CASTEN VON OTTER

Swedish working life

– searching for a new regime

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National Institute for Working Life

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Foreword

In 2003, the Swedish government commissioned the Swedish National Institute for Working Life to analyse trends in working life. The institute's task was to describe the processes and mechanisms which have influenced these trends, and to identify and propose effective measures. Professor Casten von Otter has been in charge of the project, and this document is a general contemporary social and environmental analysis based on a number of research papers from the Swedish National Institute of Working Life, as well as other reference material.

A worrying trend is that, in some quarters, the organisation of work is still regarded as a residual item when other important operational decisions have been taken. The working environment is an afterthought. However, a sustainable working life is dependent on people, and on the organisation of work meeting their needs. Consequently, an organisation's operation must develop in a working environment suitable for humans.

von Otter's overall conclusions demonstrate that the Swedish labour market is too rigid. Our social structure does not encourage flexibility and change in the labour market. Rather than remaining in jobs they no longer like or can cope with, people ought to be given the opportunity to change careers – even in mid-life. For this to be possible, greater value must be placed on people's work experience, and not only on their formal education. Changing jobs in mid-life may become possible if skills development is tailored to take a person's existing abilities into consideration. Greater flexibility also opens the labour market to people on long-term sick-leave and the unemployed.

The questions asked in the trend analysis are of great relevance to the development of working life – not just in Sweden, but in Europe as a whole, making the discussion on what can be done to influence this trend of interest to people in many countries.

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Summary

The report presents conclusions concerning present and future trends in Swedish working life.

It is based on an interdisciplinary study covering themes as varied as globalization, industrial relations, work environment and the organization of work. The underlying query is, why is it that exclusion from work due to sickness or unemployment is increasing, in spite of all efforts to the contrary?

The report starts by observing the increasingly open character of the working life system. National policies recognize the fact that there is no sustainable work, unless there is a fit between the basic social systems of society, the family and business/work. The organization of work towards gender neutrality, as well as the effects of the open economy, are forces which have already altered fundamental aspects of the work regime, in Sweden as in many other countries.

The main problem facing the Swedish economy and the social security system, is the persistent high level of exclusion from work. A quarter of the active population is either unable to find suitable employment, or absent from work due to long-term sickness or early retirement. The costs to individuals and their families, to the public sector and the national economy are unsustainable for the future.

The report concludes that the basic policy model, the active labour market policy, needs to be fundamentally altered. As a step, remedies that facilitate voluntary turnover and a change of careers in mid-life, need to be implemented. Individual agency needs to be more strongly emphasized.

Earlier improvements in the work environment have been reversed for many groups of workers, especially in the public sector. Women in service jobs suffer increasingly from stress and negative health effects. The report notes that trade union activity related to the work environment is passive, and in many places non-existent. Most unions have failed to channel the interest individuals have in their work situation, into collective efforts.

Increase in exclusion from work is, however, not fully explained by deterioration of the work environment. Sick-leave rose very sharply in 1997, and has since continued to rise (see figure 6, p. 47). There is no single explanation for this. Unprofessional administration of the insurance system is one factor, others might relate to new attitudes, less tolerance at work for workers with a reduced productive capacity.

The increasing pressures for productivity in all spheres of the economy, and the elimination of alternative jobs for less fit workers, are analyzed in relation to three meta-trends; globalization, IT and secularization (with the latter referring to individualism and reflexivity in post-modern society). It is suggested that work organization and job design in many cases have become mere residuals of the reengineering process, where the demands derived from an increasingly international value chain, new IT based business processes, as well as new attitudes to work, are preeminent. This is in marked contrast to the ambitious work laid down on socio-technology in previous decades.

The policies of job-enlargement, rotation and self-management – once seen as major improvements in work organization – have become the rationale for passing the burden of meeting production targets to the workers themselves.

Finally, four proposals are suggested for political consideration:

First, the need to focus agency, rather than administrative systems, when trying to remedy exclusion from the labour market.

Policies need to free the constructive resources of individuals and employers, when the magnitude of the problem has by far outgrown the capacity of public welfare agencies. Active working life planning, or career planning, by the individual needs to be promoted.

Second, methods of defining and regulating the work-load need to be improved. Under tayloristic management this issue was at the core of labour-managment relations, today the issue is very much neglected.

Third, communication about business and work in a post-modern age. The corporate world and other industrial parties, communicate the social values and obligations upon which the economy is based in a global society. Secularization, as indicated above, calls for new attitudes and approaches. The work-fare ethic is loosing out to more individualistic norms. There are numerous international experiences that Sweden could learn from, but fails to do so.

Fourth and finally, local labour markets, who's functioning are of extreme importance in a sparsely populated country like Sweden, would benefit from more collaboration between employers and local agencies concerning education, vocational training etc., in creating new career paths etc. Public resources should be made available to other actors, who in a creative use of their resources and ingenuity, contribute to reducing exclusion in working life.

The report was presented to the Swedish Government in August 2003, together with a volume (von Otter, 2003) containing 18 essays by various researchers at the Swedish National Institute for Working Life, on trends affecting the sustainability of the Swedish work life regime.

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Chapter 1
Working life from a holistic perspective

The image of Swedish working life is contradictory. The health and material standard of the population are comparatively very good. The economy works. Unemployment is low, productivity is good and growth is acceptable. But people are increasingly anxious about their future.

The labour market is showing clear signs of dichotomy. A large group of people appears to be unable to get a permanent place in the labour market. They move between the various benefit systems and short-term jobs. About 850,000 individuals out of a labour force of four million are not working due to long-term sick leave, unemployment or early retirement. Despite this alarming trend, the parties involved seem unable to make necessary and effective changes. How can this continue? Is Swedish working life sustainable in the long term?

Key words: "working life" and "sustainability"

The new style of working life is developing "at the interface between the freedom of a liberal society and total overregulation" (to borrow from an installation artist). The meanings we attribute to the concepts of *working life* and *sustainability* are crucial to our approach in this paper. Both will be examined briefly.

No other arena in modern society is so fundamental to the development of welfare as is working life. Here, resources are created

and allocated, family is exchanged for career and private and public sectors meet. Working life also constitutes the most important tax base. The more work carried out as paid work, the greater the tax revenues generated. Of every wage increase, central and local government take around half.

In economic analyses, working life has been given an increasingly prominent position over the last ten to twenty years. In modern supply-side microeconomic theory, flexibility in the labour market along with social and individual investment in education and expertise are central questions. Working and employment conditions are fundamental institutional relationships, which affect the productivity of the workforce and the adaptation of the economy to various changes; they are, consequently, of crucial importance for economic growth. The institutional theory that economic behaviour is socially embedded has become increasingly accepted, which means that research into working life is seen to a growing extent to form part of a fruitful multidisciplinary approach. The sociological criticism of macroeconomic theories that they ignore (externalise) important questions of social behaviour, is no longer so relevant.

The second key concept under discussion here focuses on the tension between sustainability and change. One of the classical authorities on economic development, J Schumpeter, coined the term "creative destruction" for the process through which the economy develops, the old is swept away and the new given room to grow. The basis of organic life is change; the same applies to working life.

The expression *sustainable* development gained currency through a report of the UN's Environmental Commission in 1988, under the leadership of Gro Harlem Brundtland. Since then, "sustainability" has become so well-established that it has almost lost its precise meaning. At the heart of the concept is the critique of the superficial development perspective which sees growth, technology and the

associated changes in, for example, consumer behaviour in the light of a problem-free optimism about the future. The approach that accepts, without serious reservations, the economic logic which states that material prosperity generates improved welfare and better physical well-being risks leading to "unsustainable" prosperity, in respect, for example, of the ability of future generations to meet their needs. Accordingly, we must not ignore the possibility that the major threat to the sustainability of working life might be the other side of the coin of some of the things we strive for and appreciate today. There is no certain connection between good intentions at one date, and sustainability in the long run.

The cycle of working life involves not only economics and technology, but also other relationships, feelings and experiences. If we do not set definitive demarcation lines between the various subsystems (such as, work-family-leisure environment), it becomes easier to see how they affect and support one another both positively and negatively.

"Working life" – a new player perspective

It is possible to see a shift in the use of the concept of working life, from being a vague synonym for work and labour questions at their most general, to being an alternative political perspective, in which work, private life with family and friends and social life on the one hand, and laws, allowances and taxes on the other, touch upon and affect each other. The appointment of a *Minister for Working Life* at the Ministry of Industry, Employment and Communications, to replace the previous post of Labour Market Minister, can be interpreted as an indicator of the connection between questions affecting the economy/business sector and social relationships in the broad sense.

It can be said that the working life perspective is less patriarchal then the previous approaches – which tended to ignore the tradi-

tional female world of home, household and family. Sweden was at the forefront in realizing the importance of women's liberation and the central role of working life in this connection. From this understanding grew many of the most important institutions of the welfare state.

The structure above company level has now become an organisational level, on which business, central government and civil society act to promote various interests. Working life is an arena on which many people have an influence, on which the role of the authorities frequently comes into conflict with the ambitions of various parties, and players themselves must find new routes to cooperation and ways of reaching their goals.

"The working life perspective" is an open one. It means that, to understand what is happening and why, it is necessary to take account of causal relationships which lie outside working life itself, such as in macroeconomic factors, social processes or more personal relationships. In contrast to a typical economic perspective, in which the individual is seen as a maximiser of material wealth, it is reasonable, from a working life approach, to take account of the individual as a social and biological being. Many people now maintain that people in working life are increasingly touching and sometimes exceeding, the limits of their ability to adapt.

Working life, not just the labour market, is receiving increasing attention from international organisations, such as the ILO, OECD and EU, which regularly carry out analyses in relation to various target criteria for economic policy, including growth, unemployment, price stability etc. The approach has increasingly broadened with greater insight into how deeply working life is embedded in a range of cultural and social relationships. Comparative studies have examined a large number of parameters in order to deepen knowledge of the systems in various countries. There is no agreement on which working life regime is the most successful, and many researchers

share the view that no ideal model for every country exists, but there are a number of balance points relating to each county's cultural, geographical and other conditions.

Frame of reference: In the centre of strong forces

Here are a number of points which make our approach to working life clear:

1. Working life is a regime for organising the circumstances of society and the individual in relation to production. This regime is a summation of a number of different formal and informal systems and processes which are vaguely coordinated with, and also affect, each other. It might be justifiable to give up the ambition of seeing working life as a whole, if it was not for the fact the dependent variables ("the result") are affected by the whole rather than by an individual subsystem. From this perspective, a parallel with an ecological system is apt.

2. Working life consists of the systems and processes which are important in reconciling the welfare of society, of companies and of individuals in a totality which is balanced and sustainable in the long term. We have interests within three welfare systems;

- the individual welfare system (individuals in their environment, with relationships, responsibilities and personal interests),
- the economic welfare system (with companies, markets and technology) and
- the political welfare system (with institutions to stimulate growth and create security through social insurance).

An important point about this model is that people have interests within each of these systems. Welfare cannot be unilaterally optimised within any one of them. In place of the widespread picture of conflicts among individuals who have different interests depending on their position in the production system, this approach emphasises

the dividing lines and the balance to which each person must relate. This does not exclude the existence of important conflicts of interest among parties.

3. "Welfare is the individual's ability to control actively his/her (working) life." This definition aims to stress an aspect which is not clear in the usual formulation in Swedish welfare research, which is: the resources at the command of individuals, through which they can consciously control their lives (cf Ds 2002:32).

People experience significant control in their lives through various institutions and regulations, not least in working life, from a range of public authorities, employers, agreements etc. It is vital in modern society, with its plethora of rules, to investigate whether these are reasonable, and how they effect the core of welfare, the role of the player.

4. Agency theory is based on the concept of the individual as a subject. Over time, research has clothed the theoretical abstraction, *homo economicus*, with increasingly human attributes, and he is becoming more and more homo sapiens. "The self-absorbed, calculating, maximising rational economic man is a recognisable male stereotype", according to a columnist in the *Financial Times* (10 June 2003):

> Many students, not least women, find this male caricature repellent and uninspiring, and, in addition, they do not recognise themselves.

In contrast to this view of people, many social scientists and politicians take the view that people are largely governed by various structures. This can easily lead to people's own abilities being underrated. In addition, the structures – for example, interference from various public authorities – can act as passivators and problem confirmers, so that people feel they are victims, rather than individuals who have a crucial part of the solution in their own hands. The

role of "unemployed", for instance, is largely created by labour market policy.

A more nuanced picture of the human being should have a clearer humanistic basis. People are:

- governed by feelings, culture, experience and reason,
- multifarious but with a limited ability to adapt biologically and socially,
- a socially-formed rationality which is context-dependent,
- social beings, who act in, or in relation to, their groups.

"Working life planning" seen from a player's perspective, involves a long-term approach on the part of the individual in respect, for example, of education and life-long learning, and developing networks and resources to cope, if necessary, with a desired switch. In the analysis we are making here, society needs to pay heed to whether roles and patterns of behaviour are created which are proactive and resource-generating or reactive and passivating.

5. People's ideas are of fundamental importance. What people perceive as reality becomes reality in its consequences. Ideas are formed and interpreted within a framework provided by relations and "significant others", as well as by politicians, the media, company managers, intellectuals and entertainers, school etc. Given that rationality is socially formed, what is perceived to be logical and rational can be very different for different people. People are motivated by feelings, but plan and act strategically on the basis of how they perceive their interests in the short and long term. Important concepts, such as "illness", are often perceived as more unambiguous than they are. Thresholds and definitions are seldom disinterested, since they can affect the distribution of resources.

6. Neither working life nor the individual workplace are the result of a coordinated decision process, they are, on the contrary, the result of the various choices and actions of a large number of players.

As a theoretical concept, it is linked to a collective utility, or, in a widely-quoted metaphor in economic theory, a "commons". (These are – for example common grazing land – always threatened by over use and inadequate maintenance. Individuals who increase the size of their flock become richer, while everyone's animals have too little to eat. The profits are concentrated, the costs spread, if it is not possible to achieve a reasonable settlement. The opposite is the case when fences have to be repaired. Those who do the work bear the whole burden for something which everyone benefits from – there is a considerable risk that nothing will be done unless it is possible to gain consent for cooperation, see Ostrom 2000.)

A number of phenomena associate with this perspective are important in observing working life, both the problem of underinvestment and "free riders". Local labour market questions are seldom given sufficient attention and resources; different players rely on someone else doing the job, and so they dump the problems and costs on each other. Interest in making more risky efforts would increase if the person doing it would get a larger share of the social saving (or profit).

A sustainable working life?

It is tempting to answer to the question we began with – Is Swedish working life sustainable in the long term? – with no. The costs of early retirement and other exclusions are altogether too high, and there is much evidence to suggest that the crisis is deeper and more serious than many people think. One primary reason for this is that there is very little appreciation of the seriousness and causes of the problem. Similarly, there is a lack of ambitious well-established ideas for the regeneration of working life, to strengthen growth and restore international competitiveness to the Swedish business sector.

The parties and the representatives of central government are unable to generate legitimacy for and commitment to questions re-

lating to the future of working life. Among broad groups of employees, there is, if anything, a nostalgia for Sweden's record years of the 1960s and 1970s; an unhistorical nostalgia, in the sense that those times were hardly better for the average low-wage earner or single parent. Perhaps this reflects more than anything a sense of loss of way, which is found even among politicians and other leaders facing changes. Many commentators and researchers talk of a period of upheaval, in which institutions, standards and regulations are no longer capable of handling the problems in working life which follow from the changes in modern capitalism and technology. The question before us is whether it is possible to bend the regulatory framework one more time, or if a less top-down approach should be tried.

Chapter 2
Work force and labour market

The Swedish labour market – primarily up to the 1980s, but important principles remain even today – has been controlled through the Rehn/Meidner-model. The first component of this is wage policy; not to subsidise poor, low-paid jobs. The second is labour market policy; to facilitate the rapid transition of redundant workers into new jobs.

The use of the model stimulated structural change and encouraged all parties to support the rationalisation of production. For a generation, this worked well. Those laid-off returned to work fairly rapidly, and the rates of long-term unemployment and early retirement were kept within reasonable limits. This was a model which belonged to an economy with high demand pressure, a relatively homogenously educated population and a relatively small publicly-financed sector.

The labour market today looks quite different. Over the last ten-fifteen years, the proportion of people outside active employment has increased. Mobility, an important component of the model, includes far from everyone. Many people with poor labour market resources do not enter the labour market, and are, consequently, unable to build up qualifying working life experience, many people in low-quality jobs are trapped in them, and many of those who have lost their jobs do not return to work. The conclusions will be discussed in this chapter.

If we go back a generation or more, a significant majority of the population lived in the country or in small towns. Women perhaps

worked part time, but more often in the home, where they "produced" care, medical treatment and general household work, which is carried out today within the food industry, clothes retailers and, most of all, in the public social sector. The norm 40–50 years ago was a full-time, male industrial worker. During this epoch of high industry, most of the institutions and concepts were formed which still control working life.

Today, it is difficult to define a similar prototypical employee. The labour market is just as varied as society in general. The once-famed Swedish homogeneity has been replaced by cultural pluralism, and especially by increased personal independence. It is not only small farmers and housewives who are on the point of extinction, so also is the authority of the king, the church, the sword and other traditional authorities.

The long-term trend shows significant improvements in many respects; in education, incomes, physical health etc. Many people, especially the elderly, have never had it so good. But it is a noteworthy fact that structural changes have contributed considerably more to the positive development of working life than has the evolution of the existing structures. Real wages have risen most due to the reduction in the number of jobs in the old low-wage sectors, and the increase in the new high-wage sectors. If we had the same job structure as we did 30 years ago, our working environments would not be very much better than they were then. This can be regarded as confirmation that the trade unions' strategy of facilitating structural change was far-sighted.

The crisis of the 1990s

If we look at the latest 15-year period, we can see that the economy passed through a turbulent phase, with overheating, high inflation and very low unemployment at the end of the 1980s: a severe crisis at the beginning of the 1990s, with enormous budget deficits and

high unemployment; followed by strong economic growth during the second half of the 1990s, with the IT sector as the shining success symbol, up until the IT crash in 2000. The international economic slowdown of the past few years has depressed growth and employment, but without major social upheaval.

For the labour market, this period has involved an exceptionally large and difficult transition process:

- More than 500,000 jobs disappeared during the crisis of the early 1990s, with the majority of these being in the traditional industrial sector.
- Productivity growth has been exceptionally high in the engineering industry. While employment since 1993 has increased by 18 percent, added value has risen by 95 percent. Employment in the service sector has increased constantly.
- Despite the increase in the number of employed after the crisis of the 1990s, in 2001 there were still 246,000 persons fewer in employment than in 1990. In addition, the number of people outside the workforce was 380,000 more in 2001. This is equivalent to almost one-fifth of the workforce. Currently, with the deterioration in the economic situation, 6.5 percent are in labour market programmes or are openly unemployed.
- The proportion of people who have taken early retirement or who are on long-term sick leave has risen sharply, especially in the age range 60–64. At the beginning of 2002, the number of people in early retirement or on long or short-term sick leave was equivalent to about 16 percent of the working population.

The noticeably consistent gender segregation in the Swedish labour market is a well-known problem, as is the major employment problem for immigrants. Large and growing regional differences in unemployment have also been an important feature of the trend in the 1990s. Counties dependent on forestry still have, in many cases,

10–15 percent openly unemployed, plus those "on labour market programmes" plus those who have taken early retirement. From the trend, it is possible to predict that the current economic problems will be followed by a collapse of the (traditional) social structure in many sparsely-populated areas of Sweden.

The conclusion after a crisis and a period of recovery is that the Swedish labour market is split in two, with a significant group which no longer has a firm place in working life. Those involved are not actively seeking work in the ordinary labour market, but are conditioned to being looked after by the public sector.

The operation of the labour market – not problem-free

From an economic view, the labour market is seen as the power centre in the machinery through which young people decide to educate themselves, select the right education and find the jobs in which they will be of most benefit. A good labour market also reallocates resources continuously, so the right people find the right jobs with the least possible delay. A vital lubricant in this machinery is the salary structure.

The Swedish Trade Union Confederation, LO's "loyal" wages policy (wage rises for the low-paid over and above the level justified by productivity) has – in accordance with the Rehn/Meidner-model – contributed to structural change, and to holding the lowest salaries at a relatively high level. But the fundamental idea, that through labour market policy and an innovative business sector, it will be possible to achieve the flows necessary to prevent people being trapped in long-term unemployment or pushed out of the workforce, has become increasingly difficult to implement. Total unemployment, at just under seven percent, is higher than at a similar stage in the economic cycle in the past, and the trend appears to be increasing.

The future labour supply

There is, at the same time, considerable concern among politicians and experts that Sweden is facing a serious labour shortage in many specific occupations. The population is aging rapidly, with consequences which affect the demand for labour, not least in health and care, while the supply of labour in the working age group is decreasing. A central thesis in the Swedish Government Offices is that Sweden needs to increase its supply of labour to increase growth and safeguard future welfare. It is pointed out that the activity level must increase, the trend towards reduced annual working hours broken, and that those outside the labour force, particularly immigrant groups, must have better access to the labour market. The trends towards later entry into working life and earlier exit must also be discouraged. The discussion on the influx of foreign labour is still a politically open question. The mobilisation of the workforce is one of the major challenges and one of the yardsticks by which the sustainability of today's working life must be measured.

The background to the shortage is that the working population will cease to increase after 2008. During the years until then, the number of hours worked will stagnate as the number of people in their sixties (the 1940s generation) increases sharply. The uncertainty is not least about whether the 1940s generation will leave the labour force early to the same extent as previous generations; or whether the trend will be broken – or reinforced. Studies show that a large majority, irrespective of social class, has a decided preference for winding down its work commitments early.

From 2008, there will be an unprecedented new situation. According to Statistics Sweden's calculations, the number of people in the workforce will fall up until 2030, by around 200,000 (six percent).

Other experts warn against over dramatising the problem. The fluctuations which occurred during the 1990s were considerably larger, and, over the years, there have been very large shifts between

various sectors and industries. If we go back the same distance in time again, i.e. about 30 years, 700,000 jobs in goods-producing industries have disappeared, which is more than twice as many as the welfare sector needed to take on in the same period.

Without sufficient growth in the economy in the industrial and service sectors, however, it might be difficult to finance welfare from taxes, and at the same time maintaining wage increases at the level we have become accustomed to (Ds 2002:30).

Young people and working life

There are a number of reasons for paying particular attention to young people in a report on trends in working life. Firstly, young people can give a foretaste of what is coming, since the changes in more established age groups are seldom as radical as among the young. Secondly, we know that major changes have taken place over a long period in relation to the environment in which children grow up, extended education time, new habits and attitudes among young people and the growth of a youth culture with a strong impact on the whole of society. What are the implications for working life?

The later entry of young people into working life is one of the really substantial changes of our time. In 25 years, the proportion of 16–19 year olds who work has fallen from one in two to one in ten. Increased educational ambitions are one of the most important reasons for the movement of population in Sweden, from the countryside and smaller towns to larger towns and cities. This development in turn is creating substantial demographic imbalances in the country.

The proportion who are neither studying nor working, or actively seeking work, has increased, but from a low figure. Of the proportion of "other" (*sic*) in the age-group 16–19, eight and ten percent respectively are inactive, which represents a tripling for men and a more than doubling for women since 1990. One of the reasons for the inactivity is that they have not "got round to looking for work",

that they "are waiting on new jobs/studies", that they "don't feel any suitable jobs are available" or that they "think they have little chance of finding a job".

In 1972, 68, 60 and 39 percent of 16, 17 and 18 year-olds were in senior high school. In 2002, the corresponding figures were 96, 93 and 91 percent, of whom an increasing percentage then went on to study at university and university colleges. The higher education intake rose by more than 40 percent during the 1990s.

Overeducated?

Whereas researchers used to warn that Sweden was lagging behind in higher education, now there is an increasing debate on over education. According to the Institute for Social Research, the occupational structure has shifted sharply "upwards": in 1968, the proportion of senior white collar workers was 7 percent, medium level white collar workers, 14 percent and unqualified workers, 37 percent. In 2000, the corresponding figures were 17 percent, 24 percent and 24 percent.

According to the same researchers, the content of jobs in general has not become more demanding, while the educational requirements have increased substantially during the 1990s. One estimate suggests that, in future, about one-fifth of jobs will not require a high level of education. The researchers warn that it will not be possible to fill these jobs, since the proportion of people with low education is falling rapidly. There are already significantly more unqualified jobs than there are less-educated people. This leads to the conclusion that it would be reasonable to increase the wages for these jobs, and that education should not be the only determining factor in seeking work.

Changed pattern

"Youth culture" affects the transition period to a more settled position in the labour market. The requirement that work must be inte-

resting and rewarding is increasing, while the notion that people work only to support themselves is becoming far less widely shared. Experts talk of a rising "opportunity-consciousness" when it comes to individuals' choice of lifestyle in general, with choice of occupation a part of this. At the same time, however, there are clear class-based distinctions, for example in interest in higher education and acceptance of unemployment.

Research also points to a strong connection between labour market status and childbirth, and delayed family formation. This presumably also means that the number of children born will be reduced, since fertility falls with age, and fewer women will have large families, when the childbearing period is delayed. The unemployed and temporary workers tend to have fewer children than people with permanent jobs, irrespective of age, education etc.

For people who have established a permanent position in the labour market, having children does not seem to have a dramatic effect on their work situation or parental leave. Young women who acquire education and a permanent position in the labour market before having children hold their own considerably better than women who have not done so.

New attitudes

Another consequence which is discussed is how the new situation affects socialisation to "adult" working life and to adult life in general. Some people believe that a longer sojourn in a homogenous youth environment makes adult socialisation more difficult. Keeping young people longer in school classes which are homogenous in respect of age develops a specific culture, with special norms and values. It postpones the time when they come into contact with the rational attitudes which having gainful employment with responsibility for keeping themselves engenders. At school, people are in an "exceptional situation", with greater tolerance of errors and misjudgements than is found in work. This line of argument is supported

by a study of training in the workplace. Training in the workplace is said to be "more realistic", the students become more "adult" and willing to take responsibility, provided that the workplace is a good one with settled conditions. It has also been claimed that school establishes a norm that absence for sickness can be defined subjectively by the pupils themselves, a practice which then comes into conflict with the norms of working life.

Choice of education

One concrete way of studying young people's values as far as work is concerned is to look at their choice of education. With respect to senior high school, the proportion of students has increased on academic courses compared with vocational courses, so that currently there is a fairly even balance between the two types of course.

Despite a good labour market, the number of young people beginning, for example, vocational courses for nursing, has more than halved since the end of the 1980s, to fewer than 4,000 students in 2000. Given that the estimated shortage in the labour force for 2020 is 150,000 people, this is alarming.

The security and flexibility of the workforce

The dominating question in the international discussion on working life relates to the balance between flexibility and security. A number of factors have contributed to the topicality of the question. The economic analysis which explains a large part of the strength of dynamic growth economies over the past decade or so as being due to labour market flexibility is influential; and conversely, it explains the poorer growth of many (European) countries as being related to security rules which make adaptation and growth harder. Several EU countries, including Germany and France, are currently in the middle of a highly-contentious process of institutional reform.

Analyses also show that the connection between formal job security and actual security is by no means obvious. Americans are less

concerned about unemployment than, for example, are the Japanese. At the same time, the Danes feel more secure than most other EU citizens, including the Swedes, despite having extremely weak employment protection. On the other hand, the Danes have had a high level of income security over a relatively long time. Studies show that there are two factors behind the acceptance of mobility; the generosity of the social security system plays a major role, as do expectations of finding a new job quickly. It should, however, be borne in mind that the situation in a small, densely-populated country such as Denmark is different from than in a large country with labour markets which are geographically limited, such as Sweden.

There are, however, many pointers that the claims that the labour markets in many countries have now moved strongly in the direction of greater mobility are greatly exaggerated. Firstly, traditional permanent and long-term jobs are still the norm in all Western countries. In the USA, the "proportion with at least ten years employment" fell by a few percentage points to 26 percent between 1992 and 2000. Within the EU, the average is constant around 47 percent, while in Denmark it has fallen most – a couple of points to 31 percent. In Sweden, the corresponding figure was 46.7 percent in 2000.

The proportion of new employees (less than one year's employment) is highest in the USA with almost 28 percent, 23 percent in Denmark and just under 16 percent in Sweden, about the same as the average for the whole EU. These differences are partly due to the effect of the 1990 crisis in Sweden, but the conclusion is still that mobility is significantly lower than in the high-growth economies.

There are different approaches to the question of mobility (Auer & Cazes 2003). Economic analyses show that labour market flexibility has a large but not excessive significance for growth. The most interesting question for us is this: *are the people who are excluded from work – or who should change jobs for working environment or health reasons – benefited or disadvantaged by the relatively low mobility in the labour market?*

Data shows that there is a significant interest in changing jobs and profession. A survey (Lernia 2003) found that 35 percent of all people in work were thinking about retraining or changing their profession. In Sweden, the average period of unemployment for an individual used to be virtually the same as in the USA and Canada; about 15 weeks in 1990. Eight years later, it was 29 weeks in Sweden, 24 in Canada and 16 in the USA.

In a labour market with a high degree of mobility, more jobs are vacant at any given time, which increases the chances of finding a job which is suitable and preferred. Conversely, in an inert market, there is an increased risk that two people will want each other's job, but will not be able exchange with each other (the sociologist Harrison White, talks about "vacancy chains"). Given a labour market in reasonable balance, employers have stronger reasons to improve poor jobs. But there is also a risk that a group of unemployed will crystallise, and will remain permanently at the end of the queue, due to limited capabilities. Part of the question of flexibility involves rules for dismissal in the event of illness, redundancy and similar situations. In comparison with EU countries, Sweden's legislation on security is averagely generous, according to a "strictness ranking" within the EU (Auer 2001).

International research demonstrates the importance of effective intermediary functions which identify companies' requirements, and translate them into concrete labour market demand to which individuals can respond. Organised collaboration among local companies is another proven method of moving demand towards disadvantaged groups. The trend in Europe in countries with an active labour market policy is to try to bring more players on stream, and to free labour market resources to stimulate ordinary companies to develop projects which help solve acute problems, such as long-term unemployed and long-term sick who cannot go back to work.

Locking-in

Aronsson et al. (2000) has investigated locking-in in professions and workplaces. Of those in permanent employment, 64 percent declared that they were in their desired job in their desired workplace. The remaining 36 percent are referred to in the research as "those in some sense locked-in". Nine percent are locked-in in a workplace, seven percent in a job and as many as 20 percent are double locked-in. Among temporary employees, 82 percent were in an undesired situation; and 40 percent were "doubly wrong".

It is also interesting to note that of the people in temporary employment and in the right job, just over half would rather take another job if they could have a permanent post. Among permanent employees, just over one-third of those who felt they were in the wrong job would prefer to change to a part-time post in the right job. An obvious conclusion is that the employees value a permanent job highly, but it also important to have increased mobility.

The National Labour Market Board, AMS, has studied changes in employers (Ura 2003:1), and found a high level of stability during the period 1970 to 2002. The trend varies with the economic cycle, at the top of the cycle just over ten percent of the workforce change employer each year, and the number falls to 6–8 percent during recessions. With increasing age and a low level of education, the number of changes falls very sharply.

Opportunity to choose?

At different phases of life, and as their personal circumstances change, people have varying preferences. Interviews with early retirees often reveal understandable human desires. Their spouse has retired, the job is becoming increasingly less satisfying, painful shoulders or high blood pressure make the job stressful. Some can retire early because they have a parachute, others receive severance

pay and others have a pension agreement. There is a relatively clear inequity between classes; those who have the physically most wearing jobs have the poorest opportunity to leave working life with a reasonable living secured.

The overriding questions is what role the state, the insurance system and the agreement system should have in implementing this side of flexible working life. The trends which can be inferred in matters of people's preferences, actual behaviour and the concrete actions of employers, point to the need for forms of agreement and saving which provide alternatives to those currently used. This is also in line with the efforts to stimulate more active individual working life planning. Obviously, a reform in this direction would be in conflict with efforts which have been made through legislation and otherwise, to raise the actual retirement age in the light of the expected shortfall in the labour force. This does not, however, exclude the option of including real freedom of choice for all employees in a more general flexibility reform which, at the same time, increases the insistence on individuals taking an active part in the change over. In any case, the actual pension age is already below 60, so the actual cost would not be totally unrealistic. If the system can be combined with opportunities for new forms of employment for older people, as the flexible resources called for by employers, the net effect could even be an increase in the supply of labour.

The outsiders

In the political discussion, a great deal of attention has been focused on the general level of unemployment, and, to some extent, the frequency of gainful employment. One indicator which has not received the same attention, but which is of major importance both to the functioning of the labour market and to the individual, is long-term unemployment. The positive attitude to structural transformation which has so characterised the Swedish trade union movement,

has not taken into account permanent unemployment, which is beyond the capacity of the active labour market policy to solve.

When the institutional framework of the Swedish labour market was established, extensive immigration from outside the Nordic region had not yet taken place. Today, around one million residents have at least one foreign-born parent. Among Swedes (in 2000) 81 percent of men and 75 percent of women were in the labour force; among immigrants, the figures are 65 and 59 percent respectively. Unemployment was 6.6 and 5.5 percent for Swedes, and 17.5 and 14.9 percent respectively for immigrants. This puts Sweden in last place of 23 countries in the OECD's statistics in respect of participation in the labour force by male immigrants; for females, Sweden is somewhere in the middle. Overall, Sweden is among the five or six countries with the highest level of immigrant unemployment of the 23 countries in the statistics.

As far as the situation relating to immigrants on the Swedish labour market is concerned, there are increasing signs of job discrimination. One recent example showed that, among a group of unemployed systems engineers who retrained as teachers, the Swedish-born found it much easier to get a job than did those from an immigrant background. An investigation by the National Labour Market Board, AMS, (Ura 2001:5) showed similar results.

A study of the pattern of long-term unemployment in certain countries (Furåker, in Boje & Furåker 2003) illustrates another aspect of Sweden's situation from an international perspective. Figure 1 shows the proportion of long-term unemployed (over twelve months) in the whole labour force in four countries, Sweden, Denmark, the USA and Canada. It is clear that, during the 1980s and up until 1991, Sweden had an exceptionally low level of long-term unemployment, and for a further two years it remained lower than in the other countries. But while a rapid improvement began in the other countries towards the middle of the decade, the trend continued

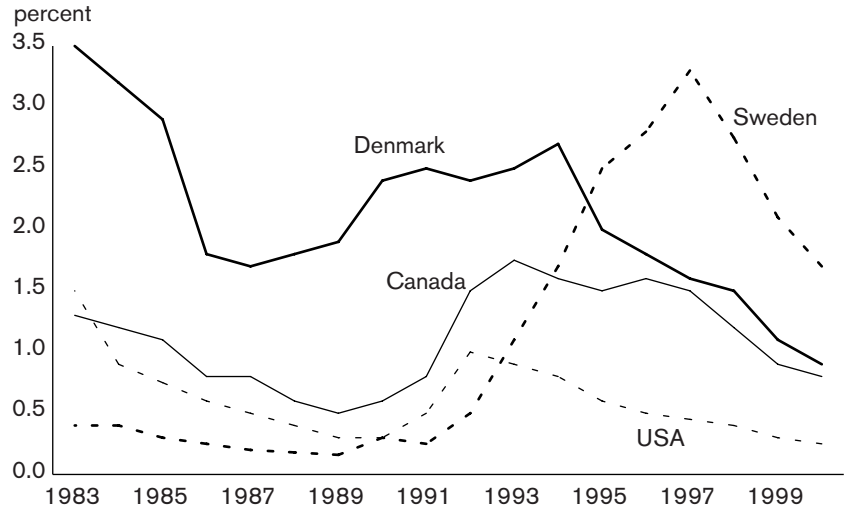

Figure 1. Long-term unemployment: over twelve months 1983–2000.

upwards in Sweden up until 1997, when it turned down. In 2000, Sweden remained the highest – about two percent, double the level in Denmark and Canada – of the countries compared in Furåker's study.

Given that the labour market policy systems in different countries differ in the opportunities for the long-term unemployed to stay in the system, and the indicators are also subject to varying definitions of participation in the labour force, too much should not be read into the figures. They do, however, indicate a dramatic development which it is essential to track as a benchmark for labour market policy.

The discussion leads to a couple of concrete issues. What attitude should employees take to job security and unemployment? How prepared can employees be, how can they create a more planned approach to their future? Is it possible to create a general prepared-

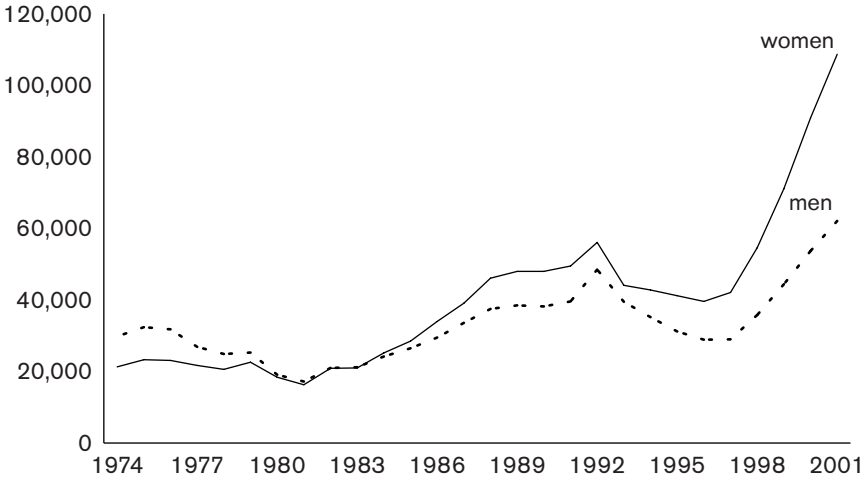

Figure 2. Number of people on long-term sick leave: six months or more 1974–2001. On-going cases according to the National Swedish Social Insurance Board.

ness for change, which would reduce locking-in to a certain job and a certain place?

The second, even larger group, who are off work over a long period are those on long-term sick leave.

Due to the high degree of political topicality and fundamental importance of sickness insurance, this will be given special attention in Chapter 4.

Chapter 3
Work and the working environment

The majority of Swedes like their work. It is stimulating, they feel in control and there are few accident risks. At the same time, there are a number of indications that people feel their conditions are deteriorating. The main problems are stress and psychosocial loading. This does not mean that physical problems have disappeared. Improvements in the working environment depend in the first instance

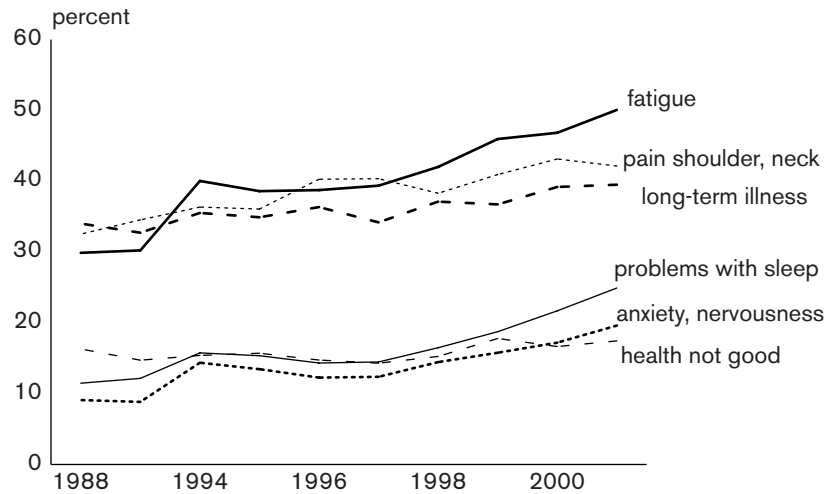

Figure 3. Employees and ill-health 1988–2001 according to Statistics Sweden's Living Conditions Survey.

on structural changes, i.e. the disappearance of poor jobs, and the appearance of better jobs. Major traditional problems remain in the engineering industry, health and care, and the transport sector, to mention a few. The construction industry is the most injury-prone.

Figure 3 shows various indicators of health/illness over time. There has been a slight increase in the proportion of people with long-term illnesses, the incidence of pain in shoulder joints, necks and shoulders has increased somewhat more, while the increase in fatigue is even greater. Individuals' descriptions of their general state of health as good or bad have changed very little over the years. Indicators for anxiety and nervousness have shown a marked increase in recent years. The same applies to the curve of problems with sleep.

Psychosocial working environment

One explanation for the psychosocial working environment coming strongly into focus is that a majority of the population have higher expectations than before that a job should be comprehensively satisfying. For many, work and the social fellowship they form there, plays a dominant role in their lives. Their jobs demand a major part of their intellectual, social and emotional resources.

What has emerged in recent years is that these positive aspects of the working environment can also turn negative. According to the respected Herzberg motivational-hygiene theory, there are a number of variables which generate happiness or unhappiness at work. Absence of the latter does not guarantee a good workplace, the occurrence of the first does not necessarily mean that everything is well. There is now considerable interest in the discovery that there is no simple linear correlation between the "good" factors and a positive environment.

In actual fact, we know very little about what different cognitive and emotional stimuli mean in the end, and what burnout in a stim-

ulating environment really means. It might even be said that human beings are not designed to enjoy themselves all the time, they simply could not cope with this.

In this chapter we begin by examining statistical data on the working environment, and then comment on a number of trends which have emerged in the research and the debate. The most controversial changes refer to the psychosocial working environment. The labour market statistics within the psychosocial working environment indicate a clear deterioration during the late 1990s.

In figure 4, two time trends are recorded. The first gives a picture of how mentally absorbed individuals are by their work (measured by the question – do you have difficulty "disengaging your thoughts from work when you are not at work"). Over time, it seems that work is obtruding more and more. The second question asked if people had difficulty "sleeping, because their job was on their minds and keeping them awake". Sleep disturbance relating to work is in-

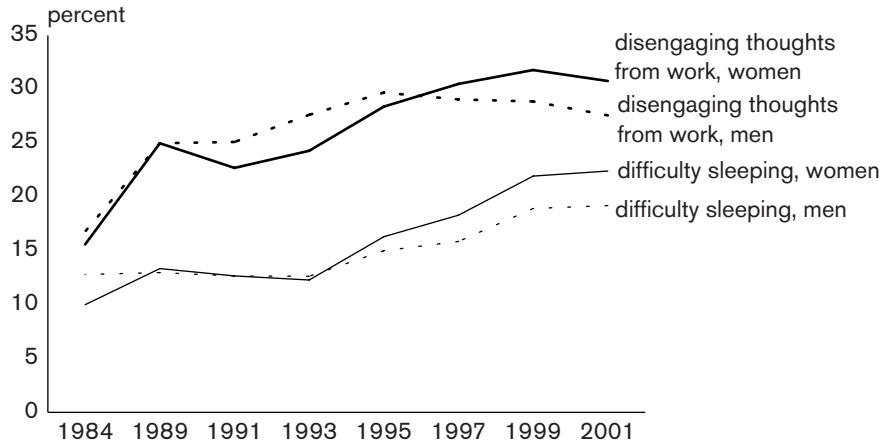

Figure 4. Difficulties in switching off thoughts from work/difficulties in sleeping due to work, 1984–2001.

creasing. The indicators confirm the thesis that people are becoming more mentally absorbed and stressed by their work. What they do not say, for example, is whether this is due to fear of losing their jobs, having too much to do or some other cause.

Comparisons over the whole period demonstrate that there is a certain economic cycle effect, and a weakening of the rising trend, both at the beginning of the 1990s and around the year 2000. The trend line for women is somewhat displaced from that for men, which is due to the genders working in different sectors. The contraction of the female-dominated public sector was displaced in time in relation to the private sector (Szücs et al. 2003). The trends in figure 4 are confirmed by the working environment statistics in general, i.e. the level of stress in Swedish workplaces has increased in recent years.

In the statistics there are indications that the work itself has become more stressful, and that anxiety relating to a deteriorating labour market is not, consequently, the only factor involved.

Typically, control over the work rate has declined. The proportion of people stating that they always determine their work rate themselves is falling. Most noticeably, this is happening in the local government sector. This also means that the reduction is taking place more in typical female workplaces than in typical male ones.

Other questions in the Labour Market Statistics which also deal with control over work show that the deterioration is greatest for those with the least freedom of action. Wikman and Marklund (2003) write:

> It is, for example, in particular those with the least freedom of action who find it most difficult to switch off from work when they are free. The trend for them certainly starts from a lower level, with fewer difficulties, but the curve has risen monotonously and continuously.

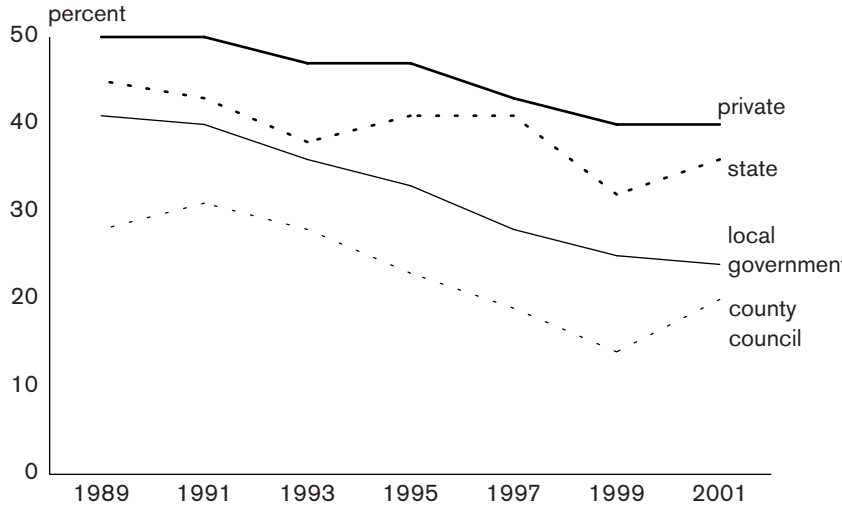

Figure 5. Proportion saying that they always determine their work rate themselves in various sectors. Percentage 1989–2001.

For other groups, the trend is less marked. For those with the greatest freedom of movement, there is no clear time trend (no diagram.)

According to the research, the proportion of people with unfavourable combinations is clearly increasing over the years, especially among women. The groups with limited freedom of action are becoming increasingly dissatisfied with their work. Precisely what part of freedom of action this involves is not stated – it is unclear, for example, to what extent reductions in staffing levels affect the result, compared with freedom of action in the individuals' daily situation.

Anxiety – a fundamental reaction pattern

Studies of the working environment have revealed a long-term increase in the proportion of people stating that they suffer from anxiety. The related indicator of fatigue demonstrates a similar pattern. Organisational changes and deterioration in working life

are generating widespread anxiety among those employees who can be linked to generally poorer welfare and increased sick leave. It can also be stated that anxiety can function as both a dependent and an independent variable in complex stress development. The mass media and others who influence social consciousness also have a dominating effect on how risks are perceived. In sociological discussions, it has been pointed out that modern, information-rich society has a tendency to spread exaggerated anxiety in relation to actual risks, which is supported, for example, in connection with company closures, widely publicised lay-offs etc.

The sociologist Ulrich Beck (1997), has built a social theory around the concept of risk, in which he considers that, in brief, policy in the post-war period initially focussed on concrete material needs. In more recent times, policy has focused more on risk experience of broad groups rather than actual necessities. In a way, anxiety has become an important political currency, with citizens no longer trusting experts' risk assessments, since they have been wrong sufficiently often so that they are no longer believed. Without arrogance from any side, it may be wise to take these questions seriously, in accordance with the thesis that something which is perceived as real will have real consequences. Working life research reveals substantial differences between the experience of anxiety in different environments, independent of actual risk. It suggests that there are cognitive or cultural factors which impinge on the process of anxiety creation.

Improvements in the working environment

During the period of economic reconstruction in the 1990s, improvements in the working environment were downgraded in priority. Company health services were dismantled, resources for central government supervision of the working environment were reduced, and both employers' organisations and trade unions liquidated their major programmes for improving working conditions.

There is a clear trend towards the weakening of trade unions locally, and in many workplaces they are not able to achieve any real improvements in the working environment. In summer 2003, the Swedish Union of Clerical and Technical Employees in Industry reported a study which covered over 3,000 companies, which found that over half of small and medium-sized companies do not live up to the requirements of the Working Environment Act. At almost 40 percent of workplaces, the working environment representative considered that neither management nor employees were committed to working environment questions. Only 13 percent of office workplaces – which are very much exposed to the new type of occupational injury problems – had a working environment representative.

Table 1. Trade union influence, local representatives of LO [the Swedish Trade Union Confederation], PTK [the Negotiation Cartel for Salaried Employees in the Private Business Sector] 2003 and 1996, percent. Substantial influence consists of the alternatives "decisive role" + "major role". Slight influence consists of the alternative "minor role". About 500 companies were sampled in both years, the dropout rate in 2003 was 43 percent.

	LO 2003 major influence	minor influence	difference 2003–1996	PTK 2003 major influence	minor influence	difference 2003–1996
Working environment	60	14	–23	35	26	–40
Changed organisation for work	33	26	–18	29	29	–4
Transfer	49	23	- 9	27	33	–14
Skills development	32	29	-	24	39	-
Working times	64	13	–10	33	32	–23
Equality	39	36	-	31	35	-
Organisation and staffing	38	26		26	35	

From this and other observations, it can be hypothesised that dialogue on the working environment and other work-related questions has been reduced. Simultaneously with this trend, the trade unions have not kept the initiative they formerly had in pushing for changes in work organisation, skills development and the working environment, which they did, for example through the "Good Work" programme.

One ray of hope is the campaign launched by the Swedish Trade Union Confederation in autumn 2003 on the working environment and stress, and this may represent a turning point in the downwards trend in the unions' role in promoting local improvements in the working environment. In partnership with the employers' organisations, they have also inaugurated a debate on a better working environment, and this will cover the issue of sickness insurance.

Chapter 4
Outside working life

Contrary to a common perception, overall absence due to sickness in Sweden was lower in 2002 than at the end of the 1980s. But, on the other hand, we do have a high, increasing and perplexing trend in long-term sick leave, which is the most rapidly-growing economic cost on society, and, in the opinion of many experts, the greatest threat to the welfare state. Long-term sick leave is also one of the most important indicators of exclusion from working life.

Regional and gender differences in sick leave

The curve of long-term sick leave diverges from the normal swings of the economic cycle, rising steeply over time. From 1997, sick leave (involving absence for six months or longer) has more than doubled, from about 70,000 to 170,000 people in 2001.

At the starting point, women already outnumbered men, with a fairly dramatic increase as early as the 30–40 age group, and the trend then rose sharply. For men, even though the figures are relatively small until the men reach their forties, they have doubled over time. In the oldest age groups, on the other hand, the trend is downwards. The clear gender pattern highlights the importance of examining, firstly, what factors make for such a clear gender division in the labour market, with women particularly in health, care, commerce and distribution; and, secondly, what is due to women's generally weaker position in working life. Is it the actual jobs involved, or is the problem adapting work to women's lifestyles in general?

An analysis of regional differences sheds light on the social factors in the sickness problem. Since the 1970s, with a larger number of early retirements, total health-related absence has been higher in Northern Sweden than in the rest of the country. Since the end of the 1980s, there has been a change, with the illness figures for metropolitan areas falling in relative terms, while the figures have risen in Northern Sweden. Much of the explanation is in more early retirements.

Absence due to illness appears to be part of a more general welfare difference – higher welfare coinciding with lower absence due to illness. According to the National Swedish Social Insurance Board, differences between municipalities are largely due to differences in age and gender distribution among the population. For the ten percent of municipalities with the highest number of illness cases, about five percent of the cases which have persisted for over one year can be explained by differences in age and gender composition. The number of cases under three months does not appear to have any such connection. If it was only a matter of the population structure in the municipalities with the highest and lowest sickness frequency respectively, the difference would be one-tenth of what it actually is.

According to the study, the most probable explanation is that the differences are due to the application of the insurance system. Decisions are influenced by labour market conditions, especially high structural unemployment, which are correlated with high early retirement levels and sickness. Generally speaking, throughout Sweden, the period of sickness for an unemployed person is 50 percent longer than for a person in work.

There are differences between industries which can explain certain differences in level, but, at the same time, a study by the National Swedish Social Insurance Board shows that the pattern is similar at sickness case level, i.e. in municipalities with low absence

due to illness this applies both to bank staff and industrial workers, and in municipalities with high figures there are differences between groups.

Many studies have shown that factors such as age, gender, country of birth, diagnosis, education and income explain differences in absence due to illness between individuals, and that regional variations exist, and these have, in general, remained constant for at least ten years. Taken together, the labour market, the application of the insurance system and individual factors account for a great deal of this in any one year. They do not, however, provide the major explanation for the rapid increase which has taken place since 1997. The National Social Insurance Board's study was unable to identify the decisive factors. It is worth noting that as early as 1991, the Living Standards Enquiry stated that "perhaps the most important result is that there has been a marked increase in stressful jobs for women, while there has been hardly any increase for men", and that the change for women in highly-qualified professions is particularly startling. Before looking at more analyses of the sick leave problem, we shall examine the situation internationally.

Absence due to sickness in various countries

Comparisons between countries are affected by factors such as difference in the age and composition of the labour force, and differences in the benefits systems. Figure 6 gives only a tentative idea of actual differences between some European countries. Sweden, Norway and the Netherlands have a high incidence of absence due to illness, which is also more clearly linked to the economic cycle than in other countries (se Nyman et al. 2002).

The high Swedish level can be partly explained by the fact that Sweden has a relatively high frequency of people in gainful employment, especially among women, that many people are older and unusually many of these remain in the workforce. Of those in employ-

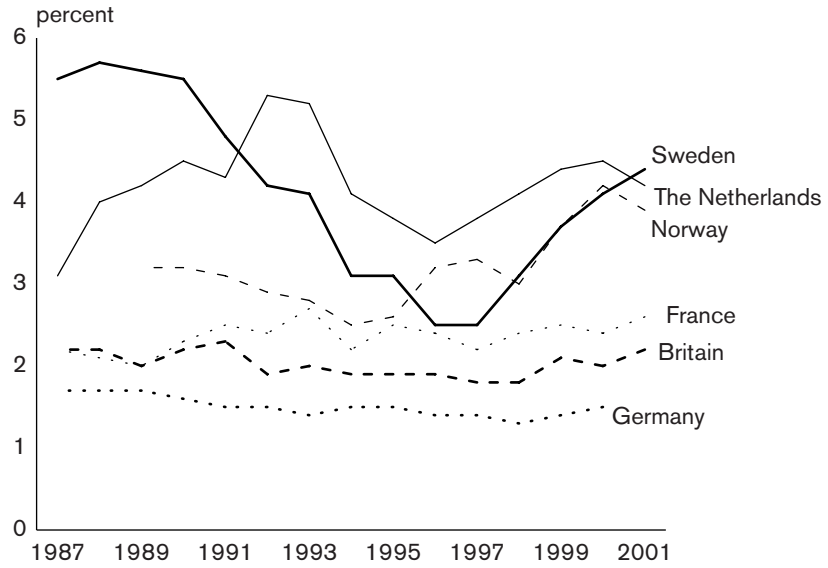

Figure 6. Absence due to sickness among employees in the 20–64 age group. Six countries in the EU. ESO and the National Swedish Social Insurance Board.

ment, many are, for example, on childcare leave. Despite the high activity level, the number of hours worked is only at the EU average. The reason for this is that so many people with various forms of ailment remain in the labour force in Sweden.

The increase in absence due to sickness in Sweden can, according to Wikman and Marklund (2003), be linked relatively unequivocally with worsening psychosocial working environment conditions for those on sick leave. This relates in particular to increased demands and the lack of compensation in the form of autonomy at work. This trend is clear both for individuals and groups. The fact that absence due to sickness has increased especially among municipal and county council employees is obviously related to the marked deterioration in psychosocial conditions in these sectors. Within this area, how-

ever, there are great differences between different companies, municipalities etc, which suggests that there is an important local effect which can be influenced.

The trend in illnesses and ailments is partly a different and less clear question than the question of absence due to sickness. Studies have shown that up to one-third of the working population suffer from various ailments and illnesses; a rise in the level of absence due to sickness may be due to those affected not being allowed to remain in work or wishing to terminate their employment themselves. The big difference today is not an increase in ailment frequency, but that more people with health problems are taking long-term sick leave, or are disappearing into the social and labour market policy systems.

If we begin with the actual make up of the insurance system itself, its dominating effect is rapidly and clearly demonstrated, not least in occupational injuries insurance. The concept of occupational diseases was redefined for this insurance a couple of decades ago, from an enumeration of a number of diseases, to provide a more general concept of occupational injury. It became the task of insurance provision to determine whether there were "dominating reasons" for a reported injury to be regarded as caused by work. It was considered that the newer rules would give a better coverage of occupational ill-health, and that new knowledge and scientific discoveries would be more easily applied in practice. Since there are often no strictly objective grounds for establishing whether a certain illness is caused by work, it was difficult to apply. It was assumed in the 1977 Occupational Injuries Act that the uncertainty which could arise, as a result of lack of knowledge, should not be borne by the individual, and that the financial consequences should be borne by the industry. This generous attitude represented a departure from established actuarial insurance principles, and set the stage for the future problems.

This meant that benefits were interpreted generously and relatively arbitrarily. It is very likely that symptoms of aging, such as loss

of hearing, have often been classed as occupational injuries for people working in a noisy environment. It was sufficient that the injury might have been suffered at work, even though no strong proof existed. Practice sometimes diverged considerably from what was reasonable, probable and fair. The insurance regulations were tightened up at the beginning of 1993, making it more difficult to have complex claims approved, for example for certain strain injuries and psychological ailments. Through this, there arose a difference between excessive risks which appeared in statistical compilations of illness frequencies or death in various types of operation, and the number of cases approved by the insurance system. Even where a higher proportion of certain injuries suggests that the environment is prone to causing injures, this is not taken as proof in individual cases, where such injuries could arise for many reasons in completely different groups.

Figure 7 shows the major importance of the regulatory framework and the administration of insurance. The extreme fluctuations

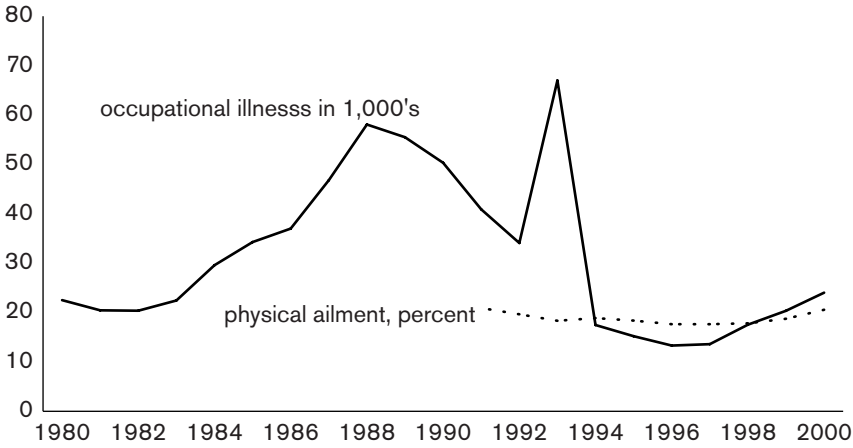

Figure 7. Reported occupational illnesses in thousands in ISA, and physical ailments caused by work in percent (of all employed).

reflect the fact that the underlying question of what is an illness and the cause of an illness cannot be determined unambiguously and objectively, but is affected by political and other judgments. The manifest rise during the 1980s is the result of the statistics covering new types of strain injuries, while the rises and falls during 1992 and 1993 reflect the changes introduced in insurance conditions. The effects of a campaign run before 1 July 1993, encouraging people to report problems while it was still possible to obtain benefits for them, are very obvious, generating the sharp rise and fall in that year.

In the figure, the curve of the proportion of people with ailments gives a more independent description of occupational injuries. This is based on people's own perception of ailments caused by work. The responses give a reference point with which to compare reported occupational injuries.

It can be seen that the trend for physical ailments caused at work is less dramatic than the insurance statistics. At first the trend was slightly downwards, and then rose gently during the latter part of the 1990s. The increase in notifications during this period is not reflected in a simultaneous clear increase in the proportion of physical ailments.

Ill-health, sickness and absence due to sickness

It has already been stated that there is no unambiguous link between absence due to sickness and ill-health. Nor is the connection between ailments and ill-health strong. The intention here is to utilise some empirical material relating to ill-health to examine the connection between these three expressions of a problematic situation; absence due to sickness, sickness and ailments.

Health is an elastic concept. Somewhere on the scale, the ailment becomes significant, and the individuals talks about ill-health and perhaps sick-leave. Comparing the various indicators provides some interesting information.

- Of people in employment, 40 percent had a long-standing sickness in 2001. Fifteen percent had more than one such sickness registered.
- 83 percent, however, regarded their state of health as, in general, good at this time. Only four percent said that their health was very poor. Many who have long-standing sickness do not feel that their state of health is poor. Acute ailments are also significantly more common than "long-standing sickness".
- If we take together all those with registered painful conditions, we find that a total of 70 percent are included in the pain group.
- 69 percent state that they have ailments of other types. This means, for example, that they feel notably tired recently, have difficulty sleeping and others.

One slightly loaded conclusion is that normal health is not absolute well-being. Many people have latent or manifest problems, which means that variations in the dominant social perception of what constitutes health or ill-health, well-being or morbidity, normal or abnormal conditions are highly significant. Underlying this whole problem are not medical facts, but a socially constructed version of reality which is affected by people's attitudes to themselves and to society.

Figure 8 gives a comprehensive picture of how the various concepts are related to each other. For nine percent of all, there are (A) physical ailments, (B) registered illness, and (C) total absence due to sickness of 14 days or more. Twenty three percent have non of these. Among the remainder, there are different combinations of the three concepts. The diagram illustrates how different phenomena coincide or are separated. The results mean that changes in one are not necessarily offset by changes in another. Consequently, there is no necessary contradiction in that while general levels of ill-health remained stable during the 1990s, there was an increase in ailments

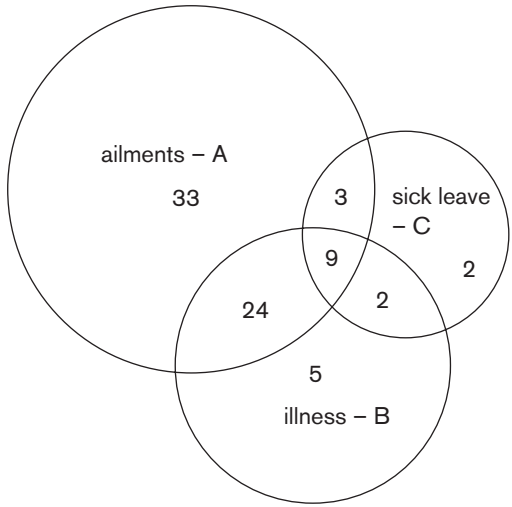

Figure 8. Combinations of ailments, illness and sick leave: 14 days or longer. percent.

and absence due to sickness. We also have reason to take account of how the opportunities to be active in working life and society for people with various ailments and illnesses are changing. How, over time, people with various infirmities may have more (or less) difficulty in being active – or being allowed to be active – in their jobs.

The researchers' analysis shows that many ailments change over time. People do not, however, seem to talk of this in terms of a deterioration in general state of health. The ailments mostly appear to involve matters which are outside their normal concept of health. The connection between different aspects of ill-health on the one side, and absence due to sickness on the other, is, once again, not unambiguous. It is interesting to note that the connection, using a regression analysis, between indicators of ill-health and absence due to sickness, is changing over time, so that, after 1997, illness, along with various types of ailment, seem to explain an increasing part of

absence due to sickness for every year that passes. The connection is most noticeable for 2001. In the years before 1997, there was an inverse trend.

The results indicate that over time – especially noticeable in recent years – something is happening which affects absence due to sickness. It seems that people with "infirmities of various types" are being subjected to increasing problems which lead to consequences in the form of absence due to sickness. The trends, especially the increase towards the end, are rather more marked for the longest-standing illnesses.

One important aspect is that different people have different abilities to carry out their work despite problems. Our conclusion must, accordingly, be that certain problems have increased over the years, and that work tasks and absence due to sickness are linked in a way which has to some extent changed over time, perhaps with the result that, towards the end, people find it increasingly difficult to work while they are suffering from ailments, and perhaps also that they are finding it more difficult to influence the pattern of their work and adapt it to suit their own needs and limitations,

Working environment – health – sick leave: discussion

The analysis above has given a number of indications, but does not provide a statistically proven explanation for the increase in long-term sick leave. Nor does it look as if an unequivocally clear explanation exists or will be found. We have seen that the central phenomena, described with concepts such as ailments, illness and absence due to sickness, are all noticeable for vagueness. The first two (as in the main part of all pubic studies) are measured here with the help of surveys in which people themselves are allowed to declare their perceptions. An element of subjectivity is inevitable. This is strengthened if concepts which are socially rather than medically defined go through a shift in significance, for example, in connection with the

phenomena given extra attention in the social debate. The most interesting thing here, however, it that such shifts in definitions are not only implemented in Statistics Sweden's surveys, but that this can take place throughout the insurance system without immediate consequences. The formal definitions are vague, and the control of how displacements in the necessary conditions for absence due to sickness change over time is not followed up rigorously, which is the case in other insurance areas.

The various attempts to explain the increase in long-term absence due to sickness deal with changes in both working life and society. Some suspect the ethics in social insurance questions, others believe that the working environment for certain groups has become increasingly demanding, and that employers have become less willing to take part in measures to adapt work. Others again talk of the stress in society as a whole, both due to pressure from the commercial leisure sector, and as a result of family responsibilities becoming more onerous as more women enter gainful employment, and that family networks have become thinned when the immediately preceding generation of women (for the first time in history) are in gainful employment as well. Individual surveys have demonstrated how many older people have downgraded the priority of gainful employment, partly because they feel less appreciated at work, or because leisure is seen as more valuable. Also here, it is possible to track the effects of the first generation of women who have been in gainful employment throughout their adult lives beginning to grow older. It is possible to demonstrate injuries resulting from wear and tear, as well as preferences for other than work, when, for example, a spouse retires (or becomes ill), grandchildren need minding, etc. On top of this, many employers, not least within the public sector, have solved the redundancy and transition problems with the help of agreed pensions, severance pay, and in certain cases have encouraged those who have reduced working capacity to take sick

leave. There is also an increasingly widespread social norm, that people who are able to and can afford to, "have done their bit" as they approach their sixties.

Sick leave in practice

According to a study by the Swedish Institute of Public Opinion Research, most people (about 90 percent) do not want to continue to work until they are 65 years old (see Ds 2002:10). The average desired retirement age is just under 60, and just over one in four men and one in five women would like to retire before 56. The restraining factor is insufficient finance – which may mean that, with increased standards, more people will elect to raise their quality of life by stopping work. According to a survey by the National Swedish Social Insurance Board, employers' interest in older workers is in accord with these results. 71 percent state that they seldom or never employ anyone over 50. Attitudes in the public sector to older workers are not as negative as this.

One question which has attracted relatively little public discussion is the benefits of absence due to sickness. With certain illnesses, the answer is clearly positive, but in other cases the question is well worth asking. The negative mental and social effects of long-term sick leave are well-documented. There are reasons to study to a greater extent the health aspects, not least in the light of opportunity costs. Absence due to sickness is in a class of its own as the most important economic decision taken by the medical profession. In some cases, the medical indications are extremely vague, yet the costs are seldom related to the various neglected areas in health care, or analysed as carefully as other medical decisions.

According to a survey by the opinion pollsters, TEMO, in 2003, it is a common perception among the general public that many people do not work because they are utilising the benefits system in contravention of the rules (43 percent). It is interesting to note that blue

collar workers hold this view more often than white collar workers. On the question as to whether increased checks that the various benefits systems are not being taken advantage of in excess of the rules would be good or bad, 50 percent answered "very good", 36 percent "fairly good", and only 6 percent "very bad" or "fairly bad". Blue collar workers were the most positive of all, even more than the self-employed.

Against this background, the hypothesis that there is increased fiddling of sickness benefits deserves a comment. The probability of this depends very much, of course, on what is meant by "fiddling". It may involve varying degrees of manipulative abuse. Deliberate fraudulent behaviour involves a range of planned criminal actions, such as manipulating tests, falsifying certificates, serious lying etc. There are few indications of a serious increase in this type of behaviour. The criminal profile sits poorly with the fact that absence due to sickness is increasing especially in the grandparental generation.

Another definition of fiddling involves unethical behaviour. This takes the view that the insured should have extremely high ethical principles, since public welfare institutions are involved. Every individual's actions should reflect the intentions of the insurance system, rather than their own interest. Such a standard does not form part of the formal conditions for sickness befits, and is wholly unrealistic. It is extremely unlikely that the level of idealism among citizens could be a crucial factor.

The role the system defines for the insured is very much that of a traditional customer. They are obliged to be truthful and frank in answering questions, and to provide objective information, as well as to submit to investigations and checks. The law accepts that there will be a certain amount of one-sidedness in the presentation of the case, without regarding that as an attempt at deception. Much of the information submitted will not be unambiguously true or false, but

the task of a professional case officers, jointly with the insured person, to obtain the relevant facts.

All insurance systems which are professionally drawn up accept that there is a degree of "moral hazard", i.e. that customers act tactically to their own advantage. Over time, the insured learn the ropes, and insurers protect themselves against this continuously through rules and checks (Grip 1994). When people see so many "precedents" around them, they do not feel that they are fiddling. They may, however, feel that the system is lax.

Chapter 5
Meta trends: secularisation, IT and globalisation

THE PURPOSE OF THIS CHAPTER is to try to explain the labour market situation, starting from a few general trends. These are found on a cognitive as well as on a cultural level.

Modern society is characterised by the fact that the economic forces are so dominant, and competition so intensive, that they shape the whole of society, or, at least, challenge it logically. This is nothing new, but it is taking place in an increasingly forced process (Castells 1999). The specific goals and special rationality which governs other parts of society, civil society, cultural and organisational activities, research and religion, have become fewer and weaker. The three general trends we will be discussing here, secularisation, IT and globalisation, are not well-defined parameters, but general forces. This is why we refer to them as meta trends. A number of specific trends, which directly affect the new working life, can be traced back to these.

Secularisation – the death of ideology

Secularisation refers to the process of *loss of faith*, demystification and self-reference which marks our age. Various types of traditional basic values, ideologies and idealisms (not just religious) are playing a less and less important part in our general outlook, philosophies or ideologies. Instead of forming an interrelated system, today's con-

ceptions and values are frequently more limited, situation specific and subjective.

For better or worse, secularisation represents a radical questioning of authority and traditional collective identities; gender roles, class distinctions, nationality etc. Secularisation has formed the basis for what, depending on the individual's point of view, can be seen as a democratic concept of mankind; radical subjectivism; or even nihilism. Unlike the rationalisation process described by the sociologist Max Weber, as a virtually deterministic modernisation, an iron cage, secularisation represents something open and unpredictable. Here is an opportunity to challenge prevailing (hegemonic) ideologies, irrespective of whether they involve patriarchy, economism or another form of fundamentalism. How this empty space is later filled is a different matter.

The most tangible and concrete form of secularisation in modern working life is the emancipation of women, the only social force which equals globalisation and IT in its impact on the new working life. It can be argued that feminism is the most powerful non-commercial ideology in modern society. The gainful employment of women and its consequences have resulted in demands for public services, new roles within the family and, not least, have required working life to be organised with equality and fairness in mind. In addition, we expect to be able to combine the needs of the private sphere with full-time work. Due to changes in family patterns and the new conditions in what sociologists refer to as the reproductive sphere (upbringing, nursing, care etc.), working life has, for several decades, been undergoing a difficult change.

Globalisation – a shift of power to the market

In this context, globalisation does not refer to the increasing international flow of goods and services, but to the growing global competition which all production factors are subjected to. Companies

own, develop, manufacture and sell without regard for national borders; capital is becoming increasingly mobile. Companies have the opportunity to take advantage of the best conditions, wherever they are. This does not mean that mobility has increased dramatically – the important thing is the improvement in opportunities. This affects everything from countries, municipalities, workforces, lenders and borrowers, to producers and consumers. It is a shift in power, but also in the opportunity to realise new synergies.

The position of trade unions against employers has weakened considerably, while the employers, in turn, are strongly influenced by competition. Political power and the opportunity for local influence is restricted in the same way. Simultaneously, a foundation has been laid for shared interests between local businesses, local politicians and the civil society in general. In open competition, all forces have to be mobilised if companies are to meet the requirements for expertise, infrastructure, attractive environment etc.

Globalisation has triggered a dramatic transformation process in working life. The demands on the workforce are changing, new principles for job sharing between and within companies are being developed. One driving force is the opportunity to utilise variations in labour costs between regions and companies. Open markets mean that new products are exposed to competition quickly. The rotation periods for product concepts, e.g. vehicle models, are becoming shorter, forcing a reduction in the earning period for new goods and business ideas. The need for successful and fast marketing demands large amounts of capital. The cost for marketing of a new drug is estimated to equal the research, development and production costs. The inflated scale of virtually everything makes it difficult for a new company to establish itself and launch its products. Many segments of the world market are dominated by a small number of oligopolist companies (Magnusson 2000).

One result is the dissolution of the old corporate structure and the establishment of production systems which are linked in a new way. Today, it is necessary, not only for the trade unions but also for central and local government, to consider a new scenario with work migration, with an increasing number of highly-mobile jobs and employers who can chose between a number of alternative decisions.

To sum up, globalisation has resulted in a fundamental shift of power and a substantial increase in the general acceptance of high productive targets, cost rationalisation and time planning.

IT – a versatile trend setter

Some people point to information technology – IT – as the single most important meta trend. This opinion is not shared by the author. IT is an important trend, but its versatility and flexibility make it less deterministic than the globalisation process.

The area of impact of IT is broad and deep, and has facilitated the globalisation we see today. Lightning-fast international transactions, corporate networks across five continents, and an information explosion which has affected the relationship between the Old World and the Third World and which has redrawn the economic map of the world. Services have become commodities and commodities have been digitalised. We are heading for a globalizing learning economy. This means;

- Faster, cheaper communication across great distances – redefinition of space and time.
- A new way of utilising information and knowledge; people know more and guess less, assessments and planning are based more on IT systems and less on people.
- People can be contacted at all times, resulting in new decision and contact routes and working methods.

IT is a decisive factor in organising new work, what it demands and how it is controlled. IT-based administrative tools have had a radical importance in spreading international management concepts for operational planning, cost follow-up, staff policies, project management and much more.

IT has been a precondition for the fast spread of benchmarking techniques, which allow business management to compare operational processes more widely and deeply than before. It facilitates horizontal learning, and allows employees to become more involved in operational planning. At the same time, the expert advantage of employees in their own operations (a classic industrial problem) has been neutralised. Worker participation in the decision-making process has become increasingly curtailed. Management is now far better informed about shop floor production details and alternative processes.

This affects the working environment, makes it more difficult to find unique solutions for individual workplaces, and increases uniformity. It is not possible to state, in general, whether this is an advantage or a disadvantage for employees, but the level of freedom necessary to achieve local adaptations or try own ideas has been reduced.

Margin for differences

A complete fusion of national economies remains a highly utopian goal. National borders continue to pose an obstruction to completely free trade, even when few formal obstacles remain – as the economists say: "for reasons which we do not fully understand" (Rodrik). Transport and transaction costs, language barriers, logistics, traditions etc. makes complete convergence impossible or improbable.

Rodrik observes that different countries can preserve significant variations and distinctive political features, e.g. in matters relating to the management of working life. There are substantial variations

in, for example, taxation policies and labour law regulations between countries which have had integrated economies for a long time. Obviously, working life is subject to what the economists refer to as equal value equilibrium. An interesting fact is that even the various states in the USA enjoy great variations in the conditions of taxation and security for salaried employees, despite the economy being as integrated as is possible. This may be no more peculiar than the differences in the various car models.

Even global players have different perceptions of what is important and unimportant, short- and long-term, hazardous and safe – there is no single answer for all times. People make different assessments, particularly for the future. For this reason, there are also a number of equal policy alternatives. National markets can remain strong despite free trade. Even prices of compatible products level out more slowly than economic theory would suggest. A buyer may have a considerable preference for products from his own country, not just in the case of cheese and wine, but also in securities. Despite approximately half of the companies listed on the Amsterdam stock exchange being foreign, they only represent one percent of market turnover. Swedish companies will probably have to rely on Swedes who believe in "their own" companies for a long time yet.

Management: ideology and reality

The three meta trends indicate driving forces behind and restrictions against changes in working life. Requirements and ideas are amalgamated into a corporate management strategy and a business strategy. Literature on this subject, management books, virtually exploded onto the market in the 1980s, and their messages had a broad impact on working life in subsequent years, resulting in a clean sweep for models for the organisation of work, with national variations. Management doctrines have been a blend of empirically-based experiences and speculations, which have survived ideological

trials and been packaged in pedagogically practical formats. The following is a list of some of the basic themes:

Focus on core operations

Effective companies must identify their core operations and focus on them. A stock market analyst criticises the motor companies' finance operations (which are aimed at providing customer credit). Despite this being Ford's and GM's most profitable operations, he admonishes: "Every minute spent on the finance operation is a minute lost for the core operation of designing, building and selling cars". Many companies have agreed with the reasoning of the analyst and have outsourced peripheral operations, such as finance operations, property management and transport. Simultaneously, the opportunity for large-scale benefits and greater professionalism are increasing in individual areas. The demands on suppliers of outsourced services and products to accept responsibility for product development and financing themselves have increased, and have become a question of survival for many Swedish subsidiaries. In addition, this has frequently lead to a standardisation of services and components – from IT maintenance to cleaning services. The quiet corporate corner is no more (Wikman 2001).

Outsourcing and exposure to competition of internal operations

Exposure to competition is not simply a matter of increasing the sense of competition among staff, but also of stimulating a local development process which generates interest in horizontal learning. The idea of outsourcing and hiving off has resulted in increasing demands on staff working in the segments involved. What were once peripheral and not particularly important activities in the old organisation, have now become core operations which are expected to generate income for the new company. No-one retains their job in appreciation of their past efforts, and only fully-productive em-

ployees are in demand. This is the reason why the spare jobs market which existed for partially able-bodied workers has shrunk. An increasing number of people are facing "insatiable" productivity requirements.

Fragmented production also gives rise to stricter time management. Various stages in a process are linked to earlier and later stages. Just-in-time, T50 and Six Sigma are some concepts which have put pressure on time management. Ultimately, it is a matter of avoiding capital becoming tied up in stock and drawn-out production processes. The compressed production times in the construction industry have attracted particular attention. But the medical care sector, for example, can also save money by ensuring a scheduled flow without queues and waiting times between the various sub-processes in the care sector. A previous survey showed that operating theatres and staff were utilised for only 25 percent of the time, due to ineffective planning.

Multinational value chains

The requirement to optimise economies of scale at all stages, including R&D and purchasing, has resulted in multinational value chains and corporate acquisitions. The requirement for global systems integration is increasing gradually. Last summer, for example, the Swedish Union of Clerical and Technical Employees in Industry's branch at Volvo's Torslanda plant claimed that the American owners demanded that Volvo should use the same bonus system as the parent group, which was a contravention of the Volvo consensus model. The trade union also criticised the new bureaucratic management style which does not permit middle-managers to take decisions without a go-ahead from the top (Dagens Nyheter newspaper 5 July, 2003).

This type of value chain is increasingly affecting the service sector as well, including highly advanced functions. Many underdeveloped

countries, such as India and China, are viewing the migration of jobs with a great deal of interest. In negotiations about open global trade, they accuse the West of protectionism when these countries act to prevent jobs from moving abroad. As well as the better-known examples of call centres and routine computer maintenance, American hospitals have established links with hospitals in India, where doctors carry out computerised tomography analysis during the American night. Architects' offices work with branches in Asia, as do pharmaceutical laboratories. Airlines build maintenance workshops wherever labour is cheap (FIT, 03 08 20).

Alliances and networks

Among independent companies, networks of companies have been developed as an important form of organisation above the corporate level. Alliances between competitors have become much more common, such as the well-known Star Alliance. Other examples include the Swedish food retailer ICA and various industry alliances, such as the television retailers Expert. They commonly develop concepts and administrative tools, staff regulations, common forms of training and other approaches, which standardise the organisation and reduce the level of freedom in the workplace. Gains are often achieved at a higher administrative management level, but the result is greater limitation and pressure on the staff. IT-supported routines often imply a certain organisational form which then becomes the standard. The routines include built-in follow-up tools which make it difficult to change priorities at grassroots level, for example due to pressure.

Ad hoc, locally-designed systems are often replaced by a more systematic approach. A growing number of functions are given professional status and knowledge base, which affects internal politics and limits the opportunity to adapt work at a local and individual level. There are fewer job opportunities for those who are not moti-

vated by learning. An increasingly fragmented production process or organisation must be coordinated through strict time management. Information, education, logistics, standardisation, uniform routines, and common formats and ideas ensure that the synergies pay dividends. When creating systems, reproducibility becomes an important aspect which is weighed against other characteristics. A good administrative system must be easy to establish in new locations, perhaps in many different countries. This also reduces the level of freedom. The conclusion from this is a considerable reduction in the position of local management.

The relationship of local managers with subordinates is more like that of a team leader, rather than a party with which the subordinates can discuss workload and the realism of various plans. In the past, managers had far more authority, while today, authority lies in the system. A new manager's ability to adopt measures in production which would improve the working environment substantially is much circumscribed.

Budget-financed organisations also face the problem that feedback from customers/users is extremely weak. A customer-dependent company is sensitive to problems with quality, in a way which a budget-financed organisation does not have to be. The result is that it is easy to implement savings through high-level decisions, against which the staff is pretty much defenceless, and which their immediate managers cannot influence.

When Ernst & Young described the company of the future, they located design in Milan, research in the USA, production in Poland and finance operations in London. This scenario has passed the fictional stage, a fact which is made clear by the intensive discussion on migration of jobs to India and some other low-salary countries in the Third World. An appropriate illustration is the "Swedish paradox". Swedish companies are investing heavily in R&D, but this is reflected more poorly than in other countries in the growth and pro-

ductivity statistics. One explanation is that the R&D-intensive companies are multinationals; they carry out research in Sweden, but locate production wherever it is closer to the market and cheapest. In addition, international competition has meant, for Sweden, that the prices and profitability of new Swedish IT products are falling extremely quickly. Shorter earning periods for new products are yet another factor which increases time pressure from the design office to the sales stage.

A new feature in recent years is that this competition between various alternative locations is no longer simply about lower wages. Many countries can offer high skill/low cost production, for example the eastern block, including Russia, large parts of the new China, and India where there is a long tradition of investing in academic qualifications.

To conclude this discussion on management doctrines, something should be said about the fact that attention is being drawn to certain problems by the companies themselves. The fateful consequences of September 11 in New York have represented a turning point for a large number of companies with respect to outsourcing. The companies most affected by the adjustment process were those who did not have full control over their entire production process. Another, less spectacular, example is the public transport service in Stockholm, which, with its far-reaching outsourcing programme involving up to five different stages, is facing great problems with the rapid implementation of political cost-cutting decisions. It is, of course, possible to safeguard against this in agreements, but this brings its own price-tag.

The losers from globalisation

Globalisation ensures better utilisation of comparative advantage, which generates improved prosperity through trade. Goods become cheaper, quality improves for the price, return on capital and wages

may improve. Many new skilled and well-paid jobs are generated. Political tensions between countries are reduced. On the other side of the scale, there are problems in the form of structural changes, groups which do not benefit from the improvement in prosperity and increased demands for flexibility and adjustment. The requirements on workforce productivity at a certain price are increasingly determined by an international market. Countries with inflexible salaries risk paying a higher price in the form of unemployment. The ability, through education and highly productive companies, to generate jobs which can bear higher costs is decisive.

Experts who have analysed the effects of freer global trade have also concluded that social scaling down does not, in general, provide competitive advantages. A decisive factor is how resources are used and what overall efficiency in the economy they generate. Institutions which ensure a high skills level, excellent infrastructure, efficient markets and customers with great purchasing power strengthen the competitiveness of a country, despite the fact that many companies have a tendency to view the effects of this type of public undertaking solely from the point of view of cost, and to forget any advantage.

There is high level of concern among politicians and trade union organisations, as well as many economists, over the fact that already weak social groups will be the losers in the globalisation process. This applies in particular to groups which do not cope with the adjustment processes and which, for a number of reasons, do not improve their skills. The matter is becoming particularly urgent in the face of the imminent expansion of the EU and the integrated European labour market. It is true that, so far, there has not been any significant migration within the EU, but it would be wrong to jump to any conclusions about what movements may occur in the future, or what they will be like between old and new member states. Historically, very large population movements have been triggered by

the situation in the labour market at specific periods in time. It is highly likely that issues in this spectrum will top the agenda within the foreseeable future.

Saskia Sassen has stressed the significance of double immigration: both of the internationally mobile elite which controls financial flows and commands technical developments, and of the relocation of poor, and frequently illegal, immigrants. She argues that both are required to establish a global metropolis. No transformation can be completed quickly without an inflow of young, cheap labour, and this means that developments are taking place elsewhere. The fact that this labour force has an uncertain, and sometimes illegal, status is one of the problems the western world will have to deal with.

Competition relating to localisation often exposes regions and towns to new pressures. But at the same time, it generates a clear, new and shared interest in a strategy which will ensure a good working life through cross-functional cooperation. In Sweden, the major municipalities have, without doubt, realised the seriousness of the situation, but the question remains as to how many of the smaller municipalities have not.

The regulation of Swedish working life is becoming increasingly influenced by international elements. Today, impulses for change and development largely originate in the international arena, through collaboration within the EU, in the International Labour Organisation (ILO), and the World Trade Organisation (WTO). International collaboration has strengthened in the wake of globalisation.

The creation of an expanded EU has brought up the question of the extent to which free trade should be followed by harmonisation in important political areas, such as taxes, working environment regulations, measures to improve security etc. (Magnusson & Ottosson 2002). Some countries would like to be able to compete on

cost, while others want to protect their welfare systems. The preconditions for broad international political consensus are not great. The trade union movement has had some success, particularly in the protection of the right to organise and fundamental labour law. An interesting development is that promoted by anti-globalisation organisations and consumer organisations, where, through the use of market-economy means of exerting pressure, globally-active companies have been forced to consider social and environmental matters in their trade with poor countries. The EU commission has been working towards a harmonisation of certain corporate regulations, but has so far been forced to limit itself to isolated few changes, e.g. a Code of Conduct for corporate taxation.

Chapter 6
A new attitude to work?

The discussion on people in the new working life follows two completely different lines. One considers all the opportunities offered by a flexible, individualistic and creative working life. A working life with high demands and high rewards for individuals, surrounded by stimulating new technology, which is so varied and involving that the main risk of the working environment is that people exploit themselves too much. In the more extreme case, one can compare the strong corporate culture which has been developed in some IT companies, for example, as a mild form of brainwashing.

The other line of discussion looks at all the employees who are toiling under tougher productivity pressure in an increasingly understaffed company – such as nightshifts at call centres, or bus drivers without toilet breaks. This is a matter of increasing drudgery, worse job security, poor salary growth and a feeling of being left on the sidelines of a much acclaimed social development.

This chapter will discuss both lines in brief. The thesis is that this dichotomy oversimplifies reality. The labour market is affected by new attitudes and work patterns, but they rarely appear in such a definite and clear form as they do in the literature, nor have they formed a completely new class, essentially different from traditional wage earners. At the same time, everyone is more or less affected by new "post-industrial" expectations, attitudes and needs, which generate frictions in relation to more rigid structures. The special collective solidarity, which played an essential role as a buffer

against excessive management power during the period of high industrialism, has been dissolved and replaced by a community of relationships, which contributes to job satisfaction but does not, in the same way, provide protection for colleagues.

The post-industrial attitude

The current literature refers to new attitudes among people in a post-industrial society. This type of analysis tends to be speculative, but the conclusions of a post-modern analysis in relation to the new culture may still be of interest, since individual features do play an important role in how people, not least the young, perceive their lives. The mass media, magazines for teenagers, design magazines etc. are aimed at readers with values and lifestyles which would have been unthinkable a couple of decades ago – at least they would not enjoy the acknowledgement they receive today.

The new social pattern strongly emphasises sensualism, visualisation and embodiment. There is a great interest in music, images and the language of design. Group membership and lifestyles are manifested using everything from coarse to the most subtle of codes. New social movements have developed which today play a stronger part than class affiliation in establishing identity. The "contracts" between people have new moral starting points, and are frequently of a more temporary character. Confidence in the authorities is low, as is the interest in various types of formal organisation, while loose network-like associations blossom for a while, only to be replaced by new ones. Many personality traits which were previously regarded as inappropriate in the workplace are now not regarded as a problem and sometimes even form the basis for a strong corporate culture.

The consumer society is, in this respect, not primarily a society characterised by trade and commercialism. The new and significant aspect is not one of increased shopping and an abundance of gadgets, but one of a new, fundamental identity which is not based on a posi-

tion in the production sphere, but on people defining themselves on the basis of certain forms of heavily-symbolic consumption. The structures which created attitudes and predictable behaviour in a production class society have been replaced by motivations and causal chains based on more individual affiliations. Fewer and fewer identify themselves by their work, while an increasing number are choosing work which confirms their identity. This does not mean that this new, strong individualism is more genuine, or unaffected by the surrounding world, only that the important standards are working expressively rather than instrumentally.

It is also probable that people who are affected by the new cultural patterns have a different attitude, not only to working life, the trade union and politics, but also to how they want to support themselves, as well as their views on unemployment and health insurance. Society's public service institutions are also primarily regarded as instruments for an individual project. There are no indications that the groups which, in this sense, are post-modern, are particularly large, but traces of new attitudes are trickling out and are affecting young people, their life projects and attitudes to society.

"The creative class"

Ever since the stock market and IT hype, there has been a stream of books describing a new, committed form of work, beyond differences between parties, which is both equally profitable and rewarding in itself. Robert Reich argued that the jobs of the future involved symbolic analysis and carried the mark of the creative class. Richard Florida (2002), in the book *The Creative Class*, claimed that, today, every third employee is part of this social layer. People's full commitment is required. Set working hours are irrelevant, the essential thing is to find the creative solution to the problem.

The industrial work regime, with its strict rules which both parties must adhere to, does not work. Ideas and solutions may come at any

time, and it is not possible to disengage the mind from an interesting problem just because it is five o'clock. Work is frequently completed in the home just as well as in the office. When work is brought home, there is room for relaxation and social intercourse at work. The whole human being is involved – if work is going well, there is a great feeling of satisfaction. And, if not, there is not a lot the safety representative can do about it.

Since this type of work cannot be managed in the traditional manner, objectives and results are what count. The solution largely depends on the individual, with support from professional colleagues. Since other forms of control are fairly ineffective, it pays off to create a social community which is a supportive and inspiring environment.

The work problems pointed out by Robert Reich and other interpreters of the zeitgeist as typical are a result of self exploitation; the difficulty of combining various parts of life, "making a living and making a life". They talk of the difficulty in choosing, in saying "stop" in time, the self-inflicted stress. One explanation that so many, particularly women, have major problems in coping with the stresses of work may be this new approach to life. People shape themselves, and are not simply shaped by circumstances. The limits are not felt as clearly as they were by working class women who knew who they were by their affiliation with a social layer. If working life is not viewed as an arena for conflicts and clashes of interest, the feeling of "unwellness" is interpreted as something which is based in oneself; while members of a collective quickly place the blame on a merciless system or an equally heartless employer.

Richard Sennett (1998) has in his book, *The Corrosion of Character*, developed a fundamental criticism of the manipulative and, in a deeper sense, antisocial aspects which characterise this stressful working life. Emotional manipulation is used to develop a competitive instinct, ideal loyalty and a "capability syndrome", without ensuring some sort of protection against over utilisation.

Even though some of the more fanciful descriptions of the future may have lost their topicality since the collapse of the IT bubble, there is still a sufficient remnant of new attitudes and social patterns to justify claims of a new attitude to work. But it is hardly as applicable to one-third of the labour force as Florida and others have maintained. New features appear, for example, in commerce, medical care, nursing care, pedagogic work, IT and the media. But there are parallels to be found in the old structures; what is new is aspects of work, rather than a new working life, with extremely varied consequences depending on where and in which type of operation they occur.

The new aspects are a matter of systematically building-in internalised driving forces and checks in work. The character of work has changed, 80 percent of all jobs are classified as services, frequently involving close contact with customers. A pleasant relationship is part of the job. In many jobs, customer reaction acts as deliberately-utilised feedback, both positive and negative. While setbacks in a traditionally-organised job frequently result in anger, setbacks in new jobs lead to more or less serious symptoms of depression.

A doctor/consultant explains: one way of surviving is to become a stress pilot. Such people are distinctly selective. They can say no. They focus on a limited number of areas in life and travel light. Many are skilled at avoiding ties to gadgets and possessions. As a rule, they are clearer about their fundamental values than others. They know what is really important to them. This is set in stone. Trusting their own set of values even when it means standing out in a crowd is the most outstanding feature of people who can cope in extreme crises. They are unusually truthful towards themselves, authentic and in possession of great independence (Leif Wallin, *Management Mag* 032003).

It is possible that this description is accurate for a person who copes well with stress, but he/she sounds otherwise equally difficult

as a colleague and as a marriage partner. It is hard to perceive this new person in the realities of work statistics. Certainly it appears as if the greater part of the population has failed to adopt the behaviour pattern of the "creative" class. One survey compared the views of work among young and old through two statements. In 2002, 39 percent of the young chose "This job is like any other, you do your best but the only thing that matters is the money", which is slightly more than in 1993. For those of middle age, the corresponding figures were 29 and 20 percent. In contrast to what one might expect, a falling number (although still a majority) selected alternative two: "This job is something special. As well as a salary, it provides me with a feeling of personal satisfaction."

What happens to the people who work in the remaining jobs? After all, none of the authors is of the opinion that all professions will, basically, change in the same way. Discussion on "the others" has mainly focused on employment insecurity, negative wage trends and other traditional strains of low-status jobs (Osterman 1999). Many of those working in sectors such as care, education, nursing, trade, transport etc. would like to leave gainful employment early. They claim that they feel undervalued and ignored, and are not respected. They are the objects rather than the subjects of development. At the same time, they have not been unaffected by individualism, career aspirations and the self-fulfilling ambitions which characterise "the creative class".

In retrospect: the old work

One way of distancing oneself from today's working life is to briefly remind oneself of a discussion, typical for the intermediate phase of industrialism, that was carried on a generation ago. Half a century before that, Taylor had launched ideas which, at that time, represented a big step forward for many, but which also resulted in micromanaged work. The priesthood of the time were the time and

motion study and rationalisation experts, and the message was straight piecework. People were paid by the number of units produced. A few decades later, the Human Relations school was developed, which provided a psychological basis for work organisation. People have feelings, they work in groups – a basic understanding of this can create a better working life, greater loyalty and more productive workers.

A major question for management was how the company should deal with the collective, which threatened to develop its own culture of opposition. Industrial peace and wildcat strikes were part of the agenda. Piecework ceilings, a now almost forgotten term, were the centre of attention. To avoid death from stress, a collective standard was adopted to the effect that no-one was to show employers how work could actually be made more efficient when they were carrying out the Tayloristic work studies. It was then essential that no-one demonstrated that the piecework could be increased by 130–140 percent, since this would make the time and motion expert reset it at a lower level.

The foremost classic of Nordic work sociology, *Arbeiderkollektivet* (1967) written by the Norwegian Sverre Lysgaard, contains a fascinating description of how the workers' collective formed a strong opposing force to the employers. Maintaining the standards of the collective was essential, even at the cost of the individual interests of the workers and the company's technical/financial management system. Fraternisation with work management was out of the question ("Thou must not aspire to become a foreman"), and solidarity was of the utmost importance. Immigrants and others who had not been socialised into the community of work since childhood could be problematic as members unless they understood that the rules of their fellow workers were just as important as those of the foreman. The trade union was deeply rooted in the collective, but, according to Lysgaard's analysis, not synonymous with it. Some-

times the trade union branch entered into negotiations with the employers which the informal collective was not willing to accept. Wildcat strikes or some other, more refined, protest methods were threatened. This form of working life depended upon a high level of employment and relatively weak international competition.

Today, many work places lack collective representation for the interest of salaried employees. Problems are handled through a fundamentally different thought structure, where the concepts of "us and them", loyalty and fairness have completely new reference points. What the workplace may have gained or lost in the way of social dynamics is an interesting research problem.

There are far fewer internal career paths than before, as well as fewer long-term staff policies. The promotion principles of organisations have become more diffuse, and movements are not necessarily towards better jobs. Double careers, one administrative manager and one specialist, are common. Promotion based on merit and skill is becoming rarer, and the formal salary ladder is heading for the basement. The conclusion is that, in many companies, staff policies function in virtually a single dimension of time – here and now – without a longitudinal dimension stretching backwards and forwards in time. This has consequences in how older workers experience their working life and in their expectations.

At present, fewer companies base their organisation on a permanent structure of defined positions and a division into units etc. The "work organisation" consists of internalised, normative checks, personal development discussions and a system of financial incentives, e.g. individual salaries with bonuses. The operation is more or less systematically organised into projects. As a result, the agreement structure, which was used to protect wage earners against what Lysgaard calls the company's insatiable and unrelenting performance requirements, has ceased to exist. Instead of conflicts resulting in a call to fight, people simply change jobs. Conflict represents a nega-

tive energy. Even though this interpretation may be a little overstated, there are many signs that the post-modern working life regime has yet to find a form which is sustainable in the long term. The indistinct and temporary organisation will, in the future, conflict with the interests of both parties.

The new workplace

Another change is the relationship between the private and the public face of working life. In the past, there were clear standards for the separation of the working role and the private role. The relationship between superiors and subordinates was deliberately cool, and characterised by respect and a clear idea of what was permitted within each role. A formal and authoritarian undertone among colleagues made bullying and harassment a relatively rare occurrence. Today, there is active encouragement of different dispositions within working life as well, based on the argument that important personal traits should not be repressed. The public face of the workplace has changed character.

At present, this type of standardised openness plays an important role. It is acceptable for people, and employees are sometimes even encouraged, to show much of their full personality at work. Many post-industrial workplaces act as lifestyle communities, a fact which is frequently encouraged by the employer, since it means that the workplace, and the relationships within the workplace, become a central part of the individual's life.

There is substantial ignorance of what this means, both from the point of view of work and for peoples' private lives. It is highly likely that the type of financial irregularities which have occurred among stockbrokers would have been far less likely in a more pluralistic environment. The bureaucratic loyalty towards the company seen among the white-collar cadres of the past involved a certain amount of distance which is lacking in a workplace where people are friends

as much as colleagues. In the world of call centres, there are examples of how a type of youthful, cheeky community is encouraged, which uses the attraction between the sexes as a social energy within the workplace. The significance of this is that individuals often have more fun at work, and in some respects have become more involved, but at the same time they have become vulnerable to insatiable demands and defenceless when problems arise.

Chapter 7
A holistic working life: proposals

In very simplified terms, working life can be regarded as divided into two "careers", one which permits advancement through individual ability, and another which requires inability. In a way, this is the hallmark of the good society. Problems arise when people remain in the wrong "career" longer than necessary, such as those on long-term sick leave or the unemployed. The result is a permanently fragmented labour market. The low level of job searching activity among many of the long-term unemployed would suggest that they themselves believe that they only have access to a "problem career", and that this image is repeatedly confirmed by those professionally involved in rehabilitation, overworked administrators, sympathetic politicians and kind fellowmen. Working life demonstrates a substantial lack of drive – not to say lack of imagination – in dealing with the groups with the greatest problems.

It is largely a question of various supply-side action programmes, and other working life measures aimed at aiding adjustment, not being drawn up with clear and long-term conditions which facilitate the individual's own planning. It is also the case that demand is inflexible and too governed by over-structured appointment systems and formal requirements which discourage mobility and mid-life career changes. In addition, labour laws make mobility expensive. It is, therefore, necessary to consider how the motivation and ability of individuals to solve problems are affected by the design of the system.

The current large-scale and uniform welfare system, the guarantor for security, does not sufficiently consider the fact that people today

have a higher skills level, access to more information and to some extent different needs compared with only a decade ago. If the welfare policy is to work, an increasing number of people must be able to, want to and actually play an active role in finding a solution to their own problems. The current "rehabilitation system approach" must be underpinned by a clear agency or action approach.

Working life should no longer be regarded as a structure made up of large systems which solve problems on behalf of individuals, but as an arena for players, for people who are actively seeking to improve their lot.

This is one of the starting points for the discussion which follows. It is also important to establish that the experiences reported in previous chapters unequivocally agree that working life is becoming ever more stressful, and that many people experience psychological problems. The light-hearted image of The New Economy as a classless working life characterised by creative freedom, collegial community and free, unfettered and happy forms of employment has no foundation in reality. The experience of increasing pressure can be relatively clearly traced back to new management systems and more effective production controls. New principles for job sharing between companies, with outsourcing and alliances, have led to a disappearance of the less demanding jobs in companies. This document does not consider how much of the increase in sick leave is caused by this. It is sufficient to state that there are major unresolved problems within the insurance system as well as within working life, and that it is in the interest of welfare policy that radical measures be taken on both fronts. In addition, there are proposals for changes based on economic analysis which we will not discuss further here. The need for change in working life is here discussed from a sociological perspective, in four themes:

- The individual's active occupational planning.
- Workload and local influences.

- The legitimacy of working life: understanding and coherence.
- A new, local working life collaboration.

1. The individual's active occupational planning.

The theme "Active occupational planning" refers to the motivation of people, particularly those in poor jobs, or without jobs, to play a more conscious and active part in taking control of their working lives. Occupational planning means that individuals act to improve their own working lives, not to mention their lives in general, to ensure that work and other roles can be successfully combined. The concept is related to career planning, but is not limited to advancement on the salary or promotional ladders. It also involves realising other ambitions, based on the needs of the individual. In addition, it means being prepared to face problems such as redundancy, work becoming too demanding or ill health.

Today, individuals have *de facto* greater responsibility for preserving their attractiveness on the job market (employability), ensuring that they possess skills which are in demand and maintaining their interests against employers and society in general. Surveys suggest that people's preparedness to explore new options in working life is almost the inverse of the risk of becoming redundant or the feeling of unhappiness in the workplace. They also show that an attitude of accepting the future as it is, as against actively seeking to take control over one's own life, is more common among those in worse circumstances. At the same time, the surveys show how the wage earner groups in question have to deal with a system where various supportive measures, training programmes and similar approaches are provided on terms which are not stimulating, and do not facilitate long-term planning for individuals. The system creates its own losers, although it is unclear in what numbers.

Active occupational planning is partly a question of an individual's attitude to, and expectations of, himself/herself and his/her working

life. Is work something which you can influence or something which simply happens to you? It is partly a question of how the labour market and the relevant structures are organised. The thesis is that society can do much, not least politically, to stimulate a more active attitude to working life. A convincing number of surveys have shown that time-limited benefits or decreasing support have a positive effect on the likelihood of an individual finding work, as a result of greater personal activity. The surveys also provide broad support for the argument that an excessively high overall wage cost is an obstacle for individuals, not least the young, to enter the labour market, and can, therefore, contribute to exclusion. At the same time, there is well-known political and trade union opposition to such reforms.

But the problem of salaries and benefits is not the only interesting point in the area of active occupational planning. A number of supply and demand factors affect the opportunity for individual activity:

- Clear, long-term rules and predictable decisions are essential to planning. A system which is unclear, open to various interpretations and chance decisions generates a passive or manipulative response pattern. The importance of predictability and clarity cannot be overestimated in the socio-political sector. At present, processing is often arbitrary (as has been demonstrated when several administrators were asked to assess the same client).
- Information on what development programmes, support resources and financial aid are available must be clear, accessible and not subject to constant changes.
- Authorities and others must be aware of how the reception they give people generates role expectations and behaviour patterns, which affect people's behaviour both in the short and long term. A misleading, problem-confirming reception can reinforce a passive attitude, just as unfounded promises of various new measures can be a crucial turning point.

- The type of measures on offer can have significant consequences. An emphasis on rehabilitation confirms the impression that an individual suffers from certain types of faults. The range of rehabilitation services on offer creates a market through the effects of supply as well as demand. (In practice, the stronger effect is often generated by supply.) Rehabilitation with demonstrable effects in the form of results are, of course, a positive point, but the risk exists that other measures – the majority – may maintain ineffective patterns of behaviour.

A broader view of the labour market shows that there are many factors which could be influenced, with the aim of improving the opportunity for mobility and radical changes. A small, local labour market has only a limited ability to satisfy varying needs. Surveys also show that the unemployed in small, local labour markets are less inclined to make unconventional job decisions. Measures which encourage a widening of the labour market are, therefore, of great importance. This may not only involve better opportunities to commute, or move house, but also greater cooperation between job centres, a broadening of the local advertising market for available jobs, collaboration between municipalities, and new forms of cooperation with private companies and the social economy.

Finally, it is a matter of all three main parties doing a lot more to improve the matching process:

- Employees must widen and intensify their search.
- Public institutions must take measures aimed at widening the local labour market.
- Employers must expand their search sphere and recruit with fewer preconditions.

Various parties can work more actively to establish the question of active occupational planning in people's minds. It is a matter of using

clear models, raising the level of awareness of opportunities and establishing a support structure. The trade unions can also play a part in this, e.g. by further promoting agreements which provide good conditions for mid-life career changes, or by ensuring that people who spend most of their working life in jobs with a high risk of repetitive strain injuries are given the opportunity by their employers to move to another job.

The public sector has adopted formal requirements for training to a far greater extent than the private sector. In general, work experience in the educational and care sectors is valued highly, while experience of other operations is neglected. The result is a number of extremely closed, professionally-controlled environments. By facilitating career changes, the educational, care and nursing sectors can achieve a culture with more balanced gender representation and, in some cases, a pedagogically more open environment. A tendency to inflexible employment requirements, often involving extremely long training periods, has grave consequences for the ability to create a more flexible labour market and for people's interest in planning for a career change. It is particularly remarkable that employers in public operations so unthinkingly use regulations which are reminiscent of the demands of old trade union *closed shops*.

Many parts of the labour market will have to be examined from the point of view of demand. Are the specific requirements for various positions founded on the public interest, and does this weigh more heavily than the drawbacks which affect other wage earners and the general public?

Some points are important in this context:

- An expansion of the validation system (practical valuation of knowledge, as against formal examinations), with new routines and principles making the process faster and more transparent. This is particularly important when dealing with immigrant labour. The government has already taken initiatives in this area.

- Analysis of the regulations for, and practice regarding, dispensation from formal requirements on education.
- Trials of new agreements and loan systems which facilitate co-financed adjustments initiated by individuals.
- Collaboration between employers to facilitate better career paths between companies. People in jobs with a very high level of repetitive strain injuries should, if necessary, be offered alternative careers and retraining.
- Labour law regulations which run counter to voluntary mobility should be reviewed for employees who, for some time, have worked in high-risk jobs and who are trying to change. It is unreasonable for people to be trapped in poor jobs because of labour legislation.

The measures listed here are important in the creation of a strong, skills-based economy, which utilises labour resources in the best possible way. It is a question of creating a system where people, on the basis of positive preconditions, are actively involved in their own future. With a more individualistic view of work adaptation comes new requirements on employers and employees to take a more active approach. Surveys show that, for mobility, the pull factors (the carrot) are more important than the push factors (the stick). This may, of course, seem obvious, but it is also an indication of how effective measures should be designed.

2. Workload and local influence

The second theme relates to the workload and the influence of employees in the work organisation and environmental areas. The thesis is that management has been unaware of the strong psychological and social processes it triggers when it develops strong internalised motivation and feelings of loyalty within a group, and introduces rigid prioritised production management system which, in principle, in-

volves the whole company. Recent research has started to trace mechanisms which may explain how drawn-out and intense daily cognitive or emotional effort may have a long-term, negative effect on health.

In many cases, the work organisation becomes a *residual* product of a number of different planned decisions (e.g. a production plan, a computer system and a cost-cutting plan). There is neither time, nor sufficient knowledge, to balance the residue with the needs which characterise an effective social system. Checks on workload and staffing levels must be made more systematic and based on participation.

International studies (National Research Council 2001) show that it is relatively rare, at present, for companies to plan their work organisations and appointments using a systematic methodology, based on a holistic view of organisational requirements and people's psychological, social and physical prerequisites. The science of job design was far more active twenty years ago in the planning of large industrial workplaces, than it is today, when the average job is a position in a public service environment or in an office. Staff policy has changed from being a function dealing with staff satisfaction, to Human Resource Management, the principal task of which is to organise skills development and encourage the development of internalised performance and loyalty standards.

It is interesting to make a comparison with a typical workplace of twenty years ago. The work organisation was the core of an efficient industrial production flow, and tasks were clearly defined. Work studies provided joint union/management documentation which formed the basis for discussions on what constituted a reasonable workload. Trade union representatives and production engineers from the whole country were trained together. It is true to say that the system was often less than popular, and was opposed through many trade union conflicts. However, the lesson is that, even in

organisations highly governed by performance, it is important and possible to discuss matters relating to workload on the basis of systematic documentation. It is also important that there is a structure for such discussions, e.g. in a form similar to the piecework negotiations between a foreman and a union representative. As we have seen above, the role of the trade union in environmental work is, currently, substantially diminished. The development of user-friendly tools and methods for personal control over exposure in the working environment may play a valuable role in increasing involvement in the task of improving the working environment.

The most important organisational change during the 21st century has been the massive breakthrough of IT-based administration tools, which have been installed at a great cost. Today, these tools are of decisive importance in how work organisation functions. Processes are becoming increasingly systematic and coordinated, which means that the opportunity for personal control and the amount of slack is decreasing. Various processing systems and IT tools have affected the working environment in ways which both management and workforce are unaware, partly due to the fact that research in this area is embryonic. The conclusion is the same as that of a major American investigation (National Research Council: *The Changing Nature of Work*, 2001):

> Issues of strategy should join work design. Given advances in the technologies available for displaying and communicating how alternative tasks might be combined, these systems need to be more forward looking.

The image of a person so deeply involved in work that he drives himself to burnout as a result of pure job satisfaction draws attention to the wrong stage in the causal chain. The management model is planned to create effective external controls and strong internal driving forces. The cause of stress is not the person's lack of self-

control, but the fierce external pressure. Concrete ideas about self-governing groups, work rotation and work expansion, which were once seen as an important step towards a better working life, are no longer as believable, at least not as a general solution. On the contrary, such concepts are often a prerequisite for the form of management which leaves it to the staff to find opportunities for rationalisation if they are to avoid having to run faster – in a situation where both alternatives may be virtually impossible. (According to industrial research, major gains in rationalisation are rarely a result of small changes on the shop floor, but of structural changes which can only be initiated at a higher level.)

Workload and staffing levels are questions which have, in the past, always been addressed by the trade unions. Terms of employment have typically involved payment by time, while how that time is used has been a matter for the management and the trade union if problems become too great. We have one other lesson to learn from the old piecework system, where performance standards was the most important question in negotiations. Today, it would not be sufficient to provide individuals with more personal control (which seems to be the favourite solution among working environment researchers), unless changes are also made to the production management system. The combination of internalised work standards and rigid production management is destructive to the individual. A number of measures can be taken, which do not involve reduced productivity. To find out precisely what they are, however, it is necessary to obtain a better understanding of the mechanisms of the new, stress-related load.

3. The legitimacy of working life: Understanding and coherence

People's existence is, to a great extent, determined by structures well outside the reach of ordinary citizens. But there are large areas

where personal influence is possible, and where people's actions play a major role in what they can achieve for themselves and others. People experience, learn, interpret, speculate about reality and act on the basis of subjectively perceived preconditions. This is why it is so important to understand coherence – how society is constructed to be what it is. Social psychologists are prepared to go so far as to claim that the "elementary sense of coherence" (cf Antonovsky 1987) is fundamental for psychological wellbeing. Without such understanding, it is difficult to take adequate measures and retain control over one's life. Many experts believe that one of the effects of the crisis of the 1990s and the weakened "Swedish Welfare State model", is that a growing number of people lack a sense of coherence and a positive notion of working life as an arena where they can realise their own goals.

The argument explains the background of the thesis that the image of working life cannot be taken for granted. Previously, the parties had, singly and jointly (cf the "Saltsjöbaden spirit"), taken it upon themselves to explain working life and give its various methods social legitimacy. This is something in which they are no longer succeeding.

A central conclusion in the research into post-modernism is that the new society is dominated by increased "fragmentation", "discontinuity" and "institutional disintegration". The preconditions for the development of the type of consensus represented by the Swedish Welfare State have deteriorated. In present-day society, with its individualism, multiple competing elite groups and multicultural composition, the task has become to prove what the individual stands for and to try to gain understanding and respect for it, rather than attempting to impose one's ideas of the world on others (indoctrinate). "The elementary sense of coherence" is that one understands the fundamental mechanisms of society, not that one necessarily agrees with them.

What the individual does not understand, he/she can only despair about. Many wage earners are currently experiencing frustration and alienation when faced with the business sector, and this is largely based on a deep mistrust of the (lack of) fundamental values in trade and industry, and in businesses. The author Robert Reich (2001) writes about "the end of loyalty" as the basis for the changed relationship between employees and employers.

A sustainable and dynamic working life requires a large investment in trust. There is a widespread uncertainty over what expectations, values, roles and general attitudes present-day working life is based on, since the dissolution of the old, unwritten social contracts during the general turbulence of the 1980s and 1990s. A clarification of the fundamental values of business in the new economy is an important input value for a process aimed at improving the legitimacy of working life.

A very clear international trend is the discussion about corporate moral and social responsibility, which has, among other things, taken the form of protests against the treatment of poor countries in world trade, extreme differences in salaries and income, environmental destruction, discrimination against women, bribes, creative accounting, audit fiddles etc. In Europe and the USA, corporate ethics are discussed in relation to shareholders, customers, employees and society in general. However, the Förtroendekommission [Ethics and Trust Commission] appointed by the Swedish government, recently presented a progress report which seems to suggest that it is only focusing in improving the market's confidence, as a prerequisite for various transactions. The problem of declining trust among employees and the general public appears to have been overshadowed.

The type of "group think" signified by stock market bubbles and the IT boom is affected by problems in the value base of working life. The requirements for honesty, well-founded arguments and critical scrutiny have been allowed to give way to modern expectations of

conformity and positive thinking. Past misjudgements have been based on concepts such as tunnel vision, self-sufficiency, lack of respect for other values, opinions and historical experiences etc.

Another aspect of basic values is the common responsibility for the social infrastructure the business sector will accept, if it is demanded that the state keeps its distance. How are they to collaborate with, for example, job centres, schools, R&D, certain regional and social authorities etc.? An effective society is a "commons" and must, as such, be protected against the destructive effects of "free-rider syndrome".

The basic values also involve the humanistic aspect of working life. Expectations that working life should provide space for personal attitudes have increased as never before. This will probably also prove lucrative, as is confirmed by the fairly large number of companies which have adopted a humanistic approach to management and to the relationship between employees. But to base everything on this would be to miss the whole point, i.e. that not everything should be reduced to a means of maximising profit.

There are significant goals which are simply based on a feeling, but which are important signs of a humane working life. There are several approaches to the humanistic aspect; ethical, aesthetic, social etc., which is a matter of viewing individuals as cultural beings. The post-industrial society requires communication on a broad front, as pointed out by Peter Drucker when he talks of the *art* of management. Every day is filled with experiences, emotions and relationships. Working life involves participation, creativity, friendship – after the Human Relations School of the '30s, this is old stuff. The appearance and discussions of Swedish corporate managers make working life appear unnecessarily dreary.

In many countries, major companies are currently expected to have an ethical policy and a plan, which is reported in the annual report, for how this policy is to be firmly established among the em-

ployees. New American regulations require an explanation for the lack of such a plan. The Dutch company, Akzo Nobel, which has extensive interests in Sweden, is one of the companies which, owing to certain circumstances, has been instructed to examine its basic values more closely. The company has an extensive training programme for everyone, but particularly for middle management. It claims to encourage a culture of dissent, and welcome internal criticism. It has established various check points and a strategy for follow-ups. Constructive measures in this area are also a starting point for a modern approach to the role of the trade union and collaboration between the parties.

Clearer basic values do not, of course, mean that unpleasant decisions do not have to be taken. Financial necessity cannot be argued away, but it can be dealt with in many different ways. Most of these questions are now included in the agenda, and various measures are being discussed. It can even be stated that many people do not even feel that there is an actual problem. There are three counter-arguments; the fact that almost a million people of active age feel left out is an indication of the fragmentation of working life; for a number of reasons, but mainly due to poor communication, there is a relatively widespread feeling of impotence in the face of progress and mistrust of economic growth; and, by neglecting certain aspects and contribution, the economic and technical distortion of the discussion on working life has resulted in the alienation of a significant part of the labour force.

4. A new, local working life collaboration

A market is a social construct – the markets for gemstones, electricity, stocks and shares, and construction work are highly organised, but mutually extremely different, phenomena. There is competition between markets, and it is frequently in the interest of buyers as well as sellers to nurture the market. The same applies to the local labour market.

The fourth and last theme deals with the trends currently under discussion, including the need of the business and public sectors to collaborate on a level above the company, e.g. through growth agreements or innovative systems, and how this may affect the local labour market. The starting point is that a local labour market is a "commons", and, as such, sensitive to selfinterested parties who are attempting to extract advantages, without putting anything back.

Naturally, one has to be careful about imposing further social responsibilities on companies, when there are already 20,000 pages worth of laws regulating the behaviour of companies, 75 authorities demanding information etc. The OECD has for Sweden calculated the cost of regulations at SEK 30,000 per year per employee. Any new requirements must be on the companies' terms.

The idea behind employer initiatives, such as Employer Circles, is to expand the internal career paths of companies, so that staff facing changes will be able to chose a job which suits them better. The circle represents the minimum of collaboration required for the exchange of services and services in return, mobilisation of the contribution (expertise) of the different companies to the solving of problems, and the development of special projects in partnership with job centres or regional social insurance offices. The Swedish experience of Employer Circles has been excellent, but they only carry out a fraction of the functions handled by certain similar, notable initiatives in other countries. A research report from the ILO speaks of "policies of opportunity creation", which are aimed at solving problems in local regions through, for example, mould-breaking projects (equality), integration of immigrants, measures for unemployed young people, long-term unemployment etc. (Auer 2001). The various systems which have been developed are aimed at reducing transaction costs by dividing the risk between the public and corporate sectors, developing validation systems, agreeing on transformation partnerships with companies which are particularly suited to

taking care of the "problem children" of working life etc. The experience of built-in rehab units in major companies is excellent. In these, ordinary employees with an interest in social issues receive training, and then act as supervisors for people on employment trial.

One factor which holds back this type of initiative is the lack of a mechanism whereby a reasonable proportion of state income for successful initiatives is transferred to cover the costs of a project. At present, those who hold the key to the solution are, in principle, expected to be content with the personal satisfaction they receive, and this does not appear to be sufficient. The Employer Circles could be developed into something far more powerful if there was an established policy for offsetting the economic gains for the state (social insurance) against the cost of the project.

Finally, an example of a positive partnership. Employers in the rural areas of Sweden have long felt the effects of the lack of a skilled workforce. Local teenagers are not applying for places on industrial courses at senior high school level. A few small companies in a municipality in the province of Dalarna set up a partnership between the school and companies within the municipality. New courses were specially designed to include carefully-planned work practice sessions at the companies. Together, the companies launched a special campaign and became involved in practical work orientation and training in the work place. Their efforts soon paid dividends. Where there had been only two students applying for places on the Industrial Programme as their first choice, the number of applicants increased to 63, of whom 28 had specified the programme as their first choice. This must be seen as a great success achieved through a limited amount of effort.

International labour market researchers speak of the local labour market's need to activate the existing abundance of intermediaries or agents more systematically. In many places, these players are primarily involved with resource-rich and easily-placed groups.

Weaker groups do not benefit from the same mobilisation of ideas and resources from educational institutions, personnel recruiters, branch organisations, corporate associations and university colleges, since public financial support for these groups is not organised to encourage this. Public procurement of rehabilitation services or labour market training is not the same as offering incentives for new, creative ideas.

Paul Osterman, a leading labour market economist, draws the following conclusion (1999):

> Programs that are isolated from employers and are not linked to clear paths of job mobility tend to fail. Making these connections is the job of labour market intermediaries.

This type of organisation is, in countries such as Denmark and the Netherlands, frequently operated by employee groups with an interest in promoting the opportunities open to their members on the local labour market. The concept of "communities of practice" refers to network communities, often with virtual elements, which strengthen their members' contact networks, provide access to useful information and orientate them with the local economic and social environment. "Communities of practice" are frequently mildly exclusive, with a tradition of professional unions, but there are examples of less resource-rich members who, with the support of trade union organisations, manage to set up similar networks.

The first step towards a more proactive role starts with the creation of new expectations of what is possible.

A final word: Small steps or large

A presentation such as this is dominated by negative facts, which is, in some ways, both regrettable and unfair, bearing in mind the strong, positive part work plays in the lives of many people, and the great feeling of pleasure it gives. There are many excellent experi-

ences to draw on, if one understands the need to invest not only in productivity and skill, but also in the drive to work (Abrahamsson et al. 2003).

The core philosophy of the welfare state can be summed up as the resolution, step by step, to identify and rectify negative and bad conditions. The risk of this approach is of proceeding with small steps even when radical changes are called for, and the focus is undeniably on negative problems. As a result, inspiration from positive experiences and visions can easily be in short supply. This may be far more significant to the rather desperate attitude which prevails in present-day Swedish working life than we realise.

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