organizations and making an introduction to each one. Once they got a feel for what the study was about however, almost every organizational representative expressed that the topic was important because their clients rarely get a chance to talk about their experiences. Even though most organizations initially wanted to help, some of them did not get back to me, or some said that even if they agreed with the topic they did not have the resources to help with mediating contact. Almost all of the organizations wanted to hear about the results and I made agreements with some of them to present a summarized report of the findings in person or on digital network meetings. The way in which the mediation had to happen was bound by Swedish confidentiality laws, which means that an introductory letter was mediated through e-mail, that NGOs could print and show clients or other persons they knew with wage subsidies so that they could self-select and contact me if they were interested.

The first question to consider is what kind of bias this self-selection may represent. The introductory letter starts with policy intentions of work place adjustments and knowledge gaps in qualitative studies regarding experiences after receiving the wage subsidy. I anticipated a skew towards persons that self-selected because they were in some way unhappy, but I was surprised to find that the split was quite 50/50. In every interview I asked why they wanted to participate in this interview and in half of the cases, respondents wanted to discuss poor experiences, while others responded that they wanted to spread the gospel of how much work

through wage subsidies had impacted their experiences positively. In a couple of cases, the respondents did not articulate any specific motivation.

With this I anticipate that the spectrum of reasons for self-selecting range from unhappy-indifferent- to very happy. With this wide range, the interviews can be seen as consultative in that they bring up what did not work well or emphasized what did. They were relatively homogenous in that they had previous experiences of difficulties on the external market and had varying experiences within the internal market. This means that some people had experiences of struggling on the labor market, but may have had a series of positive experiences while employed. Some people were currently working in their first subsidized contract; some were currently working on their second- or third wage subsidy contract; some had previous experiences with subsidized contracts combined with unsubsidized work. One thing they all had in common was that not one of them had a standard employment-type contract at the time of interviewing.

## Methodological considerations and positionality on the production of knowledge

### **Qualitative and quantitative methods**

As a response to how economists and macrosociologists in the literature review tried to understand labor market segmentation through numbers, I will contribute with the use of words. The division between using numbers or words as material to understand- and make knowledge claims towards the readers can be called the division between quantitative and qualitative methodologies (Ahrne & Svensson, 2015; Djurfeldt et al., 2018; Mason, 2017). Most of the studies listed in the literature review that used econometric models or statistical analyses can be said to be quantitative, while the studies that interviewed participants can be said to have used a qualitative method. I argue however, that these categorisations are quite meaningless without connecting them to the knowledge interest and theoretical assumptions on how the data can be used to make claims as to contribute with new knowledge. Qualitative methods always involves using individuals subjective experiences, but the differentiation between qualitative methods represent which aspect of the human subject is deemed important, as decided in the aim and research questions and in the construction of the interview guide (Ahrne & Svensson, 2015; Mason, 2017).

For example, in the literature review, both Antonson (2002) and Salyers et al. (2004) interview persons with the same goal of improving the field of Supported Employment. Here

they have different perspectives on knowledge however, because with Antonson (2002) the data from the interviews are presented as descriptions of experiences, while Salyers et al. (2004) interviewed persons as knowledge bearers to fill in the gaps between several datasets, and their words were then transformed into variables to present probabilistic arguments as to the likelihood of participants remaining in employment 10 years after receiving this interventionist programme. Are they both qualitative? In method yes, but in methodology and perceptions of knowledge, maybe not. This is because the first one focuses on how the material world influences the subjective experiences, while the latter focuses on what is being done within the material world (Bhaskar, 2008; Husserl, 1970; Popper, 1979).

### **Cartesian dualism, objective relativism and phenomenal knowledge**

This brings us to the discussion on how the theories of material job quality can be intertwined with symbolic interactionism to make tentative knowledge claims as to the future labor market trajectory based on the subjective experiences of disadvantaged workers (Doeringer & Piore, 1985; Goffman, 1986; Kalleberg, 2013; Mead & Miller, 1982).

Based on early claims by Descartes' "I think, therefore I am" there has been an overarching discussion to which extent subjective consciousness can or should be separated from the external material world (Robbins et al., 2018). Descartes' claims represents cartesian dualism, a separation between consciousness and the material (ibid.). The dual labor market theories, including those of job quality and internal segmentations, I would argue represents this separation, as subjects engage with the external organizational setup that either facilitates the gaining of merits or hinders it (Kalleberg, 2013). In the foreword of Meads lectures, Miller (1982) discusses that Mead positions himself against the solipsist nature of phenomenology, meaning that the conscious experiences does not only originate from within ourselves, but through an interplay with the material world. And in this material world, some of the objects are also conscious subjects. Miller (1982) attributes the theories of "I" and "Me" to what he calls an objective relativism, where consciousness cannot exist without interplaying with the external reality. For example, in Gustafsson et al's. (2018) interview study, the expressed subjective sentiments were that social inclusion occurred when interacting with the organization, which included both material facilitators as well as conscious subjects. To build onto this, I argue that the intertwining of job quality and symbolic interactionism generates added value from the perspective of objective relativism: the self-evaluation process involving "I" and "Me" may involve both the inner representation of a colleagues judgement or the picture of incompetent interaction with a work task (Mead & Miller, 1982).

I will also pervert Mead's (1982) resentment towards aspects of phenomenology by claiming that there are more ways to gain knowledge on dual labor markets than through empiricist operationalizations of logistic regression models or time-series data through second hand databases (Andrisani, 1973; Bhaskar, 2008; Djurfeldt et al., 2018; Popper, 1979). This is because there are certain aspects of knowledge validation that can only come from the embodied empathy on how it would "feel" to be shoved away by a colleague in front of customers or what it means to have a knot in your stomach on the bus to work (Eriksson, 2023; Mørch, 2019).

### **Societal shifts in knowledge interests**

The differences in operationalizations may represent differences in how one can gain knowledge of the world, but more importantly, which type of knowledge is important. Vedung (2010) argues that the shift in knowledge interests and its presentations are contextual matters that shift within waves: from modern empiricism with a focus on what we can see and measure in the 1960's, to a counterrevolution of post-modernism that views knowledge as relative, as a critique the modernist belief that knowledge accumulates upwards in a linear fashion and will always become better. Vedung (2010) argues that in some fields, post-modernism has been criticized for the fact that just critiquing and doubting knowledge may have diminishing returns on how it can actually help people, and that we see a return of a new modernist wave, with more focus on what we can see and measure. This new resurgence of measurements, which Vedung (2010) calls post-epistemological neorigorism is then seen as emancipatory in relation to an oversaturation of knowledge production that only critiques the current knowledge production.

Thomassen and Retzlaff (2007) argue that the production of knowledge is inherently a sociological process where we are influenced by each other, which can be exemplified by the literature review in this thesis that I in some way at least need to position myself towards or against. Dahler-Larsen (2012) emphasises that the interaction between empiricist knowledge and emphasis on measurements called an evaluation society, which feedbacks into itself as more empirist knowledge is being created.

The position I take when choosing a qualitative approach is that the current oversaturation of impact studies regarding wage subsidies represent knowledge inconsistencies in labor market segmentation research because they do not take heterogeneity of experiences and intentionalities into account which may lead to deviations from rational-choice models

(Angeletos & Lian, 2023; Fischer, 1977; Husserl, 1970; Kantor, 1979; Prychitko & Phelan, 1988).

### **Interactions with fields of research and prevailing discourses**

In regards to Thomassen & Retzlaff's (2007) argument that research is a sociological conversation where we influence each other, I have thought about how this research has been influenced by bodies of research that in their mere existence may steer me towards what is important.

Firstly, I regress this discussion to Weber et al's (1978) research on social stratification, which is on a higher level of abstraction than labor market segmentation, because class groupings are also the result of social and moral views that go beyond monetary income. In the context of western industrialized capitalist countries, the divider is more often income-based, rather than stand-based. This means that the body of stratification research, be it economical or sociological is related to positions in labor market and how that relates to income inequalities. Esping-Andersen (1990) differentiates between liberal welfare regimes and socialdemocratic welfare regimes and the literature review seems to steer towards equality of opportunity with anti-discrimination tools from liberal welfare regimes, while the studies from nordic contexts which are social democratic, and tend to focus on social investment, which is a way of fitting the person into an existing labor market. Despite typological differences, there seems to be a cross-contextual commonality: that because the mode of stratification is economical, monetary gain from the labor market is the problem- and solution to inequalities.

To build onto this, Paulsen (2010) comes from the perspective of work-criticism and argues that the road to ending inequalities through ending unemployment is a hegemony that need not be the case. This is because we have reached a point in society called late-stage capitalism, where there are diminishing returns on innovation and production. This means that more hours worked is not the answer, because we are already seeing an underutilization of what is produced and an increase in empty labor: staying clocked in but not working. This means an awareness that this study on labor market segmentation is influenced by- and reinforcing an economic mode of stratification, that need not be (Paulsen, 2010; Weber et al., 1978).

## **Reasons for open thematic interviews and an abductive approach to conceptualizations**

How this self-awareness has re-shaped the study is difficult to say, but it was one of the reasons why this study turned into open thematic and abductive research design instead of a survey, as disadvantaged workers in the literature review rarely were given a voice to potentially challenge the economic view on stratification (Azungah, 2018; Bitektine, 2008; Timmermans & Tavory, 2012; Weber et al., 1978).

Just like with the differentiation between qualitative and quantitative I argue that these concepts have local variations, but the somewhat commonly agreed upon answer is that deductive research usually has a set theory in mind before collecting data. Empiricist deductive studies may look to prove or disprove a hypothesis, mostly with quantitative measures. My qualitative interview study was initially deductive in the way that I had theories on labor market segmentation in mind before starting the interviews and a lot of the concepts were related to employability. One of the pilot interviews had very specific semi-structured questions, where the goal was to explore the intricacies of the social world through a thick layer of theories, but the pilot participant absolutely hated the interview. This is because they did not feel it represented their view of what was important in relations to their experiences on the labor market and with wage subsidies. After that the approach turned into abductive, which in my case meant that I used theories to nuance the open-thematic interviews, but I allowed myself to be surprised and influenced by the material in the analysis phases (Timmermans & Tavory, 2012).

The strength of using an abductive approach is that it could increase the type of validity that means that the theories match the data, because I am not stuck with the theoretical stubbornness from a deductive method where the previous theory would be forced to fit with the interview participants lenses through which they view reality (Mason, 2017). The fact that deductive methods would be a struggle is not entirely true: a deductive open-thematic interview format would lead to stubbornness, but a deductive structured or semi-structured interview format would not be challenging. This design represents the knowledge interest and the closed nature of the structured and even semi-structured might not even leave room for participants to make the analysis problematic with their own claims of what is important to analyse (Mason, 2017; Thomassen & Retzlaff, 2007).

Serrant-Green (2011) argues that the research designs themselves create silences in regards to what aspects of the subjective experiences are left out in relation to what is operationalized and proposes a new ways of looking at research frameworks in order to include the voices of

the silenced. My understanding is that this has both equity implications as well as on validity of research: which is a conceptualisation of the match between data, theory and knowledge claims. I argue that there are two types of validities that are relevant in regards to Serrant-Green (2011) silences framework: one is the first level validity of match between data and knowledge claims, but the other type is the meta validity on how well the direction of the knowledge produced matches the studied persons perceptions of potential problems and its solutions.

This has influenced my research design in a few ways. First, the coding process was in itself abductive in the way that it was an iterative process of trying to understand the quotes via concepts and then change theoretical frame when my preconceptions did not match. I had first considered an interactionist framework from Collins (2004) because he focused on interlinked and very minute microinteractions that build upon each other. I intended to use it to understand divisions within the internal market, but the material did not support it and the concepts called interaction ritual chains would fit better within the approach of participant observations, where one can watch what happens and take notes on these minute details of tonality and rhythm of voices (Aktinson & Hammersley, 1998; Collins, 2004).

Secondly, in that after the first two interviews I changed my data collection from a semi-structured interview format to that of a thematic open interview format (Ahrne & Svensson, 2015). A semi-structured interview format entails using an interview guide that is less strict than structured interviews, but the way I used an open thematic interview was via memorization concepts. After the first three interviews, I did not look at the conceptual interview guide and it created a better conversational flow. That is because I noticed that my theoretical pre-conceptions and knowledge interests did not match that of the participants in the first two interviews: the knowledge felt like it was unwillingly extracted as I steered them towards somewhat closed questions, making the interview feel somewhat conflictual.

After listening to the first two interviews, I decided that the knowledge should not be extracted in order to make claims towards theoretical knowledge gaps, but rather to have this knowledge be co-created as a part of teaming up towards a common problem (Ahrne & Svensson, 2015; Jull et al., 2017). This is why I changed the format to open thematic interviews, where the participants had a a much larger role in guiding towards which topics where important, and my part of the teamwork as associating and building upon their statements and questions with previous research in order to find nuances. The difference was felt, and many of the remaining ten participants expressed gratitude and satisfaction after what



they described as a conversation, not an interview. The open thematic interview format is limited compared to semi-structured in that it takes more interviews to reach saturation and some theoretical intricacy can be lost with the amount of width (Bryman & Nilsson, 2018). It was this width however, that contributed towards the second level of validation likelihood of matching the production of knowledge with respondents intentionalities.

In spite of this, there were a few times that I misintepreted what the common “problem” was, and after the fourth interview, I always included the question: *why did you choose to participate in this study? Which direction do you think this study should take and who do you think should read it, in what purpose?*

By asking this, I got closer to co-creation of knowledge and I found a form of saturation in the answers on how the knowledge should be produced (Mason, 2017).

### **Reliability or trustworthiness?**

Although some researchers would say that reliability has no place qualitative research, Loh (2013) argues that validity and reliability needs to be at least considered, especially when trying to disseminate produced knowledge to policy makers or other actors that are influenced by empiricism. In a positivist paradigm reliability may mean that a study can be replicated or that there is consistency between items in an index, while a paradigm that focuses on narratives may view trustworthiness to be a better word (Bryman & Nilsson, 2018; Loh, 2013). They are both ways to gain intersubjective acceptance by peers, but differ in their argumentations. Trustworthiness is an umbrella term that among others, contains transferability and authenticity (ibid.). Transferability is a theoretical way of applying the findings outside of the specific context and authenticity means that the study in large carries the interests of the informants and those affected by the subject (ibid.). I argue that the division between reliability and trustworthiness is not between quantitative and qualitative methods, but that it depends on the knowledge interest and research questions. If my research question was: *What do Swedish workers on wage subsidies actually experience in their workplaces?* Then reliability and generalizability would becomes more important as I make empirical claims on mapping a representative distribution of sentiments. In this study I aimed to combine the research questions and the theoretical categorizations of “disadvantaged workers” in such a way that they gain trustworthiness without proving representativity. This was furthered by asking informants on their intentionalities; conducting a 13th consultative interview; making use of interactionist symbols and applying phenomenal knowledge validation (Mead & Miller, 1982; Mørch, 2019).

## Ethical considerations

In this section I will describe the considerations and challenges of making sure that the research is ethically conducted according to the guideline of the Swedish Ethical Review Authority. The key values of informed consent, confidentiality, secure management of data and weighing risks in proportion to the gains is represented in the Swedish ethics law *Lag (2003:460) om etikprövning av forskning som avser människor*, but they are also common cross-contextually (Bryman & Nilsson, 2018).

When it comes to informed consent, I used an introductory letter that asked for experiences with wage subsidies, and it was important that it was clear that this was a master's thesis and not a funded project or tied to any governmental body. During the interview pre-talk I not only told them what the study was about and what it was not, I also made sure to ask respondents to give their perspective of what they thought the study was about. This was to make judgements in autonomous thought processes. In a couple of cases, I had to double-check mid interview or post-interview, but finally I made the judgement that all respondents present in the analysis knows what the study is about, that it is not mandatory to participate in any way and that they can retract their consent at any time without giving any reasons.

When it came to confidentiality, I used a model from Kaiser (2009) where confidentiality is assumed, but also discussed with the participants before and after. Before the interview I asked participants what it meant for them to be anonymous, if there was any specific details to think about when presenting the results and if there was anyone in particular they wanted to be anonymous to. Some were very adamant of confidentiality, others were indifferent and had an opposite position of wanting to be known by name. As a result of the pre-interview discussion, and because some respondents had very specific situations, I had to obfuscate more information than I expected. If the reader thinks: why can you not just reveal age range or type of job? Then that is the result of the pre-interview discussions on confidentiality. Post-analysis there were a couple of dilemmas, where a thick case description would make a big theoretical contribution, but there was a risk of breaking inner confidentiality, which means that certain closer circles could identify this person (Kaiser, 2009). According to the proposed alternate model from Kaiser (2009), I would in a couple of cases contact respondents post-analysis to discuss what I had in mind and what presenting these details could mean for them. In one of the cases, the respondent was clearly fine with breaking inner

confidentiality, and I made some minor adjustments, but with the consideration towards adhering to the local context of the Swedish Ethical Review Authority.

When it came to working with the material, the full names were replaced with codes when transcribing, and details that could be tied to respondents were removed as I went along. This is because, after reviewing options of how to store the data in a way that was relevant to my situation, I came to the conclusion that the likelihood of someone getting a hold of the data was lower if they were stored within my work-laptop instead of external hard-drives or the likes. But in the very small likelihood that someone would get a hold of the transcribed interviews, I applied this immediate secrecy during the transcription process. This was also taken into account during interviews, and they were called by a code name in the recording, which was also stored locally until the analysis was done. After the transcription process, I renamed the codes into real life names, chosen from a list of “top names” online. Unless the names were clearly ridiculous, I would name them in order from top to bottom. The new aliases were tied to the anonymous codes but never to their real names. In cases where I had to store information to get in contact, I would as far as possible use codenames tied to phone numbers. Any search for address before a meeting was done in Google Incognito mode. While this will still store some data, it is mainly to make sure that none of their names or addresses will show up in an autofilled searchbar in the future, for example if a friend is nearby.

The heart of the ethical considerations came however from two paragraphs in the Swedish ethics law *Lag (2003:460) om etikprövning av forskning som avser människor*, and that is that the individual welfare of the individuals always come before the knowledge interest and that the risks of harm must be proportional to the intended knowledge contribution. The aspect of individual welfare, required practical wisdom during the interviews. First, I told them that some of these questions could be difficult and that they could and should contact me afterwards if they feel sad, hurt or have any questions. The second part was more difficult and required practical wisdom from moment to moment.

I was influenced by Holstein and Gubrium’s (1995) active interview format, which involves the researchers own thoughts and statements, and may even involve the challenging of some of the respondents statements, in order to have more of a conversation. In some of the cases, I had to hold back on this active interviewing and not challenge their assumptions on the world, because I anticipated that the individuals welfare would be more harmed than the knowledge interest gained. In one case, I refrained from asking a question that would have been

theoretically contributory, but I will never harm a participant for the sake of maybe gaining a quote to present in the analysis.

The balance between knowledge contribution of harm, was finally only outweighed with the intention of knowledge dissemination back to respondents and contributing NGOs. Extracting knowledge and keeping the thesis to myself for the sake of passing examination would not have outweighed the potential risks of those willing to share their experiences on labor market vulnerabilities.

## Analysis

I have interviewed 12 persons: 6 with disabilities and 6 with criminal pasts and/or substance abuse as well as a 13th consultative interview. Both groups have experiences with wage subsidies. In the theory sections, I have presented a dual labor market theory on how the segmentation between primary jobs and secondary will compound over time. This is because of the way that high job quality generates tangible merits making them more employable than disadvantaged workers with poor jobs. I have also presented that there may segmentations between colleagues in the same firm in that they adhere to different internal market logics. Finally I have argued that objective job quality may not be the only driver for segmentation, as job searching and contract negotiations also involve inner estimations on how future employers or colleagues may evaluate us, and that these inner self-evaluations are shaped through previous micro-interactions within worklife.

## Introduction to the participants

### **Stella**

I step off the train to meet Stella at the appointed location in a town in middle Sweden. She is in her 30's and has a bachelors' degree that is high in demand on the labor market. She also belongs to a majority ethnicity group, and I can not see any, as Goffman (1986) would put it, physical deviations that would illicit thoughts of her disadvantage on the labor market. She is instead rather well dressed and articulate, and I quite quickly get a feel for her great sense of humour and analytical mind. But she is currently employed through wage subsidies. I struggle with my own preconceptions on what a disadvantaged worker is, as I start to suggest a place where we can sit and record the interview. I had previously mapped out which coffeeplaces could be good spots to have the interview, with unintrusive music and space to sit by

ourselves. I suggest a hotel lounge, which fits the description, when I sense a shift in Stella's tone and body language:

*Stella: That hotel is too fancy for me, I wouldn't be comfortable sitting there, the way I feel today"*

So eventually we find a different place. We have some pre-interview talk, where the conversation is flowing and again her soft skills are shown as she alternates between humorous exchanges and empathetic reflections. After a while we put on the recorder, and we have an open discussion on her previous experiences on the job market: about what it has been like to apply for jobs and negotiate wages, and what her current experiences at work are.

What I find next is puzzling: She is working a very qualified, high end job that is both challenging, developing and meaningful. She has competent colleagues and enjoys a high amount of job autonomy - everything points towards this being one of the good jobs, according to dual labor market theories (Doeringer & Piore, 1985; Kalleberg, 2013).

However, when asked how she feels about her job she says she is miserable because of the interactions at work. She is treated by her manager as a second class worker because she is working there through wage subsidies. I ask her why she feels that way and she answered:

*Stella: Because I am not as good as everyone else. During our previous wage revision I asked my boss quite directly, I have had several bosses before, and I asked them if I for some reason was perceived differently than the other employees. And they said "Yes, you are here because you have a wage subsidy and you have difficulties keeping a job" And that made me incredibly sad, dissapointed and extremely upset! Because that is not the reason I am here. I am here because I applied for this job; because I want to be here and because I want to contribute.*

Then I ask her: *You have a relevant university degree and experiences from complex tasks. How do you view your possibilities on finding work outside of this subsidized arrangement?*

As I say that, the body language changes, she chokes up, and asks me to please change the subject, as tears fall down her face. We take a break, and after a while I ask sideways how she views her own employability. And after years of being employed within a good job, she says that she cannot envision that any employer would ever want her, because she cannot think of a single thing she does well.

## Arvid

I meet Arvid on sunny spring day in Southern Sweden. He is in his 50's with a long history of substance addiction and homelessness. He tells me that he spent more time on the streets than under a roof, and that most of his previous friendships were with other persons in the same situations. As of meeting him he had not used any substances for a year and a half. Arvid says that he had previous experiences of failed subsidized employments but that he is one week away from celebrating a full year of employment at his new subsidized job.

As we leave the train station, Swedish spring announces its' arrival with a long-awaited clear blue sky. Unspoken social membership makes itself reminded as words are not needed for us to acknowledge that such a beautiful weather can not be allowed to go to waste. The scent of yesterdays rain slowly fades as we stride through wet grass to hear increasingly louder sounds of salted bodies crashing against glistening rocks. I get the sense that he is very kind and joyful in his mannerisms, making the conversation very pleasant. I forget my schedule and we spend an hour or more, sitting on an ocean-side bench, sharing childhood memories until a chill wind runs along the coastline and along our backs: reminding us that Swedish spring is as fickle as our willful forgetfulness.

Arvid leads us to an exclusive outservice nearby where we will sit and interview and I think back to the uneasiness Stella felt in regards to the hotel lobby. Waking up this morning, the version of me that exists in the bathroom mirror did not smile back, and I feel the staff judging me as I eye through a menu with gilded borders. I think to myself: *"Look at how I am dressed and the train ticket here was definetely not the cheapest"*. I start to wonder if we should go somewhere else but I do not manage to say anything until Arvid cheerfully asks me: *"What do you want to get?"* I respond that I will probably get myself a coffee with milk and Arvid tells the staff: *"Two coffees please! And one with milk in it!"* Arvid makes lighthearted conversation with the barista as the coffee is being made and I feel a little left out, wishing that I was not so introverted in comparison. We sit down on and turn our outservice furniture towards the ocean view. Thinking that this is a disadvantaged worker I ask him if I should pay for the coffee anyway, to which he confidently replies *"No, it's no problem! I have a job now!"*

As I compunctiously take a sip of the somewhat overpriced coffee, I ask him how he came about this current job:

*Arvid: A year and a half ago, I adopted a dog. I took it from another addict. It was partially that I had gotten sick of using, but then he came into my life and I could see that he was not feeling well, living around these addicts. So I thought I wanted to take him away from all of this and he should not have to move from one addict to another.*

*Arvid: For the first time in my life I had something...to receive love and to give love. And I have a responsibility towards him, so I broke off with all of my previous contacts. I told them "I'm quitting this now and you will have to respect me!" The ones who didn't respect me I told to go F themselves.*

He tells me that after a 10 week rehab and continued contacts with his therapists, he then went and contacted an NGO called KRAMI, which administers wage subsidies through a cooperation with the Swedish Public Employment Agency, Social Services and the Swedish Prison and Probation Office. The KRAMI model does not only administer wage subsidies as a way of getting into a job, it also comes with psychological support, training and help with matching like in the Supported Employment model (Marshall et al., 2014). It involves a personal contact that is a bit more informal compared to contacting the Swedish Public Employment Agency directly.

*Arvid: My contact at KRAMI suggested a place within the municipality. She was there with me when we talked to the boss and I explained my entire situation and they talked about their expectations, and that I could start with a training position with janitorial tasks. But I quickly worked my way up and soon enough I became a real janitor!*

Now we have introduced two interview participants whom are in some ways similar, and in others opposite. How can this be that Arvid and Stella have the same type of neoclassic intervention in the general equilibrium to enter the internal markets, but that they are completely different in confidence and optimism? The answer is of course, that neoclassic theories do not concern themselves with these differences in the first place: The extent to which wage subsidies successfully combat labor market segmentation has been measured through unemployed/employed and to some extent measured wage inequalities (Gintis, 2007; Hahn, 1980; Keynes, 1936). Top down distributional snapshots would determine that they are exact equivalents in that they are employed and have about the same salary. Yet they are very different in their emotional trajectories. Even Doeringer and Piore (1985) and Kalleberg (2013) can not properly explain these differences, as their theories of job quality as drivers towards segmentation would have predicted Stella to have a major advantage over Arvid. But Stella does not have an advantage over Arvid, because she can not make use of her merits to

gain employment elsewhere. The difference may be understood interactionistically as inequalities of self-appreciation between them: an inequality of social selves.

These were 2 of the 12 interviewees: one belonging to the group disabilities and another to those with criminal pasts. As we will find further down, when it comes to how our social selves are shaped through interactions within work, the groups share many similarities.

## How may internal market segmentations be understood beyond inequalities of job quality between colleagues?

In this section I will aim to contribute to studies on why some people are more vulnerable on the labor market than others by looking at the importance on what happens within the firm once we find employment. By combining theories on organizational logics and job quality with symbolic interactionism we find that what constitutes a good job goes beyond merely organizational setups and contract forms. A good job may become a bad job if the interactions at work make us feel incompetent, unwelcome or of less worth than our colleagues. These interactions can be social interactions, but also interactions with organizational resources and work tasks. A job with measurable job quality aspects may give more opportunities for positive interactions at work, but a change in colleagues or leadership can suddenly make a good job feel bad even when everything else is constant. As the interviews with persons on wage subsidies will show below, a firm may have good job quality for non-disadvantaged workers and bad job quality for those employed through wage subsidies. We start by looking at how people may experience moving between different subsidized employments.

I interview Alice over the phone. She is in her 40's, with an intellectual disability and has an experience of "falling from grace". She tells me that after a long while within protected employment called Daily Activities (Daglig verksamhet), she finally managed to get a wage subsidy so that she could work within a political NGO. She tells me that she had elements of project-leading and that the tasks were varied and challenging in a way that made her grow. After a while, she was sent to courses and was offered new tasks, which she explains was the best time of her worklife:



*Alice: I grew so much when I worked for this NGO. I had keys and I could enter by myself. I was usually the first one there to make coffee for us. Just the fact that the coffee was made when my colleagues arrived, that meant everything to me. And I could plan my day how I wanted, except when we had certain meetings, then I had to be there. But other than that, as long as I did my hours per month... I had some physical pains as well, so it helped a lot that I could rearrange work times occasionally.*

For Alice, job quality meant having keys to the workplace, something I had never considered before, nor is it mentioned in Kallebergs (2013) book about good jobs and bad jobs. Having had experiences of a distinct separation between disabled and non-disabled care staff within Daily Activities, the keys were tools for performing collegiality as well a symbol of unified belonging within the new work place (Mead and Miller 1982). When the NGO stopped receiving funding for her specific project, the wage subsidy did not continue. She tried to use her new experiences and skills to find a similar job with the help of the Swedish Public Employment Agency but eventually gave up.

The employment type of Daily Activities is constructed in such a way that it is heavily subsidized and pays a wage of 60 SEK per day (around 5,2 EURO). The work tasks are non-profit, and supervised by staff that do not have disabilities. When Alice goes to Daily Activities, she goes to work and would sometimes refer to the supervisory staff as colleagues, although there was an expressed difference between her and the non-disabled staff.

*Alexander: How was it when you had to return to Daily Activities?*

*Alice: I did not have sense of meaning there. I had reached a level of capacity in my previous job, where I had meetings, and I was pushing for certain political issues, talking to important people. The anxiety came because of what I had behind me: I had went to work-related training courses and I wanted to keep on going, but this was like pulling the rug on me.*

I ask her what constitutes a good job and what she would need to feel confident again:

*Alice: Maybe it is that one is allowed to have keys to work. Maybe being allowed to have a work phone, maybe even have a work computer that is portable if that is what you need to work. Or maybe if you're working outside you can tend to a garden, and maybe you have keys so that you can get in in the morning and things like that. That would make a person grow in confidence.*

Here Alice compares herself to the supervisory non-disabled staff that is allowed to have access to the same work tools she herself had when working in an NGO. She continues to explain how she feels once back to Daily Activities:

*Alice: Yes sometimes I don't like it but sometimes...it's funny because....during the fall season, then I feel like I don't have enough energy to be at work. And I usually tend to take a vacation, or just not show up, because it doesn't matter if I'm there or not there. Sometimes it feels like the things I do is of no use....but I know that I am of some use...but yes, it does pull you down a lot, it does. And then the anxiety comes, and then the generalized anxiety comes, and then I get this thing where I can't do anything: I need help with this, I need help with that...because that is how they percieve me.*

While subsidized work aims to end segmentation between long-term unemployed and those who find employment, a new segmentation within the workplace emerges: something that Doeringer and Piore (1985) internal market segmentation, where there are the primary workers on top and secondary workers with worse working conditions. The author (ibid.) refers to differences in wage, work security, complexity in tasks and access to promotions, but in this case we see what I define as symbolic segmentation between good workers and disadvantaged workers on wage subsidies. Let us see if we can also understand this through someone else.

Hugo is in his 50's and has a physical disability which means that he transports himself with the help of a wheelchair and has difficulties to vocalize certain words. We meet in person and as we spend more time together it becomes easier to understand his vocalizations and I get a feel for his sharp sense of humour, which catches me off-guard a couple of times. Through this interview he introduced two new segmenting symbols that I had not considered before. Hugo is currently working in another NGO via wage subsidy and he tells me that he enjoys it greatly. But before he joined, he was working in protected employment at Samhall, a publicly owned Swedish organization where he felt like a second class worker.

*Hugo: First I worked in an office with a computer and we did registry. But after three years they said we weren't profitable enough. We were not allowed to continue. Normally they say it takes about five years to get into the job, but we only got three years.*

I ask him what happened afterwards and he tells me that he was put in a factory, but that he had to be relocated again after a week. I asked him why:

**Hugo:** *I need my ceiling lift in order to go to the bathroom and they could not get it in time. There were no worktasks either, we just sat there and rolled our thumbs for eight hours. I was angry about it so they furloughed me for six months. I felt awful.*

**Alexander:** *How did you interpret this?*

**Hugo:** *They chose the easy way out. They were on their way to order a ceiling lift but it would have taken three months. I can't work three months without the possibility to go to the bathroom- it's inhumane. So they sent me home.*

**Alexander:** *Who were you to them?*

**Hugo:** *\*Laughs\* I was not seen as a co-worker. I was a placed human. It was like that all three years. It was like there were two different teams in some way: those who worked at the office, the so called non-disabled; and then there were the rest of us with some type of disability and they would barely ever say hello to us.*

While Alice described keys, coffee and a workphone as symbols of primary worker membership, Hugo describes it as being greeted or being able to go to the bathroom. While Mead and Miller (1982) emphasize the use of symbols that show membership, I will below showcase those that show the opposite, which Goffman (1986) calls stigmas. They represent blemishes on the social self that the collective should use to differentiate between us and them. After doing the first 12 interviews, a 13th unrecorded consultative interview was done with Stina in order to validate the knowledge production and analysis. Stina responded strongly in regards to internal segmentations and said that her only wish was to be able to have the same work-email as her non-disabled colleagues. She said that no matter how hard she tried to blend in and be professional, the separate e-mail prefix was hindering relationship building with external clients as they would inquire on why this was, to which she had to disclose that she was there on wage subsidies. These stigmas can be both visible and self-imposed. In the introduction we talked to Arvid whom feels good at his new job, but told me how he felt shameful of his past of crime and drug addiction. I ask Arvid to compare his first job experience with his current subsidized employment as a janitor:

**Arvid:** *At my previous job at the grocery store I had to be careful. The funny thing is, I never told them, and after six months, I stand there, unpacking and filling the shelves. And I get into a conversation with my colleagues and suddenly I slip up or something like that. They talked about a certain drug and suddenly they ask me "Wait, how did you know about that?"*

*Alexander: I was thinking about who you were at this grocery store...how would the colleagues had perceived you if they knew about your background?*

*Arvid: Maybe it's just my own prejudice, I don't know, but some of them probably would have reacted in a weird way. If they found out about the things I've done, then there, there are...they are only human as well, you know? But..it was pretty difficult, actually.*

By combining Doeringer and Piore's (1985) theories on internal markets with symbolic interactionism we find an emerging symbolic segmentation between regular workers and those with wage subsidies (Mead & Miller, 1982). This internal segmentation goes beyond wages and contract forms as it creates a secondary worker class within the firm that are deprived of baseline work-necessities that the primary workers may not even consider to be a privilege: keys to the office, access to a bathroom or collegial talk by the grocery shelves. The deprivation is not merely material, as lack of keys or bathrooms denies the workers symbols of membership within the workplace and I would argue, towards the inner representation of what it is like to contribute to society through their labor (Durkheim & Simpson, 2013; Mead & Miller, 1982).

## How may interventionist wage subsidy schemes be understood to influence internal market logics?

In this section I will build upon internal market segmentation by looking at which role a wage subsidy scheme can have in changing the administrative- and market-related logics of the workplace. Doeringer and Piore (1985) write that advancement in wage and status is predicted by a queue-like system, where one is pushed forward by time spent within the company. A common example of this is a yearly wage revision, which as we will see below, has different rules and temporalities for persons with wage subsidies compared to the primary workers that entered the firm through non-interventionist market mechanisms.

According to Statistics Sweden (2021) the Swedish median salary was 33 200 SEK in 2021. The interview participants reported a salary range between 20 000 and 28 000 SEK. Swedish wage subsidies require that the employer has signed a collective agreement which have slight variations in minimum salary depending industry type, but the overwhelming majority of participants reported that they started at the absolute minimum level (Habibija, 2022). Thus far, the starting salary only represents the disadvantaged workers negotiations on the external market. Next I will present findings on how internal market logics of yearly revisions are different between primary workers and the secondary workers on wage subsidies.

The Swedish wage subsidy programme has a roof of 20 000 SEK meaning that any salary increase outside of this roof comes completely out of the employers' pockets. Despite respondents having a heterogeneity of competences and years spent within the internal markets, the most commonly reported salary was 23 000 SEK, which means that including yearly revisions, the salary rarely deviated more than 1,15 percent from the subsidy roof. The participant with 28 000 SEK was a single outlier whom reported an unusually generous and altruistic employer. Let's see how the participants view how the wage subsidy affects them in terms of salaries and advancements.

We return to Stella, the one with the highly qualified job, where she has worked for several years. In the introduction she said that in conjunction with a yearly wage negotiation, she was told that she is not like everybody else. This yearly revision is not only between the employer and the employee however, since the wage subsidy itself is being revised by the Swedish Public Employment Agency. The very nature of the subsidy programme is that it should in some way be developmental, meaning that the subsidy levels are supposed to be reduced in accordance with the natural increase of the workers productivity (Habibija, 2022). I cannot disclose Stellas' salary, but she was not the 28 000 SEK outlier. Every year a case worker from the Swedish Public Employment Agency would come to the office for a tripartite revision. Stella says that her employer was incentivized to not talk about her developments, rather the opposite as this would result in the firm receiving lower wage subsidy levels.

*Stella: I think, and now I am being cynical, I think somewhere that in order to keep or justify this wage subsidy, you have to find, find reasons, weaknesses and that is the big vulnerability in this whole wage subsidy scheme. Because the point is for me to develop and eventually you should remove this. I've had an employment here for over five years and I have not heard about any developments, because the employer has a monetary incentive. I have noticed a very big difference with shifts in managers.*

She tells me that during every yearly evaluation it is the same farce: that the tripartite meeting mostly involves the employer and the case worker as she sits silently and nods while the employer explains that unfortunately Stella still needs a lot of help and adjustments on the workplace. She tells me about last year's revision when she had enough:

*Stella: I was so angry and went into this meeting thinking "this is enough, don't oppress me anymore!" So I went into the revision meeting with a different mindset and this time I didn't play along. I told them about my good sides and how I've grown.*

**Alexander:** *How did you feel afterwards?*

**Stella:** *Yea, how will the boss react when he sees this, when he receives the papers...absolutely. A feeling that now I've ruined everything. Because I diverged from this, unspoken agreement that I should play along in the fact that I'm not making any progress, just so they can keep the highest level of subsidy.*

**Alexander:** *How dare you develop yourself in your developmental employment.*

**Stella:** *Yes and I could have gotten in trouble for it, but I had a sense of integrity, that enough is enough. I have to be allowed to develop. There should be a different focus on follow-up from the Swedish Public Employment Agency because this is... You're negotiating with my self-esteem!*

Another aspect of internal market segmentation for subsidized workers is the two-tiered difference in the temporality of the contract forms. This is because employers are locked-in through monetary incentive structures to only keep the employment for as long as the Swedish Public Employment Service pays a wage subsidy, meaning that independent tenures could be rare (Habibija, 2022; Prychitko & Phelan, 1988).

Nils, a person with a physical disability that manifested in adult age tells me how happy he is to have found such a good workplace. His boss takes good care of him and the wage is above the collective agreement minimum wage.

**Nils:** *The positive thing about this is that I came in through the Swedish Public Employment Agency, so they pay a part of the salary. I needed extra support in the beginning, but after many years here I finally got a tenure! So I've had this tenure for a few years. Soon it is time for a revision of the wage subsidy with the Swedish Employment Agency to see how we will proceed.*

As far as I understood Nils, even if there is a supposed tenure, it is still somehow conditioned by a continuation of wage subsidies. To build upon this we turn to Julia, a person in her 30's with an intellectual disability whom tells me she enjoys her subsidized employment, but that there is an inherent insecurity in the way it is revised yearly:

**Julia:** *Yes I felt very nervous the first time we had a meeting, because I did not know if they would prolong it or not. What will this mean? I hadn't slept for two nights. But then my caseworker and I found each other in that meeting and I think she's a good person.*

**Alexander:** *Can you elaborate a little?*

*Julia: No but it is like, will I continue to get wage subsidies? Will I not be able to continue? What would happen if I can't have it anymore? How would I be able to handle life?*

In contrast to Stella, Nils and Julia described being in what Kalleberg (2013) would call a good job, in that they had work autonomy, chances to increase their professional skills. Neither did they report any symbolic segmentation in their daily interactions at work, in that they felt appreciated and part of the team. Because of the setup of the Swedish wage subsidy programme however, they are still secondary workers in that they do not enjoy the same job security as those employed without wage subsidies.

**What role may the discreditation of social selves play in disadvantaged workers' ability to convert accumulated merits into labor market mobility?**

In the last section we saw that the policy intention of Swedish wage subsidy is for the individual to develop to slowly meet employers rational expectations on productivity, which is why the subsidy levels are meant to decrease (Habibija, 2022; Prychitko & Phelan, 1988).

We have also seen that the interview participants have more insecure contract forms and lower pay, but why is it they uniformly accepted these internal segmentations? While collective agreements regulate the minimum wage for subsidized employment, the minimum wage is no law of nature (Arbetsförmedlingen, 2019). Out of the 15 interviews in total, including 2 pilot interviews, 12 main interviews and a consultative one, there was only a single person to attempt to negotiate salary and working conditions during a job interview. The rest said that they were either too grateful or too scared of losing out on a job opportunity to make demands:

*Alexander: Why did you accept your job contract without any negotiations?*

*Nils: The risk that comes with negotiating salaries and put forth demands and things like that. It is worth so much more to me just to have a salary and to have that security. The size in terms of hundreds of crowns plus or minus is not the most important thing, but rather that the salary is there, and that it comes in every month and things like that.*

Before landing this employment, Nils told me what it was like to navigate the labor market when sitting in a wheelchair, a symbol of physical discreditation:

*Nils: Yes, I think I eliminate many employers by being open in the beginning. I think I am at risk of being discriminated against and things like that. In those cases I have just not gone through to the next round. The cases where I have gone past to the next round, they know about my conditions and at that point I think it is more difficult to discriminate.*

*Alexander: Are you always open when applying?*

*Nils: I am not always open in the first digital step, but once I have made the first personal contact, I am always open and then I sift through employers where it would never work in the long run. But that leads to a situation where it gets empty very quickly. There can be many [employers] that disappear quickly.*

This management of a tarnished social identity becomes relevant in terms of having a criminal record: a symbol that exists objectively in databases but can be obfuscated through impression management. Adrian, a person who received a criminal record during a homeless period in his teens recently got employed through wage subsidies after giving up on the labor market:

*Adrian: In the beginning the interview goes fine. They ask and I answer. Towards the end, there always comes a point where they ask “Do you have anything in the criminal history records?” And then I explain, because I don’t lie about that. I am open about what I have done and things like that. And why the records say these things about me. And so I tell them, and immediately they are doubtful “Damn, should we really have a guy like this in our firm?” And I have experienced that many times. It usually ends at that point.*

Oliver is a man in his 30’s whom always had good job experiences growing up. He had held constant employment since he was 16, and had many competence certificates and good references to show for it. After leaving prison he tried to find jobs that he was previously qualified for, but no longer welcome at. He is now working his second subsidized employment and says that it feels odd to have wage subsidies stimulate demand for his labor, when he never had problems meeting rational expectations on productivity before he received a criminal record (Kantor, 1979; Prychitko & Phelan, 1988).

He is also the only one that tried to negotiate working conditions at his current subsidized employment, which may be attributed to previous micro-interactions in worklife, leading to a positive self-evaluation in terms of employability. When I ask him about his future labor market mobility however, he is doubtful:

*Oliver: No of course it’s difficult. If I don’t get employed here and my wage subsidy contract runs out...then I am back at square one again.*



**Alexander:** *Why is that?*

**Oliver:** *The employers don't care about the reasons I got my records, they only care about what I am convicted of. It doesn't matter that it was several years ago because they changed it so that it will be there for 10 years, so... \*laughter\* you don't get a chance to show what you're made of. I am completely convinced that most employers would be satisfied with me, because I work incredibly hard. And I do a good job, if I may say so myself. But I won't get that opportunity.*

Harry, is in his late 50's and was in prison for many years before he returned to the labor market. He had a master's degree and was able to find subsidized work at a university. He told me that it was one of the best times in such a long time.

**Harry:** *I really liked my work tasks, I felt so good, the job felt so good. And I really felt that. Really kind colleagues and a really autonomous job. And, what should I say? After such a long time being locked in, it may be hard to imagine, but you are so happy about everything when you get out. It was like a whole new world opened up. It was euphoric to be out with normal people. Not having to deal with these F:ing criminals \*laughs\*. To be able to talk with so many intellectuals changed my view of the world and on society, it was just so much more stimulating.*

The job he described was on par with Stellas job in terms of job quality. With a master's degree and work experiences at a university, I anticipated that he would be propelled into the primary sector after ending the subsidized employment:

**Alexander:** *So you had this experience and a bunch of university credits.*

**Harry:** *Yes I had. Unfortunately I did not have that much use of them, because I have been working with my family doing sales since a few years back. We have been traveling around and selling some things. As I said, I would have liked to have used my education more than I did, but I came in too late.*

**Alexander:** *Did you apply for any university level jobs?*

**Harry:** *Yes as adjunct, but I think think they're scared. I applied but never got any clear answers. I asked someone at another university and they said "Well you do have the qualifications..." But I think it was in part the age. I was also not very attractive to them, I had been in prison for several years. And to let a criminal like me teach social sciences with that background, it could be doubtful. Facts would arise, and they would reason in the way of*

*"Who are you to stand here and say how life should be lived, huh?" With that background, I don't know. Maybe it's just speculation from my side, but I think my background played a role. I would have liked to work as an adjunct, I really had. Maybe I applied for a couple more positions but...*

**Alexander:** *Did you get any help from the Swedish Public Employment Agency?*

**Harry:** *I had a wonderful person there and we had a good contact, but his hands were tied. He told me: "I'm sorry the rules changed over the years and your wage subsidy ran out. There's nothing I can do, but I wish you good luck, I really do!"*

Harry was one of most respondents whom could not leverage the job quality towards labor market mobility, in part because of others' moral evaluations of him, and in part because of his own anticipations on how others would react to him.

Kasper is in his 30's. He is coded for a disability and also has a master's degree. He had several years of experience with highly complex tasks, both within universities and municipalities. As I talk to him, he has been unemployed for quite a while and tells me he does not know what to do with this situation. I ask him how he navigates the job market and he answers:

**Kasper:** *Well, the problem with me is that I fall between the chairs (Swedish expression) and that no one knows what to do with me. No one knows what to do, because when I come to a SIUS (case worker) at the Swedish Public Employment Agency they say "Aha, you have a master's degree within this field, what does this mean?" Do you want to work at a warehouse or at a restaurant? Can you drive a forklift? Can you learn how to drive a forklift? And then I say "Well I don't know, you see my brain is damaged and I can't learn those things". And they say "Ah then I don't know what to do with you. I'll see if I can find anyone to talk to, but you should also look by yourself because I don't have any connections in regards to your field."*

Because of the tripartite nature of wage subsidies, the interaction that disadvantaged workers have with the Swedish Public Employment Agency is also relevant for converting work experiences into labor market mobility. Most that had wage subsidies directly through the Swedish Public Employment Agency said that they did not receive help with long term planning during their subsidized employment, but was told to come back on their first unemployed day. Those with criminal pasts and with access to KRAMI did report a more holistic help before, during and after.

Finally I would like to present Leon. He lives in middle Sweden, is in his mid 20's and tells me that life has been experienced through the lens of criminal behaviour, homelessness, and substance abuse since he was a child. School was filled with physical fights and struggles, but towards the last year he pushed through and finished his Swedish equivalent of a High School Diploma. Leon tells me that he pushed through because there was a part of him that wanted something more, but after graduation most of his early adulthood consisted of alternations between living in substance abuse treatment centres and having short term sales jobs. He tells me that he never had a job for more than three months. Leon explains a history of self-imposed internal segmentation where he could attract colleagues with the same lifestyle. He has a history of mistrust towards employers who would have him be let go if they found out about his addiction. He tells me about the first time he found a job he liked and where he felt trust in the manager:

*Leon: I had been working there for about a month and a half and I thought I did a really good job and stuff. And then when I received my first salary, I went and spent all of those money on drugs. And the week afterwards I felt awful and called in sick for about a week and a half. And when I came back I felt even worse about having called in sick and felt that I needed a good explanation. So I went and talked to my teamleader and told him that I'm struggling with a substance addiction and that it's difficult for me to come into work some days. He told me that "Yeah, I'm gonna have to take this up with the higher ups." And he came back and said that "Unfortunately we cannot keep you here anymore."*

After a series of losing work because of addiction, he ended up going to a several month stay at a treatment center. When he got back, he received help from KRAMI to find a job as a media creator within a social enterprise. He says that in the beginning it was difficult, because he did not know how they would receive him with his background. He found out that many colleagues were from some sort of secondary sector, and he said that he could be himself there, and that he felt appreciated. Like part of the team. He tells me that right now he is not concerned with the future and wants to focus on how much he enjoys working here. Leon describes his work tasks with great pride and how happy he is to have recently been promoted to teamleader. He continues to describe what it is like to be the one that receives and trains new employees from a secondary sector:

*Leon: Exactly, that is something we do very well here. I think it's quite beautiful the work we do, when people come to visit, that want to train their work abilities with us. Then we ask the question: what adjustments do you need? Do you have any special needs? Is there something we need to know about? And then we write that down and adjust the work during their stay here.*

*Alexander: Seems like you really like it there. I'm wondering, what was the reason you wanted to participate in this interview today?*

*Leon: Well I feel that this journey I've made is very...I think I made a very good journey and I'm trying to remind myself of the importance of that and I want to share my experiences... and I want people to experience the same things. I want people who come from substance abuse to know that there is a way back. That there are workplaces that can help you even if you go through a tough time. I suppose it's about the common good for society, I want to give back and I felt like, Yes, an interview is something I can do.*

As an author I am happy that I can pick and choose which parts of the transcription makes it into the analysis because I got a bit choked up towards the end: I had previously mentioned the theories of job quality that Kalleberg (2013) writes about and together we came to the conclusion that Leon is now able to pay his fortune forward, becoming the manager he wished he had himself. Leon concluded by saying that he will do his best to ensure that future employees arrive to a "good job" where they can feel safe and appreciated, without segmentations between colleagues.

## Discussion

In this study I have gone beyond neoclassic economic solutions of merely intervening in the general equilibrium through wage subsidies (Hahn, 1980; Pauw & Edwards, 2006; Prychitko & Phelan, 1988; Yashiv, 2000). Through these interviews we have seen that merely gaining access to employment is only the beginning of these peoples' journeys.

Eventhough some informants had stayed in the same company for an extended period of time, insecurity was looming for most of them because they felt that they lacked labor market mobility. This was explored through the segmentation of job quality within the same firm, where persons on wage subsidies were sometimes relegated to a secondary internal market with fewer material- and non-economic rewards such as collegiality.

The important distinction between internal- and external markets in relation to the disadvantaged worker on subsidies is precisely that they are separated. As we saw in the literature review, some of these interventionist programmes involve multi-disciplinary programmes such as Supported Employment, where the participants receive help with matching and above all, to maintain within the firm (Marshall et al., 2014; Salyers et al., 2004). The core theorem of labor market segmentation theory is that staying within the same firm may only represent an observable snapshot of current employment, but it may not be enough to change external labor market vulnerabilities. Even if an individual experiences job security and opportunities for upwards mobility within that specific firm, job security may not represent external market mobility. This means that a disadvantaged worker may have good experiences during their stay within the firm, but might still feel vulnerable on the external labor market if they have not accumulated the proper training, competences and social networks to propel them towards better jobs.

Tangible job quality does not seem to give the full picture however, as from an interactionist perspective the accumulated worker power can only be converted into labor market mobility so far as disadvantaged workers have the self-esteem and confidence to apply for jobs within the primary sector. And this self-esteem can be understood to be shaped through social interactions within the workplace. In cases where there were symbolic segmentations between primary non-disabled workers and disabled secondary workers, some respondents could not imagine ever deserving a good job, even when the workplace had objectively high job quality. This is the segmentation of being trusted with work keys and meaningful tasks or being branded as a non-member through separate e-mails. From a larger perspective, deprivation of these symbols may also represent non-membership towards the larger collective that contributes towards society through the division of labor (Durkheim & Simpson, 2013; Mead & Miller, 1982). Alongside this, there were respondents whom had objectively bad jobs that were optimistic about their future labor market trajectory, because they experienced unified collegiality and being a valued worker who contributes.

Both Landsorganisationen i Sverige (Habibija, 2022) and researchers Gustafsson et al. (2018; 2014) pose the question on which role the Swedish Public Employment Agency may play in securing social inclusion and long term labor market mobility for persons on wage subsidies. Beyond matching and help with disclosing needs and expectations like in Gustafsson et al.'s (2018) study, respondents in this study emphasized the need for help with transitioning to non-subsidized employment while they were still working and not on the first day of

unemployment. Although anglo-saxon research differentiates persons with disabilities from those with criminal pasts in terms of taste discrimination, the two groups are effectively the same in the eyes of the Swedish Public Employment Agency: clumping them both up to receive the same type of wage subsidy means that the labor market risks are individualized to represent their own failings to meet employers' rational expectations on productivity (Arbetsförmedlingen, 2019; Burkhardt, 2009; Jones, 2006; Martin Jr, 2004; Prychitko & Phelan, 1988).

In this study, I differentiated between those with criminal pasts and having disabilities, but they had many similarities in how their social selves were perceived to be shaped through symbolic segmentations within the workplace. Some of the respondents with criminal pasts had objective differences in that they had a criminal record, a stigmatic symbol of non-membership that likely will hinder future market mobility regardless of experiences within subsidized work (Goffman, 1986). Many saw compensation through access to KRAMI, the NGO that facilitates employment through cooperation between the Swedish Public Employment Agency, the Swedish Prison and Probation Office and sometimes Social services. The difference was access to informal contacts and follow-ups during employment, compared to the before-after model of the Swedish Public Employment Agency.

## Limitations and further research

While the study aims to contribute towards labor market segmentation in terms of how internal market segmentations may affect future market trajectories, all interviews are cross-sectional meaning that they represent a snapshot of current positions. I have argued that symbolic interactions within the firm may interact in the way that job quality translates into better labor market trajectories towards primary sectors, but at best they represent inspirations for future longitudinal studies with similar concepts.

The strength of having open thematic interviews was that the respondents could guide the direction of this study, which led to the combining of internal markets with symbolic interactionism. The strength- and weakness of these open-ended interviews were the width, meaning future studies with slightly more structured and deductive designs may find more richness and intricacies in the materials. The material was incredibly vast and I only managed to encapsulate about a third of the themes that respondents deemed relevant. When asked what the study should lead to, many landed within the research field called precarity, which is the study on increasingly insecure labor markets and how individuals subjectively experience

them (Kalleberg, 2018; Standing, 2011). This insecurity was said to be influenced by interactions with other welfare institutions, as many were reliant on social insurances or access to personal assistance. This could be studied from the perspective of the interplay between welfare institutions and labor market institutions, as disadvantaged workers on subsidies often interact with both at the same time (Lohmann, 2009).

Another gap within the research, was that the respondents were used as verbal knowledgebearers of retrospective micro-interactions within the workplace, which may be reduced to critical incidents. Future research may involve longitudinal participant observations at the workplace that could be interpreted through the work of Collins (2004) *Interaction ritual chains*: the author focuses on how very minute micro-interactions are interlinked to create a longer narrative of social belonging or stratification.

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## Appendix 1: Vad händer efter att man fått en lönebidragsanställning? En masteruppsats

Jag heter Alexander Fäldtman och skriver ett examensarbete på masterprogrammet som heter Welfare Policies and Management. Jag skulle vilja intervjua dig som har- eller har haft en lönebidragsanställning och som vill berätta om dina upplevelser kring det.

De svenska politikerna skriver att lönebidraget ska vara ett tryggt sätt att komma in på jobbmaknaden och att man ska få mer självförtroende att klara sig själv till slut, men än så länge finns bara forskning som bygger på statistik och ekonomi och man har inte pratat med personerna som har lönebidragsanställningarna.

Jag hoppas göra ett bidrag till arbetsmarknadsforskningen genom att personer som berörs av lönebidrag själva får en möjlighet att berätta om sina upplevelser och om vad som behövs för att man ska känna sig långsiktigt trygg. Tidigare forskning har nästan bara fokuserat på om man får jobb eller ej, men frågor som inte har framkommit i studierna är följande:

*Vilken sorts jobb får man? Hur ser arbetsvilkoren ut? Är jobben utvecklande? Hur trygg är man? Hur påverkas självförtroendet? Vad hade man själv för förhoppningar och hur blev det? Vad kommer hända i framtiden?*

Studien utgår från reglerna i etikprövningslagen (2003:460) och det innebär att deltagande är frivilligt och om man blivit intervjuad men sedan ångrat sig så kan man göra det utan att uppge några skäl. Det finns även regler för hur jag ser till att alla deltagare är anonyma och att ingen obehörig får tillgång till forskningsmaterialet.

Om du är intresserad av att höra mer om studien är du välkommen att kontakta mig på telefonnummer: 0761-12 88 48 eller mail: [al0875fa-s@student.lu.se](mailto:al0875fa-s@student.lu.se)

*Med vänliga hälsningar,*

*Alexander Fäldtman*

*Welfare Policies and Management*

## Appendix 2: Open thematic guide

Early career

Experiences with wage subsidy?

Good jobs vs bad jobs?

Job security versus labor market security?

Interactionist perspective: stigma, roles, identities, self worth?

Important question: What did you want to talk about today?

Which direction do you think this study should take and whom should read it?