

TheMES

Themes on Migration and Ethnic Studies

occasional papers and reprints



35
(2010)

Carl-Ulrik Schierup

”Diversity” and Social Exclusion in Third Way Sweden

The ”Swedish Model” in Transition, 1975 - 2005

TheMES

Themes on Migration and Ethnic Studies

All rights reserved. No part of this publication may be used or reproduced in any manner whatsoever without written permission except in the case of brief quotations in articles and reviews.

© REMESO and the author 2010.

TheMES No. 35/10

ISSN 1651-8306

Cover: Martin Ålund

Series Editor:

Erik Berggren, +46 11 36 32 66, erik.berggren@liu.se

Orders:

Eva Rehnholm

Tel. +46-11-36 32 38

Fax. +46-11-36 30 04

E-mail: evare@isv.liu.se

Address:

Linköping University

ISV-REMESO

SE-601 74 Norrköping, Sweden

Webpage

www.isv.liu.se/remeso

"Diversity" and Social Exclusion in Third Way Sweden

The "Swedish Model" in Transition, 1975 – 2005¹

Carl-Ulrik Schierup

One of the important political challenges of contemporary Western European societies is to reconcile the comprehensive framework of civil, political, and social rights of the welfare state with a political program for belonging and identity, free of narrow ethnic and nationalistic allusions (Ryner 2000). In this context, the Nordic welfare states stand out as a possible future model for the European Union. However, this challenge has been faced in very different ways in different Nordic countries.² Sweden long stood apart from others in terms of its combination of a powerful social-democratic welfare regime with an inclusive, forward-looking integration policy (Ålund and Schierup 1991).

The fundamental features of Swedish integration policy were formulated in the 1960s and 1970s. They were reformulated on the principled premises of a liberal multicultural citizenship in 1975, and since then have repeatedly been reviewed and reformed. The emergence of new racist-populist political movements in the late 1980s, and a deep economic recession and social crises in the early 1990s, were followed by a critical reevaluation of immigration and immigrant policies (Näringsdepartementet 2002; Proposition 1997, 1998). Approaching the close of the century this resulted in the restoration of a broad left-right consensus about a new "integration and diversity policy" and the necessity of counteracting racism and ethnic discrimination. This political consensus was remarkable in an EU where populist and racializing arguments focusing on immigration have become blunt instruments in the hands of the established parties seeking to preserve influence in national parliaments and municipal politics (Schierup, Hansen and Castles 2006).

Against this background, despite obvious problems, Sweden since the mid 1970s has continued to be seen as a model of a tolerant multicultural welfare society from an international perspective. Swedish integration policy was promoted as a model to be followed in the aftermath of the uprising in socially deprived French suburbs in 2005. Despite comprehensive changes that have taken place in the Swedish overall welfare

1 First published in Swedish in 2006 as Schierup, Carl-Ulrik 'Den sociala exkluderingen i Sverige. Migration, arbetsmarknad och välfärdsstat i förändring' in De Los Reyes (ed.) *Arbetslivets (o)synliga murar*, Stockholm (SOU 2006:59)

2 See e.g. Schierup's (1993) critical analysis of the example of Denmark, where developments have long stood in stark contrast with Sweden.

model since the mid 1990s, it too has been held up as a model to follow. Even though the European Commission (CEC 2004) has been critical of the high levels of taxation in Sweden and deems the welfare state to be overly generous, it lauds Sweden for making investments in the “new knowledge society” with levels “comparable with or on a par with those in the US.”

Given that Sweden has been depicted as a model of sorts, a critical examination is particularly pertinent. In the following, the striking paradox of the transformed Swedish model is examined: the contrast between, on the one hand, ambitious political pledges of “welfare for all” and a society characterized by “diversity” and equal opportunity and, on the other hand, a deepened ethnically tinged class divide along with *racialized and seemingly impermeable boundaries of social exclusion*. This paradox has haunted Swedish politics for the last three decades (Ålund and Schierup 1991). As of the late 1990s, it has assumed a more obvious and controversial character embedded in Sweden’s particular variant of social democratic “Third Way” politics.

It represents a structural and institutional transformation that—alongside the UK—has been regarded as one of the most comprehensive regime changes of late capitalism (Pontusson 1997). Thus, key components of the model for the economy and labour-market relations that had constituted the very foundation for the construction of the Swedish welfare state following the Second World War were shelved during the 1980s and 1990s, in the view of some commentators, a ‘*Paradise Lost?*’ (Marklund 1988).

The article sets out with a critical review of the concept of *social exclusion* as relates to citizenship. It then discusses the Swedish welfare state model, its development and crisis from the mid 1970s, its comprehensive transformation after 1990 and the contingent “Third Way” shift in political and ideological perspectives on economic policy and labour-market policy. The next section discusses Swedish migration and integration policy during the same period (1975–2005), focusing on the major changes taking place parallel with, and linked to, the transformation of the Swedish model. The central role played by policy changes in the EU and adaptation to EU integration is highlighted. Thereafter follows a brief account of the consequences of these shifts on labour-market policy and on integration policy. A central concept here is *racialized exclusion*, developed below. The issue of “structural discrimination” is touched upon. This concept that has been used to analyze the consequences of discriminating institutional practices the effects of which are reinforced in interaction with the exclusionary dimensions of ethnicity, class, and gender (Patel 2006). The possibilities and limitations of legislation and policy initiatives against ethnic discrimination are discussed in relation to an emerging *political economy of exclusion*. Here comparison with the US legislative experience against discrimination is pertinent. In summary, the possibility of alternative paths is explored in terms of social and labour-market policies in Sweden and Europe. In this context the overarching political vision of a “Third Way” is critically discussed in so far as it has the possibility to offer a strategy for social inclusion beyond the Swedish model.

Social exclusion and truncated citizenship

A permanently unemployed portion of the population whose incomes are declining apace with cuts in unemployment benefits and social welfare payments; the homeless; the feminization of poverty as a result of the living conditions of single parents; unemployment and poverty among young people; the concentration of the deprived in socially and culturally segregated neighbourhoods—these are only a few aspects of the so-called “new poverty”. Such poverty has continued to rise rather than recede in one of the world’s strongest economic blocs in the last quarter of the 20th century and into the third millennium (Room, Lawson and Laczko 1989; Teekens 1990; Room 1992). As is indicated by the EU political idiom “*social exclusion*,” this multifaceted *misère du monde* (Bourdieu 1993) has become a political concern in the European Union, from Kiruna in the north to Malaga in the south. These are forms of exclusion that have grown in parallel with the emergence of low wage “occupational ghettos” (Feuchtwang 1982), beyond the reach of national labour-market regulations and social insurance systems.

In accordance with the EU’s poverty programme from the early 1990s, we follow Cross (1998) in defining the meaning of *social exclusion* as a *truncated citizenship*. Certain groups are systematically denied the minimum of economic, political and socio-cultural resources and opportunities that are necessary to sustain a socially acceptable existence and the right to participate as a “full member of the community.” T.H. Marshall in his famous essay on citizenship and social class (Marshall 1950) provided a notion of citizenship as embodying the kind of “social contract” that the post Second World War welfare states have typically rested upon (Dahrendorf 1985).

The definition of social exclusion that was adopted by the European Community in the late 1980s and early 1990s expressed a principled stand on the need for socially inclusive citizenship (CEC 1991; Room 1992). It emphasized the importance of defending and further developing the welfare state and its historically established civil rights at a supranational level. Social exclusion thereby came to be analyzed in terms of a lack of *social rights*, and the Commission began shaping a policy along these lines. The Poverty Programme’s Observatorium for social exclusion, which was established by the Commission in the early 1990s, was thereby rooted in Marshall’s theory of the emergence of the welfare state and the development and meaning of citizenship (1950: 85). Marshall saw an expanded welfare state with strong *social citizenship* as the solution to a constantly recurring contradiction between capitalism and democracy. Only by establishing universal social rights that guarantee every citizen a certain minimum of welfare could the civil and political citizenship rights that had previously been legislated be realized to the fullest extent. Through the right to work, insurance against loss of income owing to occupational injury or old age, and universal access to health care, citizens would be guaranteed a modicum of social welfare. Together with education, regarded by Marshall as one of the fundamental social rights that the modern welfare state should provide for its citizens, these rights were crucial for ensuring

that the working class would genuinely be able to participate in society as active, equal citizens and political actors.

Various critics have maintained that Marshall undervalued the importance of political organization and struggle of the working class which had led to the establishment of the welfare state and the rights of social citizenship (Giddens 1982; Bottomore 1996). The period after 1980 has moreover shown that the development of modern citizenship that Marshall pointed to is indeed *reversible*. As systemic exclusion intensified by the middle of the 1980s, Dahrendorf (1985) claims national citizenship in the member states of the European Union had taken on an exclusionary rather than an inclusionary character. Social exclusion is thus an expression of *advanced marginality* (Wacquant 1996). The new poor are socially excluded, but at the same time, they are central cogs in the type of “flexibility” that characterizes a neo-liberal restructuring and transformation of working life.

Contemporary processes of social exclusion have the salient character of *racialization* or *ethnicization* in that they particularly ‘target’ migrants and new ethnic minorities and thus constitute a *racialized exclusion* (Schierup 2000).³ Throughout the European Union this contributes to the creation of ethnic and class-based stratification and exclusion of population groups under more or less stigmatizing terms like “immigrants,” “foreigners,” “underclass,” “blackheads,” “*blatte*” or “ethnic minorities.”

It is the European “Others” who live on dwindling social welfare payments in ethnically segregated cities. It is the disproportionately many of immigrant or ethnic-minority background who are stuck in occupational ghettos (Feuchtwang 1982) marked by insecure jobs in the post-Fordist service industry and in an increasingly deregulated municipal sector. Included here are various categories of the ‘working poor’, from those compelled by *workfare* to workers in sweatshops resulting from *outsourcing* and lean production strategies in the new “network society” (Schierup 2007). There is, moreover, the category of “ethnic entrepreneurs,” often with long workdays, poor profitability, and no adequate social security system, who often survive thanks to the unpaid work of family members. This group of petty entrepreneurs have been called—using a term that stands the dynamic of post-Fordist structural transformation on its head—“a new proletariat” (bel Habib 2001). Especially vulnerable are those without access to the most basic civil, political, or social rights: the *illegalised migrant workers* on Europe’s construction sites and farms, (Baldwin-Edwards 1999; Calavita 2005), the “black” cleaners and nannies in middle-class homes (Andall 2000), and the

3 The concept of “racialization” has been developed in recent times by, among others, Robert Miles (1993). The concept of “ethnicization” has been used as a term for institutional practices that—regardless of political, economic, and cultural ambitions and power relations—lead to a systematic exclusion of ethnic minorities (e.g. Ålund & Schierup 1991). Racialization is a concept readily adopted in the British context, given the particular historical and etymological roots and meaning of the concept of “race” in Britain and its use in public debate. But with the more specific and narrow meaning that the concepts of “race” and “racism” have outside the UK, both historically and in the current general and academic debate, racialization is a term that is less readily adopted in academic and political parlance on the continent.

new *contract workers*, a post-industrial variant of the *Gastarbeiter* (Martin 1997). The *asylum seekers* who are forced to take hyper-exploitative informalised jobs when their new "host countries" make it impossible for them to make a living in any other way are another significant category. A case of exclusion and hyper-exploitation that has attracted a great deal of attention involves women in metropolitan red-light districts and other victims of "trafficking" and new migrant slave-like labour relations (e.g. Campani 1999).

Thus, growing numbers among migrants and new ethnic minorities have been excluded from the core areas of the formal labour market. This has come to include a diversity of social groups. Depending on the national political models for migration and integration policy, the institutional framework of the welfare models, and the structure of the economy, these various categories of excluded are different in size and of shifting importance to the social order. But taken together, they have come to be a shared political concern and one of the most visible manifestations of an ever more urgent "European dilemma" (Schierup 1995; Schierup, Hansen and Castles 2006).

As Silver (1994) writes in her comparative survey of discourses about social exclusion, the choice of which aspect of the new poverty and social exclusion one highlights is crucial in order to gain political support for or against the interests of the excluded. But instead of focusing on any specific subgroup, we can strive to obtain a holistic view of the different forms of social exclusion and their connection with general structural features of today's ongoing comprehensive transformation economy and society (Silver 1994: 136). These different groups of excluded are often forced to compete with each other and thereby aggravate each other's vulnerability within a domain where the free market reigns (Baldwin-Edwards 1999)). In this division of labour, parts of society that are marked by chronic unemployment, with ensuing poverty and dependence on welfare transfers, function as "incubators" that supply employers with jobs that are risky, temporary, underpaid, and performed by women, migrants, or new ethnic minorities (Mingione 1996: 382). But the proliferation of underpaid, temporary, and risky jobs puts pressure on welfare institutions. These multiple dependencies in turn, risk being exploited by political programmes for dismantling any notion of social citizenship—the defence of the most vulnerable against market forces.

The Swedish model: From national welfare state to post-national workfare regime

The foundation for the emergence of social citizenship and North Atlantic welfare states in the 20th century was the *decommodification of labour* (Offe 1984; Esping-Andersen 1985, 1990). More precisely, it was a political "process that to an ever greater extent liberates common citizens from the need to *directly* tie their welfare to the market value of their work" (Slavnic 2005 : 47). Liberation from selling one's work at the constantly shifting price of the market through the relative security that various welfare

orders and insurance systems offered—and with this a genuine freedom to refuse the labour market’s most precarious jobs and working conditions—was a key step in the consolidation of the trade union movement. It assumed the role of collective negotiation partner vis-à-vis capital and developed into an influential political force.

Decommodification and the parallel institutionalization of social citizenship emerge on the basis of different institutional arrangements and with the support of various types of alliances between social classes and status groups (Mann 1987). In the Scandinavian countries popular movements, especially labour unions had a major importance in terms of organized “bottom up” formulation of political demands (Contestable generalisation). This is also true of their central role in the actual institutionalization of social citizenship (Mann 1987) and a welfare state that came to rest on a policy of redistribution with general welfare solutions for the entire population. Thereby labour was also decommodified to a larger extent compared with the “conservative” welfare states on the European continent, and with the “liberal” welfare models of the US, and the UK (Esping-Andersen 1990); Mann, 1987 #83}. The Nordic countries also differ from each other regarding the strength and character of the political movements that advanced demands for social rights and regarding the concrete shaping of the institutions of the welfare state following the Second World War. Among other differences, this involved the relative importance that regulation of the labour market itself had for the decommodification of labour compared with welfare institutions outside of working life and the labour market.

However, the theories (e.g. Offe 1984; Esping-Andersen 1990)—inspired by T. H. Marshall’s and Karl Polanyi’s (1944) pioneering works on the historical emergence and inherent paradoxes of the market economy—that espoused the thesis of the decommodification of labour as a fundamental condition for the constitution of modern welfare states are, as Papadopoulos (2005) points out, insufficient. They have a tendency to one-sidedly focus on socio-political strategies and citizen rights that are institutionally anchored outside the labour market itself and working life. For example, this applies to Esping-Andersen’s (1990) comparative analyses of different welfare regimes, with Sweden as one of the most prominent cases. According to Papadopoulos, it is nevertheless important to look at strategies and institutional frameworks for *decommodification both within and outside of working life*, and their interplay, if we are to obtain a deeper understanding of how European welfare states are constituted and are currently transforming. In this regard, the traditional Swedish model occupies a unique place, even in relation to the other Nordic countries. This involves the central importance that the model attached to the regulation of the labour market itself and of working life as such for the decommodification of labour, compared with the welfare state institutions outside the labour market.

If we look back to the 1950s, 1960s, and 1970s, the Swedish model enjoyed an international reputation for its successful combination of economic growth and industrial expansion with full employment and, compared with most other advanced industrialized countries, egalitarian income distribution. The political and economic pillar of

the model was the Rehn-Meidner programme for macroeconomic management (Weiss 1998; Erixon 2005).⁴ In its construction of coordinated welfare capitalism, it went further than anywhere else in Europe (e.g. Pontusson 1992). The Rehn-Meidner programme's emphasis on *solidarity-based wage policy*, with the aim of levelling wages across economic sectors and companies, was anchored in the world's most centralized system for collective wage negotiations between unions and employers, with the LO (*Landsorganisationen*, the central federation of blue-collar unions) and SAF, (*Svenska arbetsgivarorganisationen*, the then Swedish confederation of employers) as the main parties.

The solidarity-based wage policy forced the highest degree of income levelling in the OECD area and made employers accept the goal of full employment (Swenson and Pontusson 2000). But at the same time this policy was intended to create a dynamism focusing on continuous modernisation. Its objective was to raise wages in economically weak sectors so that companies would hasten closures or reorganization, while a restrictive wage development in successful sectors would bolster profitability and expansion in internationally competitive export markets. Redundancy or unemployment as a result of company closure or relocation, were matched by an active labour-market policy that aimed to retrain workers, continuously upgrading their qualifications. The active labour-market policy would systematically reroute laid-off workers and individuals whose qualifications had become outdated to the economy's most dynamic sectors and promote the regional mobility of labour. The system was devised to keep unemployment at a minimum and guarantee full employment. The solidarity-based wage policy and the active labour-market policy were to rest on an austere financial policy.

The political pillar for the Swedish model was the *hegemony of the Social-Democratic Labour Party* (SAP) and their long-term position in government. Historically this hegemony was based on class-based social movements with strong labour unions at the centre. SAP came to be a political guarantor of centralized wage negotiations and full employment that paved the way for comprehensive regulation of employment terms, working conditions, and co-determination.

SAP was also the main political force guaranteeing another fundamental feature of the Swedish model: the strong welfare state with its *general welfare policy* and its large public sector. The public sector came to absorb a major share of employees on the Swedish labour market as a whole. In 1985, one in three employees in Sweden worked in the public sector, compared with, for example, only one in six employees in the Federal Republic of Germany. This strongly contributed to Sweden's high employment levels compared with Germany and other OECD countries (outside Scandinavia). The full employment policy and the active labour-market policy in turn were keys to

4 The concept "the Swedish model" is often used synonymously with the Rehn-Meidner model. However, in the article follows a convention that uses "the Swedish model" to designate Swedish welfare state policy in its entirety after the Second World War, with the Rehn-Meidner programme as its foundation. The description of the "three pillars" of the Swedish welfare state model mainly follows Weiss (1998).

the maintenance of the strong welfare state. On the other hand, unemployment insurance and transfers via needs-tested social benefits had been granted a relatively marginal role. Unemployment compensation was and is paid for relatively brief periods, and unemployment has been dealt with as an integrated component of the fundamental so-called "employment line" of the Swedish welfare state model, closely related to the active labour-market policy, rather than as a matter of social policy (Junestav 2004).

It is closely related to the specific character of the welfare regime that Sweden has had and still has the highest labour market participation rate in the European Union (Vogel 2000: 6). The production of high-quality welfare services is labour intensive, and a costly welfare system requires a comprehensive tax base and thereby a high degree of active gainful employment. At the same time, the construction of the Swedish welfare state model entailed, indeed required, radical changes in the gender order of society and the gender distribution of work. The model has required high female employment, and women have dominated the public sector. Two out of three employed women came to work in the public sector, often on a "long part-time" basis. In effect, the Swedish labour market became one of Europe's most gender-segregated. And at the same time as the public sector compensated for part of the traditionally female work in the home and in caring, and thereby made women's multiple roles as housekeepers, mothers, and wage earners more manageable, the peculiar character of how women were located in the labour market (part-time in the public sector) also generated a wholly new type of unequal gender division of labour.

The neo-liberal turn

Under the generally optimistic surface of the 1980s, however, ever greater structural problems were accumulating (e.g. Pontusson 1992, 1997; Weiss 1998, Ch. 4). An economic policy, markedly deviating from the basic tenet of the Rehn-Meidner model's insistence on an austere finance policy⁵ culminated in the virtual collapse of the Swedish currency in 1992 (e.g. Martin 2000). A severe recession was followed by company bankruptcies and a radical restructuring of business. Unemployment rose to levels not seen since the 1930s, which also had consequences on employment in the public sector.

There is no generally accepted explanation of problems of the Swedish model from the late 1970s or of its veritable bankruptcy in 1992. Some analysts point to an outside public sector as the core problem (e.g. Henrekson, Jonung and Stymme 1993). Others stress that a model based on a solidarity-based wage policy and centralized negotiations between the parties was not capable of attracting investment while globalization provided capital with new opportunities to disengage from previous corporative bargaining arrangements (Kurzer 1993: 20). Some commentators point to difficulties in adapting to a globalized post-Fordist economy with its demand for flexible labour markets and

⁵ A hyper-stimulation of the economy and an invitation to speculation, through a drastic devaluation of the crown and poorly planned and timed reforms of the tax system and currency regulation.

wage-negotiation (Pontusson 1992; Swenson and Pontusson 2000), and to problems in adapting a strictly regulated currency and financial system to a globalised political economy (Martin 2000). Most analyses are thus variations on a more general theme of globalization that stresses the inability of the Swedish nation state to maintain a regulated economy, a strictly regulated labour market, and a strong welfare state when confronted by economic globalization and the widening scope for transnational companies to act. But it is not reasonable to see this as a simple matter of international economic pressure undermining national institutional regimes, according to Weiss (1998). It is at least equally important to draw attention to the fact that there has been a general qualitative shift from cost-driven to a higher degree of *innovation-driven competition* within and between advanced post-Fordist economies. In this connection the capacity to innovate production and industrial planning has come to be crucial (Weiss 1998: 102ff; see also Crouch 1993; and Jessop 2002, Ch. 3). The Swedish model lacked the capacity to retool from a cost-driven macroeconomic strategy to a more complex innovation-driven developmental strategy (Weiss 1998: 103ff).. By the mid 1970s, the Rehn-Meidner model had in fact already been undermined "from within." The problem lay not so much in the size of the welfare state or the regulated labour market, but rather the Rein-Meidner model's one-sided attitude towards industrial transformation, with its focus on securing full employment but without providing the state with adequate means of control with which to influence the development of the economy and industrial system (Weiss 1998: 109).

This situation changed after the Social Democrats regained power following the short-lived interlude of non-socialist government in 1991–94. But the change of course toward a differentiated industrial policy came to take a direction strongly influenced by neo-liberal thinking in a particular embedded "*third way*", which in major regards came to upend the foundations of the Swedish welfare state, labour market and society. The general ideological foundations for this type of third-way policy, which in the 1990s has influenced not only Swedish social democracy, but most social democratic movements and parties in Europe, was formulated by prominent American and British intellectuals. Amitai Etzioni (Etzioni 1995 [1993], 2000), a political adviser to Bill Clinton, describes "the third way" as a new social contract that balances the state, the market, and civil society against each other with the aim of cultivating a harmonious partnership. This is the foundation for *a good society* that avoids both the Scylla of the bureaucratized welfare state and the Charybdis of neo-liberal market fundamentalism. The sociologist Anthony Giddens, a political adviser to Tony Blair and *New Labour*, promulgated "the third way" as a response from a reformed social democracy to the challenges of globalization (Giddens 1998). Here new forms of decentralized citizen influence and local partnerships between the state, business, and civil society were to be devised in a way that enhanced efficiency and competitiveness, stimulated individual work ethic and entrepreneurship, and at the same time functioned as an instrument for community integration. But solidarity in a good citizens' society rests less on rights and more on duties than citizenship in the traditional welfare state, one of them the individual's

personal duty to stay employable by investing in his or her human capital, seeking any jobs available, and not being a burden to the state and society (Giddens 1998: 27).

The US and the UK have hardly developed into the type of harmonious societies that Etzioni prescribes (Schierup, Hansen and Castles 2006, Chs. 4 and 5). But at the EU level “third-way” thinking has been embraced as a general model for the Union’s social and employment policy in the 1990s. It was re-formulated within the Lisbon Process as an endeavour to reconcile new strategies for “social inclusion” with the objective of making Europe the most competitive economy in the world (e.g. Hansen 2005). However, sceptics have described the Lisbon Process and the EU’s actually existing pragmatic social and employment policy as an *embedded neo-liberalism* riddled with contradictions (van Apeldoorn 2003; Hansen 2005). The policy is neo-liberal in the sense that it gives priority to global market forces and the free mobility of transnational capital, whereby markets come to be more and more dislodged from the institutional regulations of nation states—and without corresponding regulations being transferred to the Union’s supranational level. However, the market is institutionally “embedded” in that it is recognized that there are limits to *laissez-faire*. Thus a certain welfare policy is still considered necessary, at least to the extent it helps to maintain the competitiveness of European capital and create a virtuous circle of “more and better” jobs (quality of work) and “social inclusion.” Welfare policy should function as a factor of production, observing budgetary discipline, living up to companies’ demands regarding flexibility in the labour market, mobilizing civil society under the banner of the market, and ensuring a steady supply of disciplined and well-adapted labour through publicly subsidized educational programmes and labour-market measures.

Against this wider background, the new Sweden that can be discerned from the mid-1990s can be described as a particular variant of the general transformation of capitalism from the *national welfare state* as a framework surrounding the regulation of the economy and political control to a neo-liberally adjusted so-called *post-national workfare regime* (see further Jessop 2002). The aim is a differentiated and active business-friendly policy framework that mobilizes human capital, stimulates the entrepreneurial spirit, and maximizes regional and local comparative advantages. But a comprehensive system transformation is also marked by fundamental shifts in the view of the relationship between work and welfare—a development that Sweden shares with the other North Atlantic welfare states (following Jessop 2002):

- “Full employment” is redefined as full employability and unemployment is framed as primarily tied to the individual’s (presumably insufficient) qualifications.
- The dominance of economic policy over social policy is stressed with the aim of creating more flexible labour markets. Social costs are thereby regarded as a production cost rather than as a means of distribution.
- Social policy measures are defined less and less as a means to protect society and citizens against the insufficiencies and destructive forces of an unregulated

market economy, but as instruments for controlling the behaviour of individuals with the purpose of rendering the individual adaptable to what governments perceive as the needs of the market economy.

- Transfers to maintain income levels are limited to a minimum in order to incentivize people into work and forge an "entrepreneurial spirit."

In tandem with this shift in ideological and political perspective, the national mooring of politics is challenged in favour of *post-national market- and business-oriented governance* with local, regional, and transnational impact, in Europe with the EU Commission as the prime actor. A so-called *neo-communitarian* system of governance is emerging to prioritize decentralized organization in local, regional, and transnational partnerships for development. This constitutes, in the name of the new *network society* (Castells 1996), an important social foundation for the strategy of *embedded neo-liberalism*, whereby the shortcomings of the deregulated market are compensated for by solidarity-based partnerships between private and public sectors, employees and companies, volunteer organizations, social economy, and a mobilized civil society.

Just as the traditional welfare states after the Second World War took on diverse forms, the altered economic and social order of the third millennium is different in character in different countries (Jessop 2002; Schierup, Hansen and Castles 2006: Chs. 5). In Sweden this "regime change" has, increasingly far-reaching impacts from the early 1990 onwards, leading *beyond the Swedish model's* economic and social orientation. This has happened parallel to and influenced by Sweden's integration within the EU. It has received its concrete shape through the way in which the EU's regulatory system and political directives have been institutionalized in and implemented through the national political process.

These processes have been crucial for how issues regarding social welfare, social exclusion, and integration and migration are being dealt with today. Whereas the solidarity-based wage policy of the post-war period treated social levelling as a motor for economic competitiveness and economic growth and modernization, the focus has shifted to a clear prioritizing of business policy and accelerated economic growth as imagined instruments for social inclusion of those who are "left out". This change of course from a centralized macro-economically based labour-market policy towards a decentralized enterprise oriented policy, which has been charted since the mid-1990s, has been noticeable in the establishment, for example, of the Ministry of Enterprise (Näringslivsdepartementet), NUTEK (Swedish National Board for Industrial and Technical Development), VINNOVA (Swedish Governmental Agency for Innovation Systems), ESF (European Social Fund), and other state and supra-state authorities organising, funding, coordinating, and integrating education, research, and innovation, stimulating entrepreneurship and the development of small companies, organizing industrial "incubators", and monitoring local, regional, and transnational programmes and "partnerships for growth". In a similar way, the obligations of the state have shifted from a responsibility for guaranteeing full employment and administrating redistribu-

tive policies, towards the provision of a comprehensive market for education with the purpose of enhancing the general level of human capital and the competitiveness of individuals. Higher education has been broadened and regionalized in order to help upgrade the human capital and competitiveness of peripheral regions and disadvantaged urban neighbourhoods.

But the quest for distributive justice has wound up on the back burner, and continued promises to restore full employment have been subordinated to monetarist anti-inflation policy. This has been matched by growing income differentials. At the turn of the millennium, Sweden was the country, alongside the US and the UK, in the OECD with the fastest growing inequality regarding income, albeit from a relatively low starting point (Vogel 2003: 446ff). This entailed a radical break with decades of income levelling, and the rapidly rising unemployment of the 1990s and growing dependence on social welfare benefits led to an increasing number of poorer households (Vogel 2000: 34).

Nonetheless, significant parts of the original Swedish model remain in place, though in somewhat altered form. This is especially the case regarding the large publicly financed welfare sector. In principle, the welfare system is still based on the notion of general measures for the entire population (Vogel 2000: 9). But the public service system has undergone extensive reorganization, often with outsourcing to private companies. Benefit levels have also gone down, and the quality of public welfare provision has been jeopardized in many cases. Nevertheless, the degree of coverage when it comes to public care of the young and the elderly remains high compared with the UK and with most of Central and Southern Europe. Therefore, social exclusion is due less to changes in the decommodified welfare system *outside* the labour market and to a greater extent to changes in the *employment-line* that was the foremost instrument of the Rehn-Meidner model. In this, the unions and SAP play a key role.

The level of unionisation of employees has remained easily the highest in the entire EU area and—with a growth from 69 per cent of the labour force in 1969 to 81 per cent in 2003 (LO 2004)—was actually considerably higher at the turn of the millennium than it was in the heyday of the Swedish model. The unions have defended important institutional advances made in the post-war struggle for better conditions: regulated working conditions, co-determination, safety regulations, and sickness benefits. Employment remained, even at its lowest point in the mid 1990s, at a higher level than the rest of Europe, if we discount the Scandinavian neighbouring countries. At the same time, however, the gap has increased between those in the primary regulated parts of working life and the growing portion in a secondary sector, marked by “atypical jobs”, together with those who are dependent on declining unemployment compensation or social welfare benefits, or are found in a new type of unregulated informal labour market. As will be developed below, these are trends that especially impact on immigrants and new ethnic minorities.

Regarding the interplay between ideological and political re-orientation and social exclusion, radical changes in labour-market policy are particularly important. Today’s

marginalization processes and social exclusion do not mean that the employment–line” has been abandoned as the primary socio-political foundation for the Swedish welfare society. But, as Junestav (2004) shows in her dissertation about the Swedish employment line, the ideological and political premises of labour-market policy have fundamentally changed since the early 1990s. While the active labour-market policy of the Swedish model was mainly based on a concept of rights and a notion of self-help (through and for the working class), what is promoted today is “an ideology and a discourse more and more focused on control and discipline” (Junestav 2004: 21ff and 180ff). This is reminiscent of disciplining and degrading workfare measures in the US and the UK (Myles 1996; Fox Piven and Cloward 1993; Katz 1989; Junestav 2004). Instead of channelling the unemployed and welfare recipients into more qualified jobs, the function of labour-market policy has more and more become a matter of keeping presumptive welfare clients “active” and “employable” for the labour market’s lowest bidders. The focus lies on individual behaviour and the personal responsibility of the individual for their social and economic situation (Junestav 2004: 190ff). This shift in ideology, legislation, and institutional practice is moving in the opposite direction from the strongly decommodifying trend that characterized the traditional Swedish welfare state model. In line with political developments and institutional practices in EU as a whole (Schierup, Hansen and Castles 2006), developments since the early 1990s have in fact entailed a strong tendency towards the recommodification of labour, in other words, deregulation and new forms of control that *(re-)connect people’s welfare more directly to the market value of their labour* (e.g. Slavnic 2005).

The transformation of labour-market policy thus shows how the ideological core of the concept of “solidarity” has gradually shifted in character in a way that is analogous to what we can observe in the dominant political discourse of the European Union since the Maastricht Treaty (1992) (Schierup, Hansen and Castles 2006: Ch. 3). This involves a shift from being about *distribution* and social *justice* to a notion of the responsibility of the individual “actor,” “interested party,” or “partner” to contribute to economic competitiveness and to limiting the social costs of society (Levitas 1998: 25). This is especially true of the individual’s responsibility to continuously maintain his or her personal “employability” through “lifelong learning.”

Immigration and integration policy in transformation

In parallel with the accumulated problems of the Swedish model’s labour-market policy during the 1980s, the “immigration policy” and “immigrant policy” of the time experienced a crisis (Ålund and Schierup 1991). Swedish immigration and immigrant policy had been developed as an integrated part of the Swedish model. The recession of the early 1990s left Sweden, which was egalitarian and inclusive by international comparison, in a situation that was suddenly reminiscent of the stratification of the labour market that had long been legion on the continent and in the UK. Immigrants had to bear the heaviest burden of the transformation. While the proportion of unemployed

people in the workforce among the Swedish born increased from 1.3 per cent in 1989 to 7.6 per cent in 1993, it rose dramatically from 2.9 per cent to 15.4 per cent among foreign-born workers during the same period (Integrationsverket 2005: 21) and among foreign citizens from 3.5 to 24 per cent. In order to understand the changes that became manifest during the 1990s, it is therefore necessary to provide a historical review also of Swedish immigration policy and immigrant policy.

At the same time as women made ever greater strides in the labour market, the organized recruitment of migrant workers following the Second World War reached its peak in the late 1960s and early 1970s. This immigration helped to cool down an overheated labour market. It favoured the large export companies and the continued expansion of a Taylorist industrial system centring on the assembly line (e.g. Ohlsson 1978). The importation of workers also made it easier for Swedish-born workers to exchange their jobs for more attractive white-collar occupations (Persson 1972). At the same time, even as early as the 1960s immigration was tied to an immigrant policy that was forward-looking in comparison with those of most other host countries in Europe. The policy, which had broad support in the Riksdag and with the social partners, was designed to incorporate all social groups, including migrant workers, in the general welfare system and to include immigrants in the regulated labour market. The foreign-born received the same formal social rights as native Swedes (Schierup, Hansen and Castles 2006: Ch. 8).

Control of immigration was thus placed within the overarching goals and political framework of labour-market and welfare policy (Öberg 1994). The unions insisted that immigration would never, as was the case in the United States, be an instrument for the dumping of wages and social policy standards. This conformed well—at least in principle—to the dominant Swedish corporative strategy of focusing on progressive upgrading of wages, qualifications, technologies, and productivity in the economy's labour-intensive and less productive segments. At the same time, reforms during the 1970s that strengthened political and cultural rights were geared to providing migrants access to active citizenship (Proposition 1975; Öberg 1994; Borevi 2004; Soininen 1999). Together with the increasing integration of immigrants in the political parties and the unions, this would reinforce their ability to actually realize the social rights that they formally shared (Borevi 2004: 43ff).

However, in reality the situation for migrant workers during the 1970s came instead to have the character of what has been critically termed *subordinated inclusion* (Mulinari and Neergaard 2004). Thus, the class- and gender-related partitioning of Swedish society came to assume an ethnically segmented aspect as well. An ethnically segregated labour market arose, with workers immigrating from Finland, southern Europe, Yugoslavia, and Turkey in the least attractive parts of industry and in service occupations such as cleaning and restaurant work. A Swedish “vertical mosaic” emerged (Ålund 1985 ; Schierup and Alund 1987, which paraphrases Porter 1968). In other words, this was a society and a labour market marked by social inequality structured by class, gender, and ethnicity that in varying degrees overlapped, determined, and reinforced

each other. Discrimination in the labour market and in companies blocked occupational mobility and often prevented immigrants from getting jobs commensurate with their qualifications and education (Schierup, Paulson and Ålund 1994). Immigrants also came to be enrolled as obligatory members of unions but with marginal influence on union policies (Knocke 1982; 1986; Ålund 1985; Mulinari and Neergaard 2004).

Despite their concentration in the most precarious segments of the labour market, and those most exposed to competition, migrant workers and their families were included in the social security system, both within and outside working life. The solidarity-based wage policy and full employment policy of the Swedish model, in combination with a higher degree of full-time jobs (in industry) among foreign-born women than among Swedish-born women, meant moreover that income differentials between foreign- and native-born workers were relatively small (Wadensjö 1994; Lundh et al. 2002). Even with the obvious and increasingly grave structural problems of the traditional Swedish model from the latter part of the 1970s {Pontusson, 1992 #108; Weiss, 1998 #168}, immigrants continued to enjoy high employment and low unemployment. However, during the 1980s the foreign-born—especially individuals who had come to Sweden as refugees outside the Nordic countries, the EU, and North America—began to find it more difficult to enter the labour market and evinced a considerably higher level of unemployment and lower employment rates than native-born Swedes.

The new integration policy: a level playing field

By the end of the 1980s, immigration policy and immigrant policy had reached a crossroad (Ålund and Schierup 1991). As early as the mid 1980s, the growing unemployment and welfare dependency had begun to provide fertile soil for political discourses focusing on asylum and immigrant issues as a “social problem” and as a burden on the welfare state. Various daily practices of welfare and labour-market institutions had become marked by a stigmatizing and discriminating “culturalism” (*op.cit.*). In a phase when Sweden was facing the economic and social crisis of the early 1990s, a new populist political party, *New Democracy*, had gained considerable influence in the public debate in parallel with an upsurge of neo-Nazi grassroots movements. Against this background, warnings expressed by the Discrimination Ombudsman regarding the consequences of a structurally based institutional discrimination on the labour market and continued racialization of Swedish society took on a fateful tone (e.g. Nobel 1990).

While parts of its migration policy programme were in fact co-opted by the political establishment, within the framework of the rationale of adapting to the EU, this Swedish populist breakthrough was pushed back during the 1990s by a broad left-right consensus for a new orientation of integration policy (Schierup, Hansen and Castles 2006, Ch. 8). The bill titled *Sverige, framtiden och mångfalden* (Sweden, the Future, and Diversity) (Proposition 1998), which was submitted to the Riksdag in 1997, was based on a critical review of immigrant policy and its institutional practices, which resulted in the formulation of a new *integration policy*.

The new integration policy was intended to be a policy for the entire population, based on the continuous development of public institutions: the labour market, the educational system, housing, care and caring, cultural life, etc. Integration policy was to take its departure from “the actual composition and background of the population and make [. . .] use of all the competencies and experiences that exist in the country” (*op.cit.*: 20). Society’s “ethnic and cultural diversity” was thus to be “taken as the point of departure for the formation and implementation of the general policy in all segments and levels of society” (*op.cit.* 19). But this integration policy was to pay special attention to everyone who was deprived as a result of their ethnic or cultural background. The struggle against discrimination, xenophobia, and racism was to be given priority (*op.cit.*: 19–22). All citizens, the bill proposed, are responsible for this integration, which thus should not primarily be regarded as an issue for immigrants, but should have the development of an integrated multiethnic society as its goal. The bill stressed that this entails the formation of a *new Swedish identity and a renegotiated national community*, where allegiance to shared basic democratic values are of “greater importance for integration than a common historical origin” (*op.cit.* 23). These values included the “right to be different.” But unlike the corporative spirit of the immigrant policy reforms of the 1970s (Soininen 1999; Schierup 1991a), it was now thought that the issue of ethnic and cultural identity must first and foremost be a matter for the individual (Proposition 1998: 23).

Both on the right and on the left, unions and the business community affirmed the intentions of the new integration policy reforms, as well as, rhetorically, the keywords “integration” and “diversity.” Even though there were considerable differences regarding the analysis of the problem and concerning what measures should be seen as best suited to promote diversity and integration (Schierup, Hansen and Castles 2006: Ch. 8), the general direction of the new millennium’s integration policy agenda in practice converged with the neo-liberal turn in Sweden in general and, by extension, also with the type of measures for social inclusion and integration that characterizes the EU’s Lisbon Process. The parallels between integration policy and business policy were seen in a series of task force reports (SOU 1996b, 1996c, 1996a; Departementsserien 2000) that have been produced since the mid 1990s and established the foundation for today’s Swedish integration measures.

Here too the buzzwords were lifelong learning, employability, entrepreneurship and ethnically run small companies, immigrants as a flexible resource for regional economic growth, and a presumably growth-stimulating “diversity management” in companies. This has also influenced the view of “associations founded on ethnic grounds” (Ålund 2005). Whereas the emphasis in the 1970s reforms of immigrant policy and state support measures lay in principle in the democratic participation and influence of immigrant organizations, now public benefit system focused on project support for associations with “integration-promoting” activities targeting “employability.” The ideational foundation for supporting immigrant organizations thus changed from a notion, in the mid 1970s, of potentially autonomous corporative actors in civil society (Borevi 2002

; Soininen 1999) towards a prescribed role as market-oriented interested parties in employment projects and local and regional "developmental partnerships" at the turn of the millennium (Andersson 2004; Ålund 2005).

The Swedish model's political praxis, driven by an ideology of egalitarian income distribution and a quest for *equal outcomes*, has given way, also in the domain of integration policy, to an ideology and praxis driven by market incentives and focusing on *equal opportunities*. In other words, the goal is to create a *level playing field* for the agency of individuals. A considerable measure of social inequality is regarded, in this way of thinking, as a healthy incentive for innovation, entrepreneurship, and individual career motivation. But it is necessary to create institutional and structural conditions for *fair play* also for those who, for historical and structural reasons, have come to be "excluded" from the playing field. What is needed is now seen to be *equal opportunities* for the individual to be included in the game and thereby enhance her or his cultural and social "capital."

The role of the state in this connection is to help eliminate historically accumulated obstacles preventing marginalized groups from functioning as actors and entrepreneurs in a market-driven society. Some measures in the last decade have manifestly targeted structural transformation. These include, for instance, the localizing of new university colleges in Malmö and in Södertörn and Kista in Stockholm in order to counteract segregation, ethnic marginalization, and social exclusion in "disadvantaged" neighbourhoods. Also included is the move to introduce electives in the schools with the aim of providing young people with greater scope to individually manage and accumulate their educational capital. The ambitious *Kunskapslyftet* (Knowledge Boost) (*Kunskapslyftet* 2002) was launched after the turn of the millennium as a more temporary measure designed to upgrade educational levels on a broad front, including measures geared to immigrants whose education or qualifications had become outdated as a result, for example, of having been excluded from the labour market for long periods. State directives charging regional and local growth programmes with a binding responsibility to promote gender equality, diversity, and integration can be seen as an endeavour to open up the partnership-driven developmental model of the post-national workfare regime and institutional and organizational frameworks to new actors, including immigrant organizations and so-called "ethnically run companies" (Andersson 2004).

Ethnic division of labour and racialized exclusion: some trends

Thus far (2005), however, integration policy and its programmatic ties to the norms and institutional practices of the new enterprise policy have not been able to break the trend of marginalization in terms of the labour market, which has loomed as one of Swedish society's most controversial problems since the early 1990s. On the contrary, a number of trends over the past 15 years indicate that *racialized exclusion* has become perma-

ment in a scope and character that markedly differs from the ethnically divided labour market in the heyday of the Swedish model. I will summarize some of these tendencies in the following.

Unemployment and employment

Higher unemployment and lower employment levels among immigrants are the indicators of ethnic divisions of the Swedish labour market that have been elucidated best, at least in their general features. Nevertheless, there is still a dearth of in-depth studies that address the *causes* of the growing gaps in terms of structural and institutional change.

Although unemployment among the foreign-born declined somewhat apace with the drop in unemployment since the mid 1990s, the skewed distribution between native and foreign-born workers has not grown less striking. The proportion of unemployed people in the labour force among natives was 4.3 per cent in 2004, but 10.6 per cent among the foreign-born (Integrationsverket 2005: 21). However, this is merely a picture of the average. In fact it is primarily immigrants and citizens with background outside the OECD area who are affected. For instance, at the turn of the millennium the probability of being unemployed among foreign-born “Africans” and “Asians” who had been in Sweden between five and nine years was four times greater than for native Swedes. Even if we hold constant a number of factors such as the individuals’ education, age, marital status, and gender, the risk of being unemployed is twice as great—after 20 years in Sweden for this group (*ibid.*). The contrast between foreign- and native-born individuals becomes extremely clear, however, if we consider the marked decline in employment during the same period. Here too there are major differences between different groups of foreign-born people, with those from Africa, Asia, or European countries outside the EU 15 being especially vulnerable.¹¹⁶

As in other old immigration countries in Europe, such as Germany, France, and Holland, since the 1980s the growing employment problems for immigrants in Sweden have at least partially been related to the outsourcing of jobs to new industrial zones across the globe. This, as with efficiency measures and technological development, has especially impacted jobs in the traditional base industries that employed most immigrants. It is important to consider ethnic discrimination in this context. Discrimination in terms of access to internal training and discrimination in connection with recruitment to work organizations with attractive working conditions can lead to lasting locking in of employees of foreign background in jobs in “occupational ghettos” that are exposed to competition, with physically and mentally stressful working conditions (Schierup, Paulson and Ålund 1994). Refugees who were granted residence permits during the 1980s and 1990s faced an especially problematic situation, experiencing growing dif-

⁶ For detailed figures, see e.g. the annual reports from the Integration Agency and for a more detailed analysis Schierup, Hansen, and Castles (2006: Ch. 8).

difficulty in getting established in the regulated, and more and more exclusive, formal Swedish labour market. This is probably related to altered institutional frameworks for receiving refugees (e.g. Schierup 1991b). But it is also a matter of discriminating practices in connection with the introduction of work organizations that generate ethnically homogeneous work groups (Augustsson 1996). This exacerbates the unequal ethnic division of labour within and across companies and work groups *op.cit.*; for an alternative perspective, see, e.g., (Bevelander, 2000 #10; Scott, 1999 #134; Lundh, 2002 #80).

Company management seems often to ignore competence and qualifications among foreign-born workers from non-EU countries (Integrationsverket 2002: 41ff): 41ff). Detailed registry studies show that it is not possible to explain low levels of employment and high unemployment among the foreign-born by their level of education. To be sure, education does play a role, but to a lesser extent among the foreign-born than among natives, and certain categories of foreign-born workers are clearly more vulnerable than others (e.g. Berggren and Omarsson 2001; Riksrevisionsverket 1992; Spalloni 1994; Schierup and Paulson 1994; Ekberg and Gustafsson 1995; Bevelander 2000; Hjerm 2002b). The lowest level of formal education is found among the foreign-born from other Nordic countries, which nevertheless have a strong position on the Swedish labour market. On the other hand, men born in Africa and Asia, for example, are clearly disfavoured regarding employment, even though they have an educational level corresponding to that of Swedish-born men. Women of the same non-European origin have a level of education corresponding to that of women from other Nordic countries but a much inferior labour-market position (Integrationsverket 2002: 41ff).

Moreover, the Employment Protection Act, LAS in Swedish (*Lagen om anställningsskydd*) seems to have contributed to a form of indirect institutional ethnic discrimination (*op.cit.*: 40ff). When companies are shut down or lay off employees, those of immigrant background are particularly affected owing to the fact that they, on the average, have less employment seniority than the native-born workers. Individuals who came to Sweden as refugees in the 1980s and 1990s are especially vulnerable to this indirect discrimination. Foreign-born people who have resided in the country for only a short time are used as a floating reserve labour force or buffer in the labour market. But many studies also show that the function of immigrants as a reserve army of labour also affects individuals with high employment seniority. It is therefore important to draw attention to more direct discrimination (*op.cit.* 44ff; Hjerm, 2002 #56}. Multivariate analyses that eliminate the effects of the over-representation of immigrants in "temporary jobs," generally shorter time in the labour market, and furthermore control for age, gender, length of residence in Sweden, industrial sector, education, and union membership show that lay-off patterns during recessions, all else being equal, nonetheless impacts the foreign-born more severely than natives (Arai and Vilhelmsson 2002 ; Integrationsverket 2002: 45). This can hardly be explained by any more limited command of Swedish (Arai, Regnér and Schröder 1999; Vilhelmsson 2002; Integrationsverket 2002: 49): 49.

A special category with a marginalized position on the labour market are the foreign-born with long seniority and long residency in Sweden who are retired early owing to the effects of poor health and long periods in the most strenuous jobs on the labour market (Paulson 1994). But this too, according to Schierup, Paulson, and Ålund (1994), can partially be explained by earlier discrimination regarding access to internal training and the opportunity to advance to less strenuous and more stimulating and independent work duties.

Ethnic division of labour and occupational ghettos

Existing statistical studies thus portray a markedly ethnically stratified labour market regarding unemployment and level of employment. However, a reasonable picture of the true complexity of ethnic divisions of labour and inequality requires detailed industrial sector and company specific studies as well as studies of stratification and reorganization of various industries {see, for example, \Ohlsson, 1978 #98; Schierup, 1994 #191}. However, such studies, especially recent ones, are scarce in Sweden. It is reasonable to assume that the lack of this type of research is related to the excessive focus on employment problems and participation in the labour market that has dominated. This in turn could find its explanation in the role of immigrant workers as a reserve labour force (de los Reyes 2001).

Rapport (Report) Integration 2002 (Integrationsverket 2002: 55) provides an overview of the distribution of employment across industrial sectors and occupational categories, as well as a rough picture of the nature of employment for groups of varying backgrounds. Foreign-born employees are thus found primarily in industries with a high proportion of unskilled occupations. In other words, many work duties do not require any study-related qualifications: segments of industry, hotel and restaurant, and other private service. The chances of having a “skilled job” are considerably lower for the foreign-born from countries outside the EU (15) and the EEA than for the native-born with the same level of education, age, gender, and marital status; for instance, 60% lower for persons born in Africa who have resided in Sweden for at least four years. *Rapport Integration 2003* (Integrationsverket 2003: 101) concludes moreover, on the basis of existing studies (Berggren and Omarsson 2001; Ekberg and Rooth 2003), that many employees with higher education degrees from countries outside Western Europe have wound up in unskilled jobs, even though they have been Sweden for as long as 16 to 25 years.

Disparities between education and the chance to get a skilled job can be reproduced and aggravated against the background of a discriminating validation system for foreign education. Persons born outside the EU and the EEA are thus held to a more rigorous assessment than persons born in an EU country (Integrationsverket 2003: 139–56). A comparative study of immigrants’ working conditions (Hjerm 2002a), based on ULF (1995–2000), brings to light further dimensions to ethnic divisions of the labour market regarding the relationship between qualifications, the nature of the work, and country

of birth. Thus employees with post-secondary education born in the "Middle East" and the former Yugoslavia perceive between three and four times as often as employees with the same educational background born in Sweden that they have jobs characterized by "stressful and monotonous work" (op.cit.: 110). These patterns are confirmed by, among other things, a report from the Institute for Labour Market Policy Evaluation (IFAU) that demonstrates a sharp increase in ethnic segregation in the labour market since the mid 1980s (Norström Skans and Åslund 2005). This segregation coincides with marked income gaps (Hjerm 2001).

Atypical jobs, welfare dependency, and poverty: from unemployment to "hyper-casualization"

An important indicator of the quality of employment for the foreign-born is their over-representation in so-called "atypical jobs" (Jonsson and Wallette 2001). More precisely, this means short part-time jobs and temporary limited-term jobs, uncertain project-related jobs with no job security, and also jobs tied to more or less obligatory public employment measures. Taken together, these entail a lower standard of unemployment insurance and social insurance, as well as lower and uncertain pensions. Both native- and foreign-born people, women and men, are more and more often employed in limited-term jobs, but the increase is much more rapid for the foreign-born than for natives. This is true of both foreign-born men and foreign-born women. However, the trend for foreign-born men starts from a statistically considerably lower level than for foreign-born women—who today are by far most often temporary employees. Foreign-born men currently have roughly the same proportion of limited-term employment as native-born women (Integrationsverket 2005: 22ff): 22ff). But here too the picture depends on where the individuals were born. The above-mentioned ULF material, which gives an account of a cross-section of the 1990s, indicates that employees born in the former Yugoslavia are nearly three times more often than Swedish-born employees, and persons born in the Middle East nearly four times more often, employed in limited-term jobs (Hjerm 2002b: 91). This markedly uneven distribution also applies to those with a long period of residence (more than 10 years) in Sweden.

Moreover, a larger proportion of foreign-born individuals have been totally excluded from the formal labour market and the unemployment insurance system. One indication of this is a growing dependency on social benefits since the early 1990s e.g. (Lundh *et al.* 2002: 58ff). In the 1970s this proportion of households of foreign-born people that were dependent on social benefits was roughly the Swedish average. In the 1990s this figure soared (Franzén 2001 ; Vogel 2002: 54). This, as with long-term unemployment and lack of employment, has primarily affected immigrants with backgrounds outside the EU 15 and the EEA. Survey material from ULF also shows that, during 1993–2000, individuals born in former Yugoslavia and in the Middle East and Africa ran more than ten times the risk of being dependent on social benefits than native Swedes.

Unlike the 1970s and 1980s, high unemployment, declining employment, and exclusion from the labour market as well as dependency on dwindling transfer of income from a more restrictive benefit system have without doubt come to be one of the key causes of the rapidly growing income differentials between Swedish-born and foreign-born individuals (Vogel 2002) ULF data (Vogel 2002: 37–8) from 1993–2000 show that individuals born in Turkey, the former Yugoslavia, and Africa and “the Middle East” had incomes below the norm for social benefits five to six times more often than Swedish born people, which seems to persist even after many years (ten years or more) in Sweden. Slavnic (2000; Slavnic 2002) points to situations in which these new poor people wind up in a grey zone between a more and more restrictive benefit system and the most uncertain—and the most exposed to competition—parts of a growing informal sector of the labour market. This appears to pave the way for a situation that the Jordan {, 1996 #65} has called *hyper-casualization*. That is to say, an uncertain existence on the margins of a sagging and more and more disciplining public welfare system combined with uncertain and insecure jobs in a burgeoning informal sector of the economy and labour market (see also Slavnic 2005).

These marginalizing processes have systematically impacted immigrants and their children with backgrounds in countries outside the OECD area. They are concentrated in the segregated multi-ethnic suburbs of major cities—the so-called disadvantaged neighbourhoods that decades of selective housing policies and a tough and ethnically segmented urban labour market have relegated immigrants and their children to, together with people on early pensions and disability pensions, poorly paid sole providers, and other socially vulnerable groups. Here there are connections between ethnic segregation, benefit dependency, poverty (e.g. Socialstyrelsen 2006: 186–239) and an uncertain and marginal connection to the less regulated segment of the labour market, including the grey or informal sector—connections that remain insufficiently examined, despite extensive research and task force activities addressing urban issues since the mid 1990s.

The labour market's grey zone

The informal or “grey” economy’s proportion in Sweden has long been negligible compared with the extensive informal economy in Southern Europe, but also less prevalent than in Germany and most other countries in Northwestern Europe. A relatively generous Swedish welfare system has rendered the informal sector’s mostly low-wage service jobs unattractive to a growing group of benefit-dependent people of immigrant backgrounds, just as they are to other inhabitants of the country. Thereby the “irregular” or “informal” (black or grey) labour market in Sweden has mainly been limited to “moonlighting” carried out by individuals who already had jobs within the formal, regulated sector of the labour market. A factor of central importance for limiting informal work activities is, however, the high level of union organization ((Hjarnø 2003). In large parts of the rest of Europe, “regulation” of the informal sector and irregular

migration has been marked by ineffective state control and recurring police raids. But in Sweden and Scandinavia an irregular labour market and, with it, undocumented immigration have traditionally been blocked by the presence of unions even in small workplaces with collective agreements.

Today, especially following the expansion of the EU in 2004, the situation is changing radically. There can hardly be said to be any coherent union preparedness to deal with new types of migration and the social situation that confronts migrant workers and underground refugees in the informal labour market that falls outside the established cooperation between unions and employer organizations. Of interest in this context is, furthermore, a particular grey zone that has started to spring up in the Swedish labour market as a result of the EU's so-called "services directive." Employers in the new member countries interpret this directive as a right to operate in Sweden at the wage levels current in the country in which they are registered. These foreign-registered firms normally function as subcontractors to large Swedish companies. In many cases they are in fact foreign-registered individual "business owners" who are mediated by special recruiting agencies. But this is often a cover that allows the companies, on the one hand, to make use of immigrant workers at wages that are far below the levels set by Swedish collective agreements and, on the other hand, to ignore regulations governing working hours and safety, which in turn leads to a great number of work accidents among these new "*Gastarbeiter*" (Pettersson, Mårtensson and Bardh 2004). This type of arrangement has become particularly widespread in the construction sector, traditionally one of the most highly regulated segments of the Swedish labour market. Recruitment agencies have specialized in mediating cheap labour also to agriculture, to industrial companies, to the cleaning and restaurant industries, and to household services.

At the same time there is growing unregulated immigration of so-called "undocumented migrants," most of whom are hyper-exploited with extremely low wages and poor working conditions (Johansson, Johansson and Rahman 2005). Cases are being uncovered by investigative journalists (Ernsjö Rappe and Strannegaard 2004), and a few labour union reports have been published (e.g. Pettersson, Mårtensson and Bardh 2004). Among other factors, this is about the rising number of refugees who, as a result of tougher asylum praxis, are forced to hide from the police and authorities and who have become the most heavily exploited category in the unregulated labour market.

However, the issue of "illegal" or "undocumented" immigration is an area that has received little attention in Sweden (Johansson, Johansson and Rahman 2005). In this respect, Sweden differs from other parts of Europe, especially Southern Europe, where research has been intensive. Among other things, it has been shown how the formal and informal economic sectors are intertwined when it comes to the function of unregulated immigration. Several studies (e.g. Veiga 1999; Malheiros 1999; Fakiolas 2000) show, for example, how networks of large commercial banks, trading houses, construction firms, industrial groups, and various state parties systematically pass on the risks and costs to subcontractors with immigrant backgrounds that operate in various niches

of the labour market. These subcontractors in turn employ workers from networks of socially marginalized ethnic minorities (e.g. Mitter 1986; Slavnic 2005) or among undocumented (and illegalized) workers who have hardly any rights. It is thus mainly insecure low-wage jobs in small companies that are manned with undocumented immigrant workers. Larger companies find it difficult to directly employ undocumented labour owing to “stricter state control, internal bureaucratic procedures, union resistance, and prestige” (Fakiolas 2000: 64). But when small companies in the informal sector carry out commissioned work for companies in the formal sector, the cumulative gains from overexploiting undocumented workers is passed on upwards in the hierarchy of companies. It is precisely the hidden existence of undocumented workers that is the precondition for the degree of “flexibility” that unregulated immigration offers. At the same time this function for companies is upheld by continuous oppression in society outside the workplace, in the form of police raids and deportations, which precludes organizing and the acquisition of social, civil, and political rights. This regime helps maintain the subordinated position of underground immigrant workers in the hierarchy of companies and their subcontractors.

In Sweden—as in the EU in general—the broader context for the exploitation of underground refugees has come about on the background of a long and drawn-out political *pat* position in the relationship between completely or partially opposing interests. In parallel with a clear surge in the Swedish economy in the latter half of the 1990s, politicians, intellectuals, and business spokespeople of a neo-liberal persuasion started at regular intervals to advocate liberal cosmopolitanism, with historical precedent in a buzzword of the early post-war period regarding the “free exchange of people.” They have declared their general openness to immigration for economic reasons, but now with a *de facto* defunct Geneva Convention as ballast. Thus *Svenskt Näringsliv* (*Confederation of Swedish Enterprise*) (Fahimi 2001) presents an opening to the global labour market and a renewed importation of workers as a precondition for continued economic growth and social welfare, but also as a human right for prospective labour migrants. This is put forward as a measure to counter a stringent and counterproductive policy of migration control, a hyper-regulated labour market, and union monopoly. Thus business argues for a renewal of labour-market-related immigration to Sweden. But this does not necessarily mean general inclusion under the umbrella of the general welfare system that has been a pillar of Swedish immigration and immigrant/integration policy since the Second World War (e.g. Erikson 2005).

Unions, struggling to control the consequences of EU-related deregulation of the labour market, continue on their part to stress the overarching goal of defending established norms for welfare and labour-market regulation and the importance of dealing with unemployed and benefit-dependent immigrants with permanent residency permits in Sweden before considering any form of renewed importation of workers on a large scale. In this connection they also point to a need to prioritize equal opportunities for native- and foreign-born people in the labour market and welfare system ahead of any renewed large-scale importation of labour from countries outside the EU. In contrast

to the situation in several other EU countries, the unions are consistently against—thus far—the introduction of a guest workers system (LO 2001).

At the same time, the veritable shipwreck of Swedish asylum policy threatens to block the refugee immigration that, in practice since the mid 1970s, together with immigration of relatives, has functioned as Sweden's supply of workers from the international migration system. The background is the harmonization of Swedish policy and legislation (Proposition 1997; see also SOU 1995) with the Schengen Agreement. Through the *de facto* elimination of the distinctions between asylum seekers and so-called "illegals," migrant workers, and a stigmatizing and criminalizing of the latter, the way has been smoothed for exploitation of hiding refugees in the informal economy and a threatening debacle for the fundamental principles that post-war Swedish migration/integration policy has rested on (Schierup, Hansen and Castles 2006, Chs. 3 and 10). These developments prompted, for the first time in Sweden, an inflamed political debate in 2005 about a "general amnesty."

The self-employed

Programmes designed to increase self-employment have been put forward as an urgent strategy for inclusion in working life (SOU 1996c, 1999; Departementsserien 2000). State measures to this end have helped to further increase the over-representation of foreign-born individuals from non-OECD countries and their children in the category of the self-employed (Hammarstedt 2001; Scott 1999).

With a low level of education, the probability increases that an individual is self-employed, which probably means that poorly educated people see self-employment as an opportunity to get out of unemployment and benefit-dependency (Lundh *et al.* 2002: 35). Self-employment provides niches for people of immigrant background with marginal positions in the labour market, but it does not offer the career opportunities and income development that unlimited-term employees have (e.g. Hjerm 2001). Thus the positive impact on income that is shown in a number of studies from the US (e.g. Light and Rosenstein 1995; Waldinger 1996) seems to elude self-employed groups of immigrant background in Sweden (Hjerm 2001). Many small companies with meagre economic margins, social insecurity, very long working hours, and lack of unemployment insurance find it hard to buy into the Swedish social security system (Levin and Weström 2001).

Levin and Weström (*op.cit.*) point out that different forms of institutional discrimination also affect the possibility of starting and running successful companies. Lack of financing contributes to a concentration of small companies operated by individuals with immigrant backgrounds in less investment-intensive—but also less attractive and less profitable—parts of the service sector. This, in turn, may be the result of the incapacity or unwillingness among banks and other financiers to value actual experiences and qualifications among loan-seekers. Discrimination can force entrepreneurs of immigrant background to become dependent on informal financing channels through

ethnic networks (Lundqvist 2005), although a majority of business-owners with immigrant backgrounds seem to regard precisely financing from loan institutes as the most central condition for them to be able to run a company (Levin and Weström 2001).

The children of immigrants

Children to immigrants who were born in Sweden or children of foreign-born people who came to Sweden as dependents in pre-school or compulsory-school ages—the so-called second generation—seem to encounter similar obstacles in the labour market as their parents—with the exception of those of Nordic background (Integrationsverket 2002: 48ff). Young foreign-born individuals who immigrated as dependents after the age of seven run three times the risk of being unemployed than young people born in Sweden. Also, those born in Sweden with (two) foreign-born parents run a 40 per cent higher risk of being unemployed than children born to two Swedish parents.

Young people with backgrounds outside Europe are, like their foreign-born parents, especially vulnerable (Ålund 1997; Behtoui 2004; Lundh *et al.* 2002), with nearly four times the risk of being unemployed compared with persons with two Swedish parents (Lundh *et al.* 2002). Children of employed foreign-born individuals also have lower incomes than children of Swedish-born parents, and children of the unemployed or employees in low-wage occupations have a particularly high risk of being marginalized (Vilhelmsson 2002). This can create a vulnerability that is reinforced generation after generation. But what is especially worrisome and indicates that discrimination is important also in a longer perspective is that children of foreign-born people seems to be clearly disfavoured even if one holds constant factors like how well they speak Swedish and their parents' educational level and position on the labour market. Children of foreign-born parents with better grades than children of Swedish-born parents run twice the risk of winding up unemployed (Lundh *et al.* 2002: 74). It is probable, maintains Behtoui(2004), that these patterns are reproduced because the foreign-born and their children do not have access to contact networks that promote an individual's personal career in a society and in a labour market where companies prefer to make use of informal recruitment channels.

What is described as a cause of deep concern (SOU 2003) is the category of so-called “young outsiders” who have become an apparently permanent part of the Swedish “vertical mosaic” since the early 1990s, that is, young people between the ages of 16 and 24 who are neither pursuing studies, are registered as unemployed, nor receive social benefits. These are often young people with only lower-secondary education. Young people of immigrant background are clearly over-represented in the category of “young outsiders” and among young people receiving social benefits (Olofsson 2005).

Meanwhile looking at developments since the 1990s, more and more young people of immigrant background are dropping out of upper-secondary school (op.cit.). This may be, according to Reza Eyrumlü (1992) in the book *Turkar möter Sverige* (Turks Meet Sweden), a matter of a kind of self-fulfilling prophecy whereby young people

of immigrant and working-class background, against the backdrop of the "first generation's" negative experiences, reach the logical conclusion that education and any pursuit of a professional career does not pay, no matter what. This is understandable, given the relatively lesser value that education has for those who were born outside the EU 15 or the EEA compared with those born in Sweden. It becomes even more understandable if we also consider the clear tendency for this burden to be transmitted to the next generation. In this connection many young people of immigrant background seem to regard self-employment or the grey labour market as a way out of social marginalization and also see a discriminating and ethnically partitioned labour market as an alternative to education (Lundqvist 2005; Eyrumlü 1992).

The political price of exclusion

During the 1970s and 1980s, strong unions and the institutions of the welfare state at least partially prevented the exclusionary tendencies of the stratified ethnic labour market and discrimination, and immigrants and their children were able to enjoy a relatively high level of social security. (Nearly) full employment, the solidarity-based wage policy, the active labour-market policy, and the general welfare policy's rights-based social citizenship counteracted social exclusion and poverty. In contrast to this, over the last 15 years tendencies towards racialization of the labour market and in the welfare system paint a scenario in which the situation of a number of social groups has come to correspond to the original definition of the concept of *social exclusion*, as determined by the Poverty Programme and the European Commission. That is, "exclusion from full citizenship," with everything that involves regarding rights and opportunities for equal participation in the labour market, in the welfare system, in the educational system, in politics, and in cultural life.

Marginalization from the labour market and increasingly from the general welfare system is matched by a lack of true access to political channels and influence through the institutions of the democratic system (Dahlstedt 2004). This is hardly a matter of "lack of information" regarding the rules of the democratic system. Seen from society's racialized "backyards" (*op.cit.*) it seems rather to express uncertainty as to whether they can actually see themselves, or more precisely, whether they have the right to see themselves as citizens with real social and political rights. This situation is fully in line with the thesis (Ryner 2000) that deepened marginalization reinforces a latent ambivalent position in the welfare state. On the one hand, migrants and new ethnic minorities are confronted by each other in the segments of the labour market that are most exposed to competition. But, on the other hand, they can also create or be forced to exploit unregulated economic niches precisely as a result of this marginalized position (*op.cit.* 53), including new income opportunities generated through a growing informalization of the economy and the labour market. In this perspective—given current developments in the economy, the labour market, and the welfare state—real income opportunities and living conditions can paradoxically come to result from the grow-

ing social inequality and the polarization of the labour market rather than from social levelling and inclusion in the complex of citizenship rights. This ambivalent position is aggravated by a lack of solidarity on the part of unions (Mulinari and Neergaard 2004) and exploited by populist movements. The political base of the strong welfare state is becoming fragmented in parallel with the confrontation of various groups of migrants and new ethnic minorities with each other, and with other groups belonging to the traditional political advocates of the welfare state among the majority, in the segments of the labour market that are exposed to the most competition.

The struggle against discrimination in Europe – an expanded playing field?

In parallel to deepening exclusion, social and political fragmentation, and ambivalence among immigrants and their children, we have also seen a truly marked political turn since the latter half of the 1990s, which offers possible avenues for change. The reevaluation of Swedish immigrant policy and the consensus surrounding a new integration policy in the 1990s came to create an ideological foundation for a breaking up of the closed ethnicity-focused view of the national community (see further discussion in Schierup, Hansen and Castles 2006, Ch 8). Compared with the exclusionary discourses on ‘immigrant culture’ that dominated the Swedish political arena in the late 1980s, new possibilities for action have been created: an expanded playing field with the potential of renegotiating the premises for social belonging. Migrants and their children from backgrounds outside the EU and OECD countries have managed more and more to gain access to the elites of politics and cultural life and assumed administrative positions as civil servants in state institutions, locally and nationally. New forms for ethnic and trans-ethnic organization (Ålund & Reichel 2005) have been manifested in the public arena. Anti-racist networks and institutions are helping to mobilize immigrants and later generations to defend citizens’ rights and against discrimination and social exclusion. Moreover, significant critical research and social debates have called into question racialized and discriminating discourses in the media, in politics, and in the operational plans of public authorities and of corporations—as well as in academia’s professional and public spheres of activities. Critical research has also helped bring attention to the slippage between the inclusionary rhetoric in state directives about “integration and diversity” and the everyday, often exclusionary institutional practices of “diversity management.”

Potential for change hinges not least on the fact that the new integration policy seriously began to place the *issue of ethnic discrimination* on the agenda. For decades the Swedish model gave priority to *corporative solutions* the problems of social exclusion (Graham & Soininen 1998; Soininen 1999) ahead of binding legal measures against *discrimination focused on equal rights for the individual*. However, the more stringent EU-harmonized legislation against discrimination that was introduced at the turn of the millennium represents a decisive break with previous Swedish praxis that took the form of a regulation of labour-market relations based on the consensus of the social partners.

The Swedish model's hidden question

However, the development of policies and legislation against ethnic discrimination is hardly the result of a radical mental and ideological conversion among the social partners. It is rather tied to the growing concern among European and domestic political elites in the face of increasing segregation, social exclusion, and the social and political "unrest" in disadvantaged urban areas. There is a pragmatic awareness of these questions at the European level, which has found expression in the development of new guidelines, directives, and institutions within the European Union since the mid 1990s (Schierup, Hansen and Castles 2006, Ch. 3). Deepening integration in the European Union—which also entails a harmonization in relation to the Commission's declarations of principles, directives, and developmental programmes focusing on racism and discrimination and their more stringent requirements concerning equal treatment in the labour market and society—is thus a key factor in the marked turn that has taken place over the last decade regarding political positions and legislation about ethnic discrimination in Sweden: the best- and longest-hidden question of the corporative Swedish model.

Consensus solutions involving the labour-market parties as key actors dominated the first four decades after the Second World War in terms of the shaping and implementation of both immigrant policy and immigration policy (Öberg, 1994 #178; Graham, 1998 #47; Soininen, 2002 #145). Just as in the Swedish welfare model in general, the hegemony of SAP has promoted political continuity and overarching consensus-building processes. However, the consensus between labour and capital, left and right, has blocked the development of binding legally sanctioned legislation against discrimination. According to Swedish praxis, discrimination on ethnic grounds was mainly to be regulated through the general labour-market and welfare policies and through information measures, persuasion, and cultural consciousness-raising, administered by the labour-market parties and relevant sector bodies: a so-called *soft-law* approach (Soininen 2002). The business community and the unions perceived expanded and binding legally sanctioned legislation against ethnic discrimination as conflicting with the collective-agreement principles of the established Swedish labour-market system.

With the institution of the Ombudsman in 1986, whose work was regulated by the Act against Ethnic Discrimination of the same year (SFS 1986), Sweden acquired its first body specially addressing ethnic discrimination. The Ombudsman institution was initiated at a time marked by growing marginalization of immigrants on the labour market. But legislative measures were still received without enthusiasm by business and unions. The Ombudsman institution was also primarily oriented towards *soft law measures*, but it had a wider impact in insisting on further legislation (Soininen 2002). However, only with the Act Against Ethnic Discrimination in Working Life from 1999 (SFS 1999) was binding legislation introduced to combat proven discrimination. The focus shifted meanwhile from direct discrimination and obvious forms of racism to indirect institutional discrimination and racism. Unlike previous legislation, the 1999

Act also stressed the importance of changing actual behaviours and not only attitudes (Soininen 2002).

Principles gathered from binding legislation against ethnic discrimination and racism in the US, the UK, the Netherlands, and Canada, which had been included in EU legislation, were thereby also incorporated into Swedish legislation (SOU 1997; Soininen and Graham 2000).⁷ In line with EU directives from the turn of the millennium, the law also introduced a new ethical standard for positive measures resting with employers (*op.cit.*). These involve measures to change the organization of work by increasing the so-called “*diversity*” of the workforce.⁸ This indirect and *proactive* strategy to counteract discrimination seems to harmonize better with traditional Swedish praxis and the pragmatic interests of the parties than direct and legally binding decrees. It is therefore not surprising that this political concept of diversity—first launched in the 1997 bill (Proposition 1998) and next as an important part of the legislation against discrimination in the workplace—has come to dominate the public discourse, and to some extent institutional practice. Diversity programmes and diversity plans (like gender equality plans) have become obligatory in the public sector. Both unions and private business have come to be exposed to moral pressure to initiate and support an expected inclusionary form of diversity management.

Experiences from the US

In summary, Sweden’s EU-related anti-discrimination policy and sanctioned diversity-management policy fundamentally corresponds to a long-established anti-racist regime and the legislative regulatory framework in liberal states like the US and the UK, countries with a long history of immigration and established praxis for dealing with relations and conflicts in a multi-ethnic society. At the same time – given the developments of the last 15 years in the labour market and society – legislation operates *de facto* under societal conditions that in a number of respects are reminiscent of the social and labour-market relations typical of these market-liberal states: growing ethnic fragmentation and various forms of structurally based new poverty among socially excluded, both outside and within working life (Schierup, Hansen and Castles 2006, Ch. 4).

7 The subsequent 2003 Act (SFS 2003) came to deepen this integration of Swedish legislation against discrimination with EU legislation and international legislation in general.

8 The foundations and importance of diversity policies have been questioned by several researchers. Diversity is a both controversial and ambiguous concept. Without being related to a deeper understanding of social structures, organizations, and institutional regulatory systems and routines, and with a detailed analysis of complex relationships of difference and their background and preconditions, the concept’s potential for change can be doubted (de los Reyes 2001). If “diversity” is one-sidedly tied to profitability, it can come to mark a distance to norms of social justice, warns de los Reyes (*op.cit.*), and thereby ultimately entail a step backward for the position of women and the new ethnic minorities in working life. Soininen (Soininen 2002: 11) sees a danger that diversity management, in the form of a market-oriented human-capital policy approach, may come to push aside the overarching citizenship rights perspective that binding, legally sanctioned anti-discrimination legislation is predicated on.

This makes it all the more important to study and learn from the rich experiences from, above all, the US, regarding policies and measures against discrimination and social exclusion. As the American sociologist William Julius Wilson (e.g. 1987) has put forward in his studies of poor black "ghettos" in major US cities, a liberal anti-discrimination policy *as such* is able, at best, to create opportunities for a relatively resource-strong but comparatively limited stratum among racialized population groups to pursue careers in the economy, administration, educational system, cultural life, or politics. To be sure, the American experience is without doubt a history marked by extreme racism and discrimination that has led to the accumulation of a sorely disadvantageous political and economic position for the black population of the US. But the extreme poverty and exclusion that has characterized African-American urban ghettos since the mid 1970s cannot be explained without taking into consideration comprehensive global economic changes and a radical restructuring of the economy and labour market in the US (Wilson 1999). As Wilson maintains, it is a matter of a structural economic transformation of a character that affects a great many groups in society but has entailed especially grievous consequences for the black population of the US owing to their structurally exposed situation in this profoundly racialized class society. But precisely because the exclusion of these *truly disadvantaged* (Wilson 1987) is determined by an overarching economic transformation and by restructuring processes of a more general nature, a policy that *one-sidedly* or exclusively focuses on measures against racism and discrimination and affirmative action for minorities on the basis of racial or ethnic categorization can lead to unintended consequences (Wilson 1999).

In a US where welfare policies and the vision of "good jobs" have capitulated (Aronowitz 2001), according to Wilson (Wilson 1987), attractive educational opportunities and jobs earmarked for certain minority groups are made use of by resource-rich people with effective social networks. Legislation against discrimination and "affirmative action" have indeed strongly contributed to an increase in the number of African Americans who have gained access to economic, political, and cultural elites in the US. But rather than leading to a comprehensive positive cumulative process, this has simultaneously drained black neighbourhoods in big cities of resourceful individuals, families, and networks that held up the economic infrastructure, political mobilization, and social and cultural institutions. As a consequence, the lack of anticipated results from legislation against race discrimination and affirmative action in the "war on poverty" led to the spread of disappointment and resignation among liberal civil rights activists in the US during the 1980s. This in turn left the field open for conservative and neo-liberal disciplinary strategies (Wilson 1987). Thus, an authoritarian workfare policy that was instituted in the 1990s forced poor African Americans to compete with groups of recent immigrants from Latin America and Asia in a growing, uncertain, competitive, and informalized low-wage labour market. In tandem with the introduction of workfare and increased competition among the working poor at the bottom of society, the ethno-racial ghetto's economically segregating urban "prison" (to use L  ic Wacquant's {, 2000 #163} sardonic wording) was transformed into a judicial surrogate

ghetto within an economically flourishing American incarceration industry (see Parenti 2000)—a privatized post-modern substitute for a failed welfare policy.⁹

As Wilson {, 1999 #171} sees it, the American experiences actually demonstrate that a sustainable alternative policy requires a combination of forceful measures against institutional and structural discrimination and structurally transformational social policy and labour-market policy reforms in which social citizenship and a comprehensive complex of rights are in focus. A political base for such a complex reform programme must be based on broad alliances between “the truly disadvantaged” and other groups impacted by the consequences of global economic transformation (op.cit.). A radical anti-racist policy and one-sided efforts for affirmative action with no connection to structurally transformative reforms that can mobilize broader political alliances can ultimately lead to fragmentation, isolation, and powerlessness.¹⁰

Marginalizing multi-ethnic neighbourhoods in Europe and Sweden, where the migration of migrants has been concentrated during the last decade, can (as yet) hardly be compared to the ghettos of poor people in the US {see \Bunar, 2000 #15; Schierup, 2006 #133, Ch. 4}. The presence of formal welfare-state and political institutions in poor local communities is far more palpable in Sweden and Europe than in the US. Nevertheless there are significant general tendencies in Sweden that correspond to American “race”/class dynamics. In the past 15 years a rising number of immigrants from countries outside the privileged EU 15—or perhaps more often their children—have been included in skilled occupations within the formal labour market and in the elites of Swedish society in the economy, politics, and cultural life; but this is taking place with no concurrent slowing down of developments towards a concentration of a growing number of “disadvantaged” racialized Others in segregated neighbourhoods and in the worst occupational ghettos of the labour market.

The political economy of exclusion—alternative routes?

Are there any major social reconstruction projects in Sweden today? A project that can address the complex mission that Wilson points to, combining a forward-looking integration policy and a long-term anti-discrimination project with an overarching policy for social, economic, and political reform and reconstruction? This question justifies a brief review of the Swedish model, its crisis, and its transformation.

One of the fundamental features of the model was a combination of *the employment line* as an overarching strategy for social policy (Junestav 2004) with a *working life*

9 Here in the “surrogate ghetto” of the prison (Wacquant 2002), at the turn of the millennium, poor black ghetto dwellers were dramatically over-represented among more than 2 million interns (Office for National Statistics 2004; Shane 2003).

10 A similar argument is put forward by Martin Luther King (Luther King 1967) in his last book, *Where do We Go from Here? Chaos or Community*, in which King takes various black leaders to task for their new radical anti-racist movements.

characterized by a high degree of union influence, employment security, and worker protection. In its heyday, this was the basis for a high degree of *decommodification*. The emergence of low-wage ghettos was blocked by shielding employees from the most negative effects of sudden ups and downs of the business cycle. Norms for a regulated and humanized working life as an engine of rationalization were intended to optimize long-term competitiveness as opposed to allowing the short-term demands and swings of the global market to determine the structuring of the national labour market. The Swedish model was the world leader when it came to committing resources to an active labour-market policy, and this was matched by a corresponding constraint regarding income-compensating unemployment benefits. In actual fact, the Swedish *employment line* represented a radical and thoroughgoing *workfare strategy* and thereby functioned as an alternative to any clientifying dependency on unemployment benefits and social welfare payments. *Workfare* in its Anglo-Saxon and neo-liberal form from the 1990s came to be synonymous, in a wider sense, with a disciplining adaptation of marginalized population groups to the insecure and inferior market-exposed low-wage ghettos of working life (Myles 1996; Katz 1996; King 1999). By contrast, the original employment line was intended, as the linchpin of Swedish social policy, in accordance with the basic tenets of the Rehn-Meidner programme, to do just the opposite—to eliminate these ghettos and in the long term to consolidate and strengthen the negotiating position of wage labour vis-à-vis capital.

But without its structural undergirding, full employment, or the political power to sustain it, and given the altered nature of the employment line, the vision of The Swedish Model as a framework surrounding social justice and “welfare for all” has today become an ever more fictitious being. Exclusionary processes seem to harbour a dynamic in which a degenerate welfare corporatism is combined with the hyper-exploitation in a multiplicity of unregulated submarkets for labour. A still strictly regulated and protected primary labour market is changing, step by step, in nature from the cog-wheel and guarantor of the social dimension to a sort of gated community. It is indeed true that selective and conditional recruitment in the name of “diversity” is helping a varying number of ethnified Others to surmount the barriers of the protected labour market. But a growing and disproportionate number of those who remain outside are people of immigrant background, often regardless of their actual educational level, qualifications, and previous work experience. For these people, the radical change in the employment line threatens to deflate their social citizenship, or to set it aside.

One reaction to the striking socio-political debacle of the traditional active labour-market policy (Junestav 2004) has been, as has previously been done in the Swedish debate, to develop a decentralized so-called third employment line (Olofsson 2005b). This has been presented as an offensive successor to the centralized Rehn-Meidner politico-economic programme and the traditional Swedish model. It incorporates flexible local and regional developmental initiatives, clusters of small companies, network-based control systems, and decentralized forms of collaboration or “partnership” between private business and the public sector, mobilizing “civil” society in the

development of the business community—contexts in which unions are included as only one of several different categories of “stakeholders.”

The matter is simply that this new decentralized developmental package is actually already here. It constitutes, in the ideological spirit of The Third Way the very foundation of the EU’s developmental strategy and has been incorporated into Sweden’s new enterprise policy and socio-political thinking. It also includes a marked perspective of integration and diversity, binding directives for measures against racism and discrimination, and ambitious transnational and translocal developmental programmes for inclusion of the “most disadvantaged.” In other words, it offers an integrated programme combining a general policy for structural transformation with an agenda against institutional discrimination. We should therefore be able to see today’s anti-racist directives and programmes from the EU, tied to its overarching social policy and employment policy objectives, as part of an ongoing renegotiation of the broad consensus and “social contract” surrounding citizenship that has been in place since the end of the Second World War between the modern state and its citizens as well as a link in the creation of a new open European political culture and identity.

It is essential to recognize, however, that this new “employment line” cannot be compared with the employment line in the national consensus pact of the Swedish model: we are already beyond the Swedish model (to paraphrase Olofsson 2005b). What is described as the third employment line now seems to constitute the linchpin of a post-national workfare regime whose cardinal strategy, contrary to the decommodifying welfare-state regime of the post-war period, is rooted in a radical recommodification of labour. At the same time it is important to pay attention to the current European and Swedish discourse of the partnership society rests upon a concept of social exclusion that carefully avoids any analysis of political and economic power relations that produce and reproduce segmentation in terms of ethnicity/race, gender, and class (Schierup 2003; Geddes 2000: 797). To be sure, the “partnership” society places problems related to the bureaucratization of the corporative welfare state in perspective and prescribes more flexible forms of control for developing and regulating a more culturally heterogeneous post-national society and its ethnically differentiated niche economy. But if no overarching analysis of the power relations of the ongoing political and economic restructuring, no social vision, and no broad democratic base guides and leads this process, the crucial function of all new integration projects and programmes for social inclusion may contribute to the ongoing transformation, from the right to welfare to an unconditional duty to work. Ultimately this may entail that the political economy of exclusion is aggravated rather than halted.

Important in this context is the EU’s redefinition of the concepts of social exclusion/inclusion since the Maastricht Agreement (1992) (Hansen 2005), which also finds expression in Swedish Realpolitik. The original EU discourse about social exclusion/inclusion as denial of/participation in the rights complex of citizenship has had to give way, in line with the general neo-liberal ideological turn, to a narrow concept of exclusion, as exclusion from wage labour, and inclusion, as employability and job activation

(Levitas 1998). The question of how to combat social exclusion, poverty, and ethnic discrimination is discussed today in tandem with calls to increase economic efficiency, growth, and deregulation of the labour market. Despite continued lip service to the value of solidarity and equality, the problem of social exclusion/inclusion is perceived more and more narrowly as exclusion from or inclusion in wage labour, that is, how member countries are mastering unemployment and benefit-dependency. This is seen as a precondition for "social community" and "social order" rather than as a means for income distribution and the pursuit of equality.

These political strains, which have been dominant in the EU since the 1990s, can be described as a version of a conservative, or Christian conservative, ideology of welfare. In recent years, however, this has been linked to an Anglo-American, neo-liberal ideology oriented towards economic efficiency, a retreat of the state from the economy, and low welfare costs (Levitas 1998). It is an ideological turn that, besides Tony Blair's UK, has also been embraced by social-democratic governments in Germany and Sweden, for instance. The turning away from earlier ambitions regarding distribution policies became a built-in component of the EU's legal and financial frameworks when its member states set qualifying for the European Monetary Union (EMU) as their highest priority by constraining their public costs. This priority also serves as the foundation for many of the projects to integrate marginalized population groups and to create more egalitarian conditions in the labour market that were initiated by EU structural funds. These structural funds exclusively finance projects targeting the labour market.

To have the meaning of "social exclusion" be equated with "excluded from wage labour" may seem to be advantageous, in that it considerably simplifies the statement of the problem. But it is important to bear in mind that such a definition shifts the focus from the value of everyone enjoying "full participation in society," that is, the foundation of the previous political case for social citizenship based on equality, redistribution, and political participation. An inherent risk is that it becomes less and less legitimate to be situated outside wage labour, that traditional redistribution issues are stripped from the political agenda, and that society's responsibility for the right of each citizen to enjoy a reasonable level of welfare is undermined. With this policy, a legitimate basis might also be created to particularly stigmatize the unemployed or inhabitants of immigrant background who are dependent on benefits, whose exclusion from the labour market has often been caused or influenced by racism and ethnic discrimination.

If the new "employment line" is put forward as a panacea for a number of social problems, but with a marked degree of collective amnesia regarding the suffering that working under deplorable conditions has wrought upon people throughout history, the redefinition of "social exclusion" can pave the way for a general deterioration of the quality of employment and working conditions. For the compulsory labour of the new employment line not only "creates" job opportunities and brings down politically inopportune unemployment figures, it also deprives people of their historically wrested right to withhold their labour from the most loathsome jobs of the labour market.

If the decommodification of labour was an important demand of the traditional labour movement, both as a key precondition for the political power of wage-earners and the major welfare reforms of the 20th century, the radical recommodification of labour today is undermining not only social rights, but also civil and political rights. This is especially impacting immigrants and their children. A one-sided emphasis of wage labour as a tool for social inclusion or “integration” increases the pressure to accept any working and employment conditions whatsoever and strengthens the current trend towards a racialized division of the labour market. Those most affected are undocumented individuals in the informal sector of the labour market, and especially asylum seekers who have been forced underground by the restrictive EU-harmonized refugee policy. It is also here that the linkage becomes most obvious between economic restructuring, migration, racialization, and the lack of rights.

The need for an integrated political agenda

As during the time of the great social crisis of the 1930s and during the social reconstruction following the Second World War, Europe and Sweden are today in a situation characterized by a comprehensive transformation of the economy and society, one expression of which has been increased social exclusion. Much is different, however. The era of mass industrialization after the Second World War came to lay the foundation for the political coalition of the Swedish model that favoured macroeconomic control and far-reaching social and political reforms. The emergence of the welfare state could proceed in a society that was more ethnically and culturally homogeneous than today's, and with a political order that was more centrally controlled. This also came to characterize the incorporation of migrant workers in the 1950s, 1960s, and 1970s. The ethnified working poor of our day are socially marginalized in a more radical sense. But for the economy they still have importance as a source of cheap labour, which it is possible to exploit through the so highly extolled flexibilization of production and employment forms that characterizes the ongoing economic restructuring process.

Talk about “diversity” has become a political rhetoric that conceals a growing unregulated labour market and new forms of discriminatory ethnic division of labour. Meanwhile the broad class-based organizations that emerged during the era of mass industrialization have lost much of their social and economic capacity to integrate and in practice have now excluded many of those who are affected most negatively by the new “flexible” labour market's recommodification.

The exclusionary processes that have been unleashed since the early 1990s will continue to push many migrants and their children further away from the regulated labour market and the welfare system, and it will alienate them from national political institutions and publicly canonized civil society. More are being challenged or forced to seek their ideals, loyalties, and alliances elsewhere, with roots in local ethnic, religious, and transnational diasporic communities. But, as it has been shown in other parts of Europe, we are also facing a situation in which a lack of social vision and multi-ethnically

inclusionary communities can be expected to help fuel a nationalistic backlash among “the majority.” To counteract this fragmentation and social exclusion requires a policy that combines measures against ethnic discrimination with an overarching and general welfare policy agenda. In summary, a solidarity-based policy against ethnic discrimination must go beyond the moral political agenda that characterizes Sweden today. A critical examination of the political economy of exclusion and structural discrimination should be the point of departure for conversations about how we can recreate a solidarity-based project for reconstruction and further development of welfare and the labour market that exceeds the framework of the currently dominant neo-liberal *Realpolitik*.

Literature

- Andall, Jacqueline (2000) *Gender, Migration and Domestic Service. The Politics of Black Women in Italy*, Aldershot: Ashgate
- Andersson, Ragnar (2004) *Invandrare, integration och regional tillväxt*, Integrationsverkets stencilserie 2004:01, Norrköping: Integrationsverket
- Arai, Mahmood and Roger Vilhelmsson (2002) 'Unemployment risk differentials between immigrant and native workers in Sweden', in Vilhelmsson, Roger (ed.) *Wages and Unemployment of Immigrants and Native Workers in Sweden*, Avhandlingsserien, Stockholm: Institutet för Social Forskning
- Arai, Mahmood, Håkan Regnéer and Lena Schröder (1999) *Är Arbetsmarknaden Öppen för Alla? Bilaga 6 till Långtidsutredningen*, Stockholm: Finansdepartementet
- Aronowitz, Stanley (2001) *The Last Good Job in America. Work and Education in the New Global Technoculture*, Lanham, Boulder, New York and Oxford: Rowman & Littlefield
- Augustsson, Gunnar (1996) *Etniska relationer i arbetslivet : teknik, arbetsorganisation och etnisk diskriminering i svensk bilindustri*, Department of Sociology, Umeå: Umeå University
- Baldwin-Edwards, Martin (1999) 'Where free markets reign: Aliens in the twilight zone', in Baldwin-Edwards and Joaquin Arango (eds.) *Immigrants and the Informal Economy in Southern Europe*, London and Portland: Frank Cass: 1–15
- Behtoui, Alireza (2004) 'Unequal Opportunities for Young People with Immigrant Backgrounds in the Swedish Labour Market', *Labour*, 18 (4): 633–60
- bel Habib, Hedi (2001) 'Mångfald döljer proletariat' *Dagens Nyheter*, Stockholm Wednesday 21 February: A4
- Berggren, Katarina and Abukar Omarsson (2001) *Rätt man på Fel Plats - En studie av Arbetsmarknaden för Utlandsfödda Akademiker som Invandrat under 1990 talet*, URA2001:5, Stockholm.: AMS
- Bevelander, Pieter (2000) *Immigrant employment integration and structural change in Sweden*, Södertälje: Almqvist & Wiksell

- Borevi, Karin (2002) *Välfärdsstaten i det mångkulturella samhället*, Uppsala: Uppsala University
- Borevi, Karin (2004) 'Den svenska diskursen om staten, integrationen och föreningslivet', in Bengtsson, Bo (ed.) *Föreningsliv, makt och integration*, Ds 2004:49, Stockholm: Regeringskansliet: 31–64
- Bottomore, Tom (1996) 'Citizenship and social class, forty years on', *Citizenship and Social Class*, London: Pluto Press: 55–96
- Bourdieu, Pierre (ed. 1993) *La misère du monde*, Paris: Seuil
- Bunar, Nihad (2000) *Black belt, red belt, invandrartäta områden*, 2000:2, Umeå: Department of Sociology
- Calavita, Kitty (2005) *Immigrants at the Margins. Law, Race, and Exclusion in Southern Europe*, Cambridge Studies in Law and Society, Cambridge: Cambridge University Press
- Campani, Giovanna (1999) 'Trafficking for sexual exploitation and the sex business in the new context of international migration: the case of Italy', in Baldwin-Edwards and Joaquin Arango (eds.) *Immigrants and the Informal Economy in Southern Europe*, London and Portland: Frank Cass
- CEC (1991) *Background Report: The European Poverty Programme*, Luxembourg: Office for Official Publications of the European Communities
- CEC (2004) *Progress towards the Common Objectives in Education and Training. Indicators and Benchmarks. Commission Staff Working Paper*, SEC (2004) 73, Brussels: Commission of the European Communities
- Cross, Malcolm (1998) *Migrants and the Generational Transition in European Cities. The Interaction of Economic, Spatial and Social Factors in the Generation of Social Exclusion, with Particular Reference to Young People, Application to the Fourth Framework Programme of the European Union (TSER), TSER II.3/II.4SC*, January, Utrecht: ERCOMER, Utrecht University
- Crouch, Colin (1993) *Industrial Relations and European State Traditions*, Oxford: Clarendon Press.
- Dahlstedt, Magnus (2004) *Reserverad demokrati. Kampen om representationen i ett mångetniskt Sverige*, Doctoral thesis, Department of Ethnic Studies, Norrköping: University of Linköping
- Dahrendorf, Ralph (1985) *Law and Order*, Boulder, Colorado: Westview Press
- de los Reyes, Paulina (2001) *Mångfald och differentiering. Diskurs, olikhet och normbildning inom svensk forskning och samhällsdebatt*, SALTSA, Stockholm: Arbetslivsinstitutet
- Departementsserien (2000) *Alla lika olika*, Ds 2000:69, Stockholm: Näringsdepartementet
- Ekberg, Jan and Björn Gustafsson (1995) *Invandrare på arbetsmarknaden*, Stockholm: SNS

- Ekberg, Jan and Dan-Olof Rooth (2003) *Yrke och utbildning på 2000-talets arbetsmarknad – skillnader mellan inrikes och utrikes födda personer*, Bilaga till Integrationsverkets *Rapport Integration 2003*, Norrköping: Integrationsverket
- Erikson, Göran (2005) 'Reinfeldt vill öppna gränserna' *Svenska Dagbladet*, Stockholm 20 November: 8,(Nyheter)
- Erixon, Lennart (2005) 'Rehn-Meidnermodellen', in Olofsson, Jonas (ed.) *Den tredje arbetslinjen. Bortom den svenska modellen och marknadsliberalismen*, Stockholm: Agora
- Ernsjö Rappe, Tinni and Lars Strannegaard (2004) *Rent hus. slaget om den svenska dammråttan*, Stockholm: Norstedts
- Esping-Andersen, Gøsta (1985) 'Power and distributional regimes', *Politics and Society*, 14 (2): 223–56
- Esping-Andersen, Gøsta (1990) *The Three Worlds of Welfare Capitalism*, Oxford: Polity Press
- Etzioni, Amitai (1995 [1993]) *Spirit of community : rights, responsibilities and the communitarian agenda*, London: Fontana
- Etzioni, Amitai (2000) *The Third Way to a Good Society*, London: Demos
- Eyrumlü, Reza (1992) *Turkar möter Sverige*, Stockholm: Carlssons
- Fahimi, Bijan (2001) *Globalisering och arbetsmarknad. Öppna den svenska arbetsmarknaden*, Stockholm: Svenskt Näringsliv
- Fakiolas, Rossetos (2000) 'Migration and unregistered labour in the greek economy', in King, Russell, Gabriella Lazaridis and Charalambos Tsardanidis (eds.) *Eldorado or Fortress? Migration in Southern Europe*, Houndmills and London: Macmillan
- Feuchtwang, Stephan (1982) 'Occupational Ghettos', *Economy and Society*, 11 (3): 251–91
- Fox Piven, Frances and Richard A. Cloward (1993) *Regulating the Poor. The Functions of Public Welfare*, New York: Vintage Books
- Franzén, Elsie (2001) 'Socialbidrag bland invandrare: erfarenheter från Sverige', *Sociologisk Forskning* (3–4)
- Geddes, Mike (2000) 'Tackling social exclusion in the European Union? The limits to the new orthodoxy of local partnership', *International Journal of Urban and Regional Research*, 24 (4): 782–800
- Giddens, Anthony (1982) *Profiles and Critiques in Social Theory*, London: Macmillan
- Giddens, Anthony (1998) *The Third Way. The Renewal of Social Democracy*, Oxford: Polity Press
- Hammarstedt, M. (2001) 'An empirical analysis of immigrant self-employment in Sweden', in Hammarstedt, M. (ed.) *Making a Living in a New Country*, Växjö: Växjö University Press

- Hansen, Peo (2005) *Still a European Social Model? From a Vision of a "Social Europe" to the European Reality of Embedded Neo-liberalism*, Norrköping: CEUS (Department of Ethnic Studies and the National Institute for Working Life)
- Henrekson, Magnus, Lars Jonung and Joakim Stymme (1993) *Economic Growth and the Swedish Model*, Working Paper No. 118, Stockholm: Trade Union Institute for Economic Research (FIEF)
- Hjarnø, Jan (2003) *Illegal Immigrants and Developments in Employment in the Labour Markets of the EU*, Aldersho: Ashgate
- Hjerm, Mikael (2001) 'Företagande, vägen till fattigdom eller frälsning för invandrare?' in Rosing, Annika, Christian Råberg and Elisabeth Sundin (eds.) *Marginalisering eller integration? Invandares företagande i svensk retorik och praktik. En Forskningsrapport*, Stockholm: NUTEK
- Hjerm, Mikael (2002a) 'Arbetsmiljö', in Vogel, Joachim, Mikael Hjerm and Sven-Erik Johansson (eds.) *Integration till svensk välfärd? Om invandrades välfärd på 90-talet*, Rapport 96, Stockholm: Statistiska Centralbyrån och Arbetslivsinstitutet: 101–12
- Hjerm, Mikael (2002b) 'Sysselsättning', in Vogel, Joachim, Mikael Hjerm and Sven-Erik Johansson (eds.) *Integration till svensk välfärd? Om invandrades välfärd på 90-talet*, Stockholm: Statistics Sweden and the National Institute for Working Life: 87–100
- Integrationsverket (2002) *Rapport Integration 2002*, Norrköping: Integrationsverket
- Integrationsverket (2003) *Rapport integration 2003*, Norrköping: Integrationsverket
- Integrationsverket (2005) *Statistikrapport 2004 - Statistisk uppföljning av Rapport integration 2003*, Norrköping: Integrationsverket
- Jessop, Bob (2002) *The Future of the Capitalist State*, Cambridge: Polity Press
- Johansson, Rune, Christina Johansson and Tania Rahman (2005) *Illegally Resident Third Country Nationals in the EU member States: State approaches towards them and their profile and social situation. Report for the Swedish Migration Board*, Norrköping: Department of Ethnic Studies, Linköping University
- Jonsson, A. and M. Walette (2001) 'Är utländska medborgare segmenterade mot atypiska arbeten?' *Arbetsmarknad & Arbetsliv*, 7 (3)
- Jordan, Bill (1996) *A Theory of Poverty and Social Exclusion*, Oxford: Polity Press
- Junestav, Malin (2004) *Arbetslinjer i svensk socialpolitisk debatt och lagstiftning 1930-2001*, doctoral dissertation, Department of Economic History, Uppsala: Uppsala University
- Katz, Michael B. (1989) *The Undeserving Poor: from the War on Poverty to the War on Welfare*, New York: Pantheon Books
- Katz, Michael B. § (1996) *In the Shadow of the Poorhouse. A Social History of Welfare in America*, New York: Basic Books

- King, Desmond (1999) *In the Name of Liberalism. Illiberal Social Policy in the United States and Britain*, Oxford: Oxford University Press
- Knocke, Wuokko (1982) *Invandrare Möter Facket: Betydelse av Hemlandsbakgrund och Hemvist i Arbetslivet*, Stockholm: Arbetslivscentrum
- Knocke, Wuokko (1986) *Invandrade kvinnor i lönearbete och fack*, Stockholm: Arbetslivscentrum
- Kunskapslyftet (2002) 'Special Build-up of Adult Education', Swedish National Agency for Education, C:\E-Library\Education\Sweden\Kunskapslyftet\Special Build-up of Adult Education (Kunskapslyftet) - Sweden.htm
- Kurzer, Paulette (1993) *Business and Banking: Political change and Economic Integration in Western Europe*, Ithaca NY: Cornell University Press
- Levin, Henrik and Anders Weström (2001) 'Finansieringssvårigheter som hinder för tillväxt. En studie av skillnader mellan företagare med och utan invandrarbakgrund', in Rosing, Annika, Christian Råberg and Elisabeth Sundin (eds.) *Marginalisering eller integration? Invandares företagande i svensk retorik och praktik. En Forskningsrapport*, Stockholm: NUTEK
- Levitas, Ruth (1998) *The Inclusive Society? Social Exclusion and New Labour*, London: Macmillan
- Light, Ivan and C. Rosenstein (1995) *Race, Ethnicity, and Entrepreneurship in Urban America*, New York: Aldine de Gruyter
- LO (2001) *LOs yttrande över "Förslag till direktiv om villkor för tredjelandsmedborgares inresa och vistelse i syfte att be-driva verksamhet som anställd eller egenföretagare"*,
- Lundh, Christer, et al. (2002) *Arbete? Var god dröj! Invandrare in välfärdssamhället*, Stockholm: SNS
- Lundqvist, Catarina (2005) 'Informal and formal resources and strategies for self-employment—family and institutional support for young entrepreneurs with foreign background', *International Conference on Irregular Migration, Informal Labour and Community in Europe*, Istanbul, 1–2 December 2005
- Luther King, Martin (1967) *Where Do We Go From Here: Chaos or Community?*,
- Malheiros, Jorge Macaísta (1999) 'Immigration, clandestine work and labour market strategies: The construction sector in the metropolitan region of Lisbon', in Baldwin-Edwards and Joaquin Arango (eds.) *Immigrants and the Informal Economy in Southern Europe*, London and Portland: Frank Cass: 169–85
- Mann, Michael (1987) 'Ruling class strategies and citizenship', *Sociology*, 21 (3): 339–54
- Marklund, Staffan (1988) *Paradise Lost?*, Lund: Arkiv
- Marshall, T.H. (1950) *Citizenship and Social Class*, Cambridge: Cambridge University Press

- Martin, Andrew (2000) 'The politics of macroeconomic policy and wage negotiations in Sweden', in Iversen, Torben, Jonas Pontusson and David Soskice (eds.) *Unions, Employers, and Central Banks*, Cambridge: Cambridge University Press: 232–66
- Martin, Philip (1997) 'Guest worker policies for the twenty-first century', *New Community*, 23 (4): 483–94
- Mingione, Enzo (1996) 'Conclusion', in Mingione, Enzo (ed.) *Urban Poverty and the Underclass. A reader*, Oxford: Blackwells: 372–83
- Mitter, Swasti (1986) 'Industrial restructuring and manufacturing homework: Immigrant women in the UK clothing industry', *Capital and Class* (27): 37–80
- Mulinari, Diana and Anders Neergaard (2004) *Den nya svenska arbetarklassen*, Umeå: Borea
- Myles, John (1996) 'When markets fail: social welfare in Canada and the United States', in Esping-Andersen, Gøsta (ed.) *Welfare States in Transition. National Adaptations in Global Economies*, London: Sage: 116–40
- Nobel, Peter (1990) 'Mycket har gått snett' *Dagens Nyheter*, Stockholm 8 September: 4,(A)
- Norström Skans, Oskar and Olof Åslund (2005) 'Ses vi på jobbet? Etnisk segregation mellan arbetsplatser 1985–2002', IFAU, <http://www.ifau.se/upload/pdf/se/2005/r05-17.pdf>
- Näringsdepartementet (2002) 'Swedish Integration Policy for the 21st Century', Regeringskansliet, www.naring.regeringen.se/fragor/integration/index.htm
- Offe, Claus (1984) *Contradictions of the Welfare State*, London: Hutchinson Education
- Office for National Statistics (2004) 'Prison population, 1990–2002: Social Trends 33', Office for National Statistics, www.statistics.gov.uk/StatBase/ssdataset
- Ohlsson, Rolf (1978) *Ekonomisk strukturförändring och invandring*, Lund: CWK Gleerup, LiberLäromedel
- Olofsson, Jonas (2005) *Svensk yrkesutbildning. Vägval i internationell belysning*, Stockholm: SNS
- Patel, Pragna (2006) 'Notes on Gender and Racial Discrimination: An urgent need to integrate an intersectional perspective to the examination and development of policies, strategies and remedies for gender and racial equality', United Nations, <http://www.un.org/womenwatch/daw/csw/Patel45.htm>
- Paulson, Sven (1994) 'Långtidssjukfrånvaro och arbetsmiljö', in Schierup, Carl-Ulrik and Sven Paulson (eds.) *Arbetets etniska delning*, Stockholm: Carlssons: 169–81
- Persson, Gunnar (1972) 'Invandrarna och arbetarklassen i Sverige', *Zenit*, 27
- Pettersson, Thord, Kristina Mårtensson and Per Bardh (2004) 'Arbetskraft till salu—sex månader med öppna gränser', LO, [http://www.lo.se/home/lo/home.nsf/unidView/08AD9D6C451CE06CC1256F3C002BC86E/\\$file/arbetskraft2.pdf](http://www.lo.se/home/lo/home.nsf/unidView/08AD9D6C451CE06CC1256F3C002BC86E/$file/arbetskraft2.pdf)
- Pontusson, Jonas (1992) 'At the end of the Third Road: Swedish social democracy in Crisis', *Politics and Society*, 20 (3): 305–32

- Pontusson, Jonas (1997) 'Between neo-liberalism and the German Model: Swedish Capitalism in Transition', in Crouch, Colin and Wolfgang Streeck (eds.) *Political Economy of Modern Capitalism*, London, Thousand Oaks, New Delhi: Sage: 55–70
- Proposition (1975) *Riktlinjer för invandrar- och minoritetspolitiken*, Regeringens Proposition 1975:26, Stockholm: Sveriges Riksdag
- Proposition (1997) *Svensk migrationspolitik i globalt perspektiv*, Proposition 1996/97:25, Stockholm: Utrikesdepartementet
- Proposition (1998) *Sverige, framtiden och mångfalden – från invandrapolitik till integrationspolitik*, Regeringens proposition 1997/98:16, Stockholm: Riksdagen
- Riksrevisionsverket (1992) *Utländsk kompetens – Ettresurstillskott till arbetsmarknaden*, 1992:11, Stockholm: RRV
- Room, Graham, Roger Lawson and Frank Laczko (1989) "'New poverty" in the European Community', *Policy and Politics*, 17 (2): 165–76
- Room, Graham *et al.* (1992) *Observatory on National Policies to Combat Social Exclusion, Second Annual Report*, Brussels: Directorate General for Employment, Social Affairs and Industrial Relations, Commission of the European Communities
- Ryner, Magnus (2000) 'European welfare state transformation and migration', in Bommes, Michael and Andrew Geddes (eds.) *Immigration and Welfare. Challenging the Borders of the Welfare State*, London and New York: Routledge
- Schierup, C.U and A Alund (1987) *Will they still be dancing?*, Stockholm: Almquist and Wiksell International
- Schierup, Carl-Ulrik (1991a) 'The ethnic tower of Babel. Political marginality and beyond', in Ålund, Aleksandra and Carl-Ulrik Schierup (eds.) *Paradoxes of Multiculturalism. Essays on Swedish Society*, Aldershot: Avebury
- Schierup, Carl-Ulrik (1991b) 'The duty to work. The theory and practice of Swedish refugee policy', in Ålund, Aleksandra and Carl-Ulrik Schierup (eds.) *Paradoxes of Multiculturalism. Essays on Swedish Society*, Aldershot: Avebury
- Schierup, Carl-Ulrik (1995) 'A European Dilemma: Myrdal, The American Creed, and EU Europe', *International Sociology*, 10 (4): 347–67
- Schierup, Carl-Ulrik (2000) 'Multipoverty Europe: Perspectives on Migration, Citizenship, and Social Exclusion in the European Union and the United States', in Gundara, Jagdish and Sidney Jacobs (eds.) *Interculturalism in Europe: Cultural Diversity and Social Policy in the European Union*, Aldershot: Arena
- Schierup, Carl-Ulrik (2003) 'What Creed in Europe? Social Exclusion, Citizenship, and a Changing EU Policy Agenda', in Brochman, Grete (ed.) *Comparative Social Research, Special issue on The Multicultural Challenge*, 22, Amsterdam: Elsevier Science, JAI: 205–44
- Schierup, Carl-Ulrik (2007) "'Bloody Subcontracting" in the Network Society: Migration and Post-Fordist Restructuring across the European Union', in Berggren, Erik

- et.al. (ed.) *Irregular Migration, Informal Labour and Community: A Challenge for Europe*, Maastricht: Shaker Publishing (IMILCO)
- Schierup, Carl-Ulrik and Sven Paulson (1994) *Arbetets etniska delning. Studier från en svensk bilfabrik*, Stockholm: Carlssons
- Schierup, Carl-Ulrik, Sven Paulson and Aleksandra Ålund (1994) 'Den interna arbetsmarknaden – etniska skiktningar och dequalificering', in Schierup, Carl-Ulrik and Sven Paulson (eds.) *Arbetets etniska delning*, Stockholm: Carlssons: 25–80
- Schierup, Carl-Ulrik, Peo Hansen and Stephen Castles (2006) *Migration, Citizenship and the European Welfare State. A European Dilemma*, Oxford: Oxford University Press
- Scott, K. (1999) *The Immigrant Experience: Changing Employment and Income Patterns in Sweden, 1970–93*, Lund: Lund University Press
- SFS (1986) *Lag mot etnisk diskriminering*, SFS 1986:442, Stockholm: Sveriges Riksdag
- SFS (1999) *Lag om åtgärder mot diskriminering i arbetslivet på grund av etnisk tillhörighet, religion eller annan trosuppfattning*, SFS 1999:130, Stockholm: Sveriges Riksdag
- SFS (2003) *Lag om förbud mot diskriminering*, Lag SFS 2003:307, Stockholm: Sveriges Riksdag
- Shane, Scott (2003) 'Locked up in land of the free', *Voina v Irak*, http://www.iraqwar.ru/iraq-read_article.php?articleId=7835&lang=en
- Slavnic, Zoran (2000) *Existens och temporalitet. Om det samtida flyktingkapets komplexitet*, Ph.D. Thesis, Akademiska avhandlingar vid Sociologiska institutionen, Umeå universitet, No. No 19 2000, Umeå: Umeå University
- Slavnic, Zoran (2002) 'Informell ekonomi och välfärdssamhället', in Rosing, Annika, Elisabeth Sundin and Christian Råberg (eds.) *Marginalisering eller integration. Invandrades företagande i svensk retorik och praktik*. En forskningsrapport, Stockholm: NUTEK
- Slavnic, Zoran (2005) 'Värdet på ditt arbete', *Invandrare & Minoriteter* (5–6): 45–48
- Socialstyrelsen (2006) 'Social rapport 2006', Socialstyrelsen, <http://www.socialstyrelsen.se/NR/rdonlyres/6BA28164-0E48-4F40-951B-181A84A2E74A/0/20061111.pdf>
- Soininen, Maritta (1999) 'The "Swedish model" as an institutional framework for immigrant membership rights', *Journal of Ethnic and Migration Studies*, 25 (4): 685–702
- Soininen, Maritta (2002) 'Exploring EU ethnic diversity and anti-discrimination: A Swedish perspective', *Immigration Politics: Between Centre and Periphery. National States and the EU*, Turin, Italy, 22–27 March
- Soininen, Maritta and Mark Graham (2000) 'Positive action in Sweden: from central solutions to local responsibility for combating ethnic discrimination', in Appelt,

- Erna and Monika Jarosch (eds.) *Combating Ethnic Discrimination: Affirmative Action as a Model for Europe*, Oxford: Berg
- SOU (1995) *Svensk flyktingpolitik i globalt perspektiv*. Betänkande från Flyktingpolitiska kommittén, SOU 1995:75, Stockholm: Arbetsmarknadsdepartementet
- SOU (1996a) *En strategi för kunskapslyft och livslångt lärande*, SOU 1996:27, Stockholm: Fritzes
- SOU (1996b) *Bidrag genom arbete - en antologi*. Betänkande av Storstadskommittén, SOU-1996/151, Stockholm: Socialdepartementet
- SOU (1996c) *På väg mot egenföretagande*, SOU 1996:55, Stockholm: Arbetsdepartementet
- SOU (1997) *Räkna med mångfald! Förslag till lag mot etnisk diskriminering i arbetslivet m.m.*, SOU 1997:174, Stockholm: Inrikesdepartementet
- SOU (1999) *Invandrare som företagare. För lika möjligheter och ökad tillväxt*, 1999:49, Stockholm: Norstedts
- SOU (2003) *Unga utanför. Slutbetänkande av Utredningen om unga utanför*, SOU 2003:92, Stockholm: Näringsdepartementet
- Spalloni, Bernarda Cocke (1994) 'Akademikers arbetsvillkor', *Invandrare och minoriteter*, 21 (3): 8–11
- Swenson, Peter and Jonas Pontusson (2000) 'The Swedish employer offensive against centralized wage bargaining', in Iversen, Torben, Jonas Pontusson and David Soskice (eds.) *Unions, Employers, and Central Banks*, Cambridge: Cambridge University Press: 77–106
- Teekens, Rudolf and Bernard M. S. Van Praag (1990) 'Analysing Poverty in the European Community: Policy Issues, Research Options and Data Sources', *Eurostat News*, Special edition 1–1990, Luxembourg: Office for Official Publications of the European Communities
- Wacquant, Loïc (2002) 'From slavery to mass incarceration. Rethinking the "race question" in the US', *New Left Review*, 13: 41–53
- Wacquant, Loïc J.D. (1996) 'The rise of advanced marginality: notes on its nature and implications', *Acta Sociologica*, 39 (2): 121–39
- Wadensjö, Eskil (1994) 'The earnings of immigrants in Sweden', Paper prepared for the Sixth Annual Conference of the European Association of Labour Economics, Warsaw September 22–25, 1994.
- Waldinger, Roger (1996) *Still the Promised City? African-Americans and New Immigrants in Postindustrial New York*, Cambridge, Massachusetts and London: Harvard University Press
- van Apeldoorn, Bastiaan (2003) 'The Struggle over European Order: Transnational Class Agency in the Making of "Embedded Neo-Liberalism"', in Brenner, Neil, et al. (eds.) *State/Space: A Reader*, Oxford: Blackwell

- Veiga, Ubaldo Martinez (1999) 'Immigrants in the Spanish labour market', in Baldwin-Edwards and Joaquin Arango (eds.) *Immigrants and the Informal Economy in Southern Europe*, London and Portland: Frank Cass: 105–29
- Weiss, Linda (1998) *The Myth of the Powerless State. Governing the Economy in a Global Era*, Oxford: Polity Press
- Vilhelmsson, Roger (2002) 'Ethnic Differences in the Swedish Youth Labor Market', in Vilhelmsson, Roger (ed.) *Wages and Unemployment of Immigrants and natives in Sweden*, Dissertation Series, Stockholm: Swedish Institute for Social Research
- Wilson, William J. (1987) *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy*, The University of Chicago Press
- Wilson, William Julius (1999) *The Bridge over the Racial Divide, Berkeley and Los Angeles*: University of California Press
- Vogel, Joachim (2000) 'Inequality in Material Living Standards in Europe: A Lesson for Developing Countries? Institutional Configuration and Distributive Outcome in the European Union', North-South Relationships in the *World Economy in the XXI Century: Inequalities, Well-Being, Opportunities*, L'Aquila, Abruzzo, Italy, September 6–8 2000
- Vogel, Joachim (2002) 'Inkomst och fattigdom', in Vogel, Joachim, Mikael Hjerm and Sven-Erik Johansson (eds.) *Integration till svensk välfärd? Om invandrades välfärd på 90-talet*, Stockholm: Statistics Sweden and the National Institute for Working Life: 35–56
- Vogel, Joachim (2003) 'Income and material living standards', in Vogel, Joachim (ed.) *European Welfare Production. Institutional Configuration and Distributional Outcome*, Dordrecht: Kluwer Academic Publishers: 113–48
- Ålund, Aleksandra (1985) *Skyddsmurar. Etnicitet och klass i invandrarsammanhang*, Stockholm: Liber
- Ålund, Aleksandra (1997) *Multikultiungdom. Kön, etnicitet, identitet*, Lund: Studentlitteratur
- Ålund, Aleksandra (2005) 'Medborgerlig agens för social inkludering. Reflektioner om svenska medborgarsammanslutningar bildade på etnisk grund', in Dahlstedt, Magnus and Fredrik Hertzberg (eds.) *Demokrati på svenska? Om strukturell diskriminering och politiskt deltagande. Rapport av Utredningen om makt, integration och strukturell diskriminering*, SOU 2005:112, Stockholm: Fritzes
- Ålund, Aleksandra and Carl-Ulrik Schierup (1991) *Paradoxes of Multiculturalism. Essays on Swedish Society*, Aldershot: Avebury
- Öberg, Nils (1994) *Gränslös rättvisa eller rättvisa inom gränser? Om moraliska dilemma i välfärdsstaters invandrings- och invandrapolitik*, Uppsala: Skytteanum

TheMES - occasional papers and reprints on migration and ethnic studies are published by REMESO, Institute for Research on Migration, Ethnicity and Society. REMESO is an Institute for research, post graduate and general education at the Department for Social and Welfare Studies, Campus Norrköping at Linköping University.

TheMES No. 35-2010

ISSN 1651-8306

Series editor:

Erik Berggren

Tel. +46 11 363266

E-mail: erik.berggren@liu.se

