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**Managing Redundancy: a capability approach to a Swedish  
case study**

**by**

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A thesis submitted in partial fulfilment of the requirements for the degree  
of  
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### List of Abbreviations Used

ABF	.....	<i>Arbetarnas bildningsförbund</i> : Workers' Education Association
AD	.....	<i>Arbetsdomstolen</i> : The Labour Court
AF	.....	<i>Arbetsförmedlingen</i> : Employment agency
AGE	.....	<i>Avgångsersättningarna</i> : severance payments
A-KASSA	.....	<i>Arbetslöshetskassa</i> : unemployment benefit fund
AMS	.....	<i>Arbetsmarknadsstyrelsen</i> : the Labour Market Board
AMU	.....	<i>Arbetsmarknad utbildning</i> : Labour market training board
CF	.....	<i>Civilingenjörsförbundet</i> : Civil Engineers' Union
EFA	.....	<i>Expertgruppen för Arbetsmarknadsutvärdering</i> : a labour market research organisation
EMU	.....	European Monetary Union
ESAB	.....	<i>Elektriska svetsningsaktiebolaget</i> : an engineering firm
IMF	.....	International Metalworkers' Federation
KOMVUX	.....	<i>Kommunal vuxenutbildning</i> : adult education service
LAN	.....	<i>Länsarbetsnämnden</i> : county level Labour Market Board
LO	.....	<i>Landsorganisationen i Sverige</i> : Blue Collar Union Confederation
MBL	.....	<i>Medbestämmandelagen</i> : Co-Determination at Work Act
P80	.....	<i>Projekt 80</i> – a project designed to manage redundancy at the shipyards
PLAB	.....	<i>Projekt Lindholmen AB</i> – a project designed to develop ex-shipyard land
PTK	.....	<i>Privattjänstemannakartellen</i> : The Private Sector Staff Union Cartel
SAF	.....	<i>Svenska Arbetsgivareföreningen</i> : the Swedish Employers' Association
SALF	.....	<i>Sveriges Arbetsledareförbund</i> : Sweden's Supervisors' Union
SAP	.....	<i>Sveriges socialdemokratiska arbetarepartiet</i> : The Social Democratic Party
SFO	.....	<i>Statsföretagens förhandlingsorganisation</i> : The Public Sector Employers' Bargaining Organisation
SIF	.....	<i>Svenska Industritjänstemannaförbundet</i> : Swedish Industrial Staff Workers Union
SKF	.....	<i>Svenska Kullagerfabriken</i> : ball bearing manufacturer
SSAB	.....	<i>Svenskt Stål AB</i> : Swedish Steel Works
TCO	.....	<i>Tjänstemännens Centralorganisation</i> : The Swedish Confederation for Professional Employees
TRS	.....	<i>Trygghetsrådet</i> : White Collar Welfare Organization
UNDP	.....	United Nations Development Programme

### **Declaration**

I declare that this thesis is my own work and that it has not been submitted for a degree at another university.

### Abstract

This is a study of the workings of a Swedish welfare scheme during a two year period from 1979 to 1980. Its aim is to examine the effects of the scheme on the clients involved, to analyse the relationship between official and client, and to demonstrate the functioning of some components of the Swedish model at the front line. The study focuses upon the collapse of the shipbuilding industry in Gothenburg on the west coast of Sweden and the scheme designed to find jobs for around two thousand workers threatened by redundancy in the spring of 1979.

The Capability Approach, as formulated by Amartya Sen, is employed to analyse whether various state actors, mobilised to avert mass unemployment during the shipbuilding collapse, were able to re-orientate career paths along mutually desired trajectories. The strength of the approach lies in its focus on the individual, thus enabling an analysis which departs from the traditional approach in Anglo-Saxon studies of Sweden that focus on peak level politics.

The case study offers detailed information about the workings of the welfare scheme; it draws upon rich archival and interview data as well as a range of secondary sources previously untranslated. It demonstrates the importance of work within Sweden, how that importance affects client – official relationships thereby offering a critique of Esping Andersen's argument that Social Democratic states facilitate 'de-commodification'.



# **PART I**

Introduction, Theoretical and Contextual Bases

## Chapter 1

### *Introduction*

A political commitment to full employment placed under increasing strain by global competition and a national recession, a labour market structure that encourages flexibility and life-long learning, a welfare system designed to get people back into work, and an industrial relations model with labour working closely with capital. This was Sweden in the late 1970s. With a few minor modifications, it could be a number of European states today. Sweden emerged from the recession of the 1970s with its full employment commitment intact, its welfare and labour market structures weathered the storm. Today many European states face similar issues but their welfare and labour market structures are not weathering this storm and face fundamental reform. Can Sweden's experience of the 1970's recession inform the policy initiatives which seek to tackle today's issues surrounding employment and welfare? This is the subject of this research: a case study into 1970s Sweden focusing specifically on an initiative that was designed and implemented at the local level to assist around 1800 workers to find new jobs in the face of redundancy. The initiative was considered a success on the grounds that solutions were found for every worker and none of them became unemployed.

### *Background to the case study*

The collapse of the shipbuilding industry in Sweden in the late 1970s was very rapid, it occurred without large scale labour unrest or large increases in unemployment. It occurred during a time of flux in Sweden where no less than five governments over a period of seven years attempted to solve the issues surrounding the collapse. It produced an enormous strain upon the active labour market policies for which Sweden was internationally known. Whereas Britain and West Germany had suffered mass unemployment when their shipbuilding industries collapsed, Sweden did not. Furthermore, this occurred during the late 1970s and early 1980s; a period of recession in many Western economies with rising unemployment levels being widespread, a problem which Sweden avoided. As such, the collapse offers the researcher a case study into how the 'Swedish model' worked during a period of strain. Yet works in the English language on the subject are few. Indeed, Storrié's (1993) work on the rescue package for the Uddevalla shipyard and Stråth's (1987) general overview of the collapse of the industry stand out as the only examples.

### *Objectives*

Using shipbuilding as a case study in general and the experience of one city provides the researcher with an opportunity to study the workings of the 'Swedish model' at the local level and at first hand. Works on Sweden are legion and this study adds to an already large corpus. The focus upon front-line delivery distinguishes this work from

the dominant trend in studies on Sweden that focus on peak level politics. Situating research at the peak implies top-down uniformity; otherwise a focus at the peak tells us little of what happens at the localities and less about how policy actually works. This study breaks with that convention and shows how, at the local level, policy is interpreted, created and coordinated. A focus on central politics misses this vital component of the Swedish model. The theoretical framework employed here will be Amartya Sen's (1985a) capabilities approach which further shifts the focus away from the peak level and official measures of 'success' and frames the research within the scope of how policy helped people to realise valuable outcomes.

The case study here focuses upon a project that ran from 1979 to the end of 1980. Its remit was to take approximately 20% of the shipyard's workforce in Gothenburg to help them to find new work or maybe more accurately, to help them to avoid unemployment. As such the project was both an example of Swedish active labour market policy in action and also an example of local policy innovation within labour market policy. Furthermore, the focus upon the period 1979 – 1980 frames the research within a period of recession in many West European states in general and one of political flux in Sweden in particular. This focus on a period of political and economic stress means that the study will examine some of the workings of the Swedish Model during a period where the system was under pressure. Thus not only does this study depart from the ubiquitous peak-level focus of much literature, it does so within the context of stress upon the system.

### *The research problem, hypothesis and question*

How did Sweden avoid the unemployment that the international recession of the late 1970s caused in many Western economies? During the period 1974 to 1984, unemployment in Gothenburg never rose above 2.9% (Statistisk Årsbok Göteborg, 1985) (see Table B6, Appendix B), yet during the same period one of the city's largest employers, the shipyards, collapsed shedding over 11,000 jobs. How did the local authorities react? How did Sweden's active labour market policies work in practice?

Initial interest in Sweden came from an earlier period when the author was an undergraduate exchange student on the Erasmus Programme (European Region Action Scheme for the Mobility of University Students) based at Gothenburg University. This period was important because it formed an early critical stance regarding many claims made about the Sweden as much of the literature read at this point about the Swedish model seemed remote and difficult to observe. In particular Esping-Andersen's (1990) notion of 'de-commodification', allowing a person to freely 'opt out of work' (p.6), did de-commodification really exist in Sweden? This experience raised two hypotheses; firstly that some claims about the Swedish model were largely theoretical and were not observed in practice, and secondly that by focusing these claims on peak-level politics, authors such as Esping-Andersen had missed the variance found in local practice. Later, when designing this research the decision was made early on that it should focus upon Gothenburg for the practical

reasons that contacts and friends lived in the city and some knowledge of its history, geography and politics was already known. The choice of shipbuilding, or more accurately, the collapse of shipbuilding, was an early decision again based upon practicalities. This was a major industry in Gothenburg and early exploratory visits to the city archives and library indicated a rich source of data. Furthermore, the collapse coincided with a particularly interesting period in Swedish history whereby political flux and recession dominated. During this period the Swedish model came under stress and we also see the emergence of literature asking can the model survive and even if it should survive (e.g. Childs, 1980, Meyersson, 1982). Thus the collapse of a major industry during this period of stress became the entry point for the research; the two elements can not exist independently of each other since the collapse occurred during a definite period and by choosing shipbuilding the research focuses upon how the Swedish model operated under pressure.

Once the focus had been set, the two hypotheses mentioned above (claims about the Swedish model were largely theoretical and that a peak-level focus misses the variance found in local practice) framed the emergence of a research question. Firstly, the focus upon the shipbuilding industry in Gothenburg allowed for an analysis which would test the hypothesis that there was local variance within Sweden and secondly, the collapse itself could be analysed to test the hypothesis that claims about the Swedish Model's achievements were theoretical only. That the collapse occurred during a period of stress adds an extra element insofar as the model can be analysed during a period of political change and global recession.

The term 'the Swedish model' is a very broad concept which can be used to refer to any aspect of Sweden which the observer deems to be unique. There is, therefore, a necessity to narrow the focus and this will be achieved by concentrating upon the labour market and especially the Swedish active labour market policies. This focus fits well with the collapse of the shipbuilding industry as the agencies charged with finding new jobs for the 1800 workers made redundant did so within the framework of active labour market policies.

Having framed the focus of this study, we can now turn to the main research question which asks *how did the Swedish active labour market policy function when under pressure?* In answering this, the two hypotheses mentioned above (claims about the Swedish model being largely theoretical and that a peak-level focus misses the variance between local practice and peak level policy formulation) will also be tested by rephrasing them into questions. Thus, two secondary questions also will be asked: Is Esping-Andersen's notion of de-commodification an accurate portrayal of the Swedish model? And is there variance between peak level policy and front-line practice?

### *Research Methodologies*

This study required a 12 month period of fieldwork based in Gothenburg, Sweden; this allowed access to archival sources, interviewees and also a physical presence in

the city which is this thesis' subject matter. Conducting this research from England via email, web resources, telephone and secondary data was ruled out on account of the lack of data available in these forms and the difficulty in using email and telephone as a primary method of interviewing and collecting archival data. Frequent trips between England and Sweden were also ruled out on account of expense and the time wasted travelling, furthermore, a permanent presence in the city would allow a more flexible working environment in which interviews and appointments could be arranged with ease.

The period before starting the 12 month fieldwork trip was taken up with background reading and studying Swedish to a level necessary for this type of work. This involved taking two distance courses in Swedish run by *Foksuniversitet* based in Lund, background reading was primarily in Swedish and so both activities complemented each other. Once in Sweden a one month intensive Swedish course was undertaken to improve spoken Swedish and listening – two weak points for the distance learning student. Informal methods used to improve language capabilities included reading online newspapers, communicating in Swedish when contacting academics, archivists and officials involved in the logistics of relocating abroad for one year.

The story of the collapse of Swedish shipbuilding is long, spanning over a decade, and in Gothenburg, the largest shipbuilding centre, the story is no different. In order to narrow the focus of study the initial period of fieldwork was spent reading



contemporary local newspapers over the whole period of collapse from 1975 to 1985. This was designed to give both a comprehensive overview of the process and also to find a point of entry for detailed study. The newspapers consulted were the local *Göteborgs Posten* and *Arbetet* as well as the national *Svenska Dagbladet* and *Dagens Nyheter*. Using a process of progressive theoretical sampling (Altheide, 1996, p.33), data was initially wide in selection with a progressively narrower focus emerging as concepts became identifiable and understanding became clearer. Through this process the time period 1979-1980 was selected as was the specific project charged with finding jobs for 1800 redundant workers. Once this focus was chosen, sampling was once more widened and then narrowed to draw out discourses, debates and events surrounding the topic. The focus on newspapers was essentially to build a background and point of entry for in-depth archival research, but some documents were coded using the 'open coding' method based upon grounded theory (Strauss & Corbin, 1998). Here the initial coding informed the process of progressive theoretical sampling which in turn highlighted more key documents which required coding.

Once the sampling of newspapers was complete the focus moved to policy analysis. The data here consisted not only of the policy texts, but also the debates, committees and speeches surrounding them. Using the same methods employed above, this data was coded and sampled in a progressively more refined manner. The media and policy analysis, therefore, were designed to give a comprehensive knowledge of the subject matter and debates surrounding it before visiting archives.

Archival research was primarily based in two Gothenburg archives, the Regional Archive and the County Archive. This was supplemented by material found in the Maritime Museum's archive, the archive belonging to the Shipbuilding Historical Society and the blue collar union Metall at the workshop level. Strategies employed here were similar to the above and involved a wide search that progressively focused as data emerged. Coding and analysis of data took place during the search periods in order to inform further searches and close-off dead ends promptly.

Searches were initially based around the cataloguing system used by the archive in question. Although this method was successful to an extent, it was limited by the logic employed in cataloguing. Of value here were the archivists themselves who could not only clarify the logic behind their system of cataloguing but could also suggest new avenues into the data. Searches were made using a variety of keywords including names of individuals involved in the topic as well as subject matter searches.

Data searches were complicated here by the complex nature of ownership regarding some archive material: documents were widely dispersed. The material was firstly owned by the private shipbuilding firms, later control came under the state as the industry was nationalised and then in the mid-1980s a private enterprise bought what was left of the yards. At every step some material was transferred, some was left under original ownership and some lost. As a consequence, there are some significant gaps in the data where material could not be found.

One such example is data concerning the labour market outcomes of the workers transferred to the project that forms the focus of this study. Initially, the original intention of the study was to focus upon outcomes and in this regard an early influence was Storrie's (1993) study of the collapse of the Uddevalla shipyard some eighty kilometres north of Gothenburg. Here, Storrie was able to access some rich sources of data including the personnel files of every worker made redundant when the yard collapsed and the subsequent files held by the labour market authority (AMS). Analysing this data, Storrie was able to either directly discover the labour market outcomes for all 2087 workers made redundant or was able to make direct contact with the workers as the personnel gave him the necessary contact details. Thus a remarkable response rate of 96.4% was achieved (Storrie, 1993, p.166) and the presence of multiple sources of data allowed cross checking which strengthened the reliability of the data. Key to Storrie's rich sources is the fact that the research took place less than five years after the collapse of the Uddevalla yard during a remarkably stable period in the history of Swedish shipbuilding. Ownership of all the large Swedish shipyards had, by this time, consolidated within the state owned *Svenska Varv* and this stability meant the data that needed to be analysed was complete and held in a single location.

An attempt was made to replicate Storrie's approach in this research and for labour market outcomes to form a significant part of the analysis. However, the widespread dispersal of material and the subsequent difficulty in finding the necessary data

hindered this approach. Of importance here is that the period of study was a particularly turbulent time (1979-1980) and ownership of data from this widely dispersed. As a consequence of this each owner had a differing policy regarding which data to store and what to discard. Furthermore, the complex ownership relations make tracing data difficult and ultimately this meant that the necessary data needed to construct a labour market outcome picture is incomplete.

This was a major set-back in the early stages of the research and an alternative route of discovering labour market outcomes was initially considered; either a questionnaire given to all individuals that took part in the project or interviews conducted either face-to-face or by telephone. This route was rejected for three reasons: firstly the difficulty in accurately remembering details almost 30 years later meant that any data created this way would be unreliable and as the official data is missing, impossible to validate. Secondly, the 30 year time span suggests the older members of the group could very well have died thus implying a complete set of data would be impossible to generate. Lastly, the difficulty in finding all individuals that were transferred some 30 years later was such that the project would have needed long time extensions with no promise of success.

The missing data required a reformulation of the original research question away from asking what happened to the redundant workers and toward the services that were put in place and the opportunities created to assist the workers. Therefore the focus was shifted from individual labour market outcomes and onto 'frontline' policy

enactment. Although the research question had to be reformulated, the two hypotheses which framed the research remained the same. Regardless of a focus upon outcomes or policy enactment, either one of these approaches would allow for the same critical analysis which could probe the relationship between peak-level policy and frontline practice, and also examine some claims made about the Swedish Model and especially the notion of 'de-commodification'.

Although significant gaps existed, archival data was the richest source of information for this study both in terms of its breadth and depth. Archival research was also complemented by a number of interviews with officials who were directly involved with the project. These were undertaken during the periods of archive work and were designed to help make sense of the official documents, to assist in uncovering new areas of research and to help validate the findings based on official documents. The interviews themselves were semi-structured (Kvale, 1996) and all were conducted in the interviewee's native language, Swedish. The manner of recording the interview was to an extent unorthodox; this reflected the limitations of language on the part of the interviewer and interviewee. The interviews used a variety of communication methods some of which would have been missed by traditional audio recordings such as the use of drawings and diagrams to illuminate a point and the use of body language, especially hand signs. In this regard the interviews were quite informal and rather than the traditional interviewer recording the interviewee, the sessions were based around a pad of paper which both interviewer and interviewee used to illustrate points. This produced a body of data recorded on paper and included direct quotes

when possible, diagrams annotated in both English and Swedish and any use of hand signs recorded including the context. Once the interview was finished this data was immediately arranged into coherent form, diagrams and hand signs were placed in chronological order and re-annotated, and coding the data started immediately after anonymizing the text.

The coding of interview data followed the open coding procedure used in the media and policy analysis, the aim was to locate areas of archival investigation, to validate archival evidence and also to produce a body of data independent of archive analysis to assist in answering the research questions. The data was then 'triangulated' (Denzin, 1970) both to validate and verify findings and also to overcome some of the problems associated with single source data such as the potential fallibility of historical inference (McCullagh, 1984, p.4), through the process of triangulation the reliance on single source data is either reduced or eliminated.

Lastly, the use of what could be termed 'key informants' was invaluable. These were often people with little direct experience of the shipbuilding crisis in Gothenburg but their patience with my seemingly endless questions about the finer points of Swedish society, about the unspoken assumptions and complex nature of public institutions allowed for a more confident analysis to be made.

### *Sources of data*

The two main Gothenburg archives used, the Regional Archive and the County Archive, are distinguished by their holdings. The Regional Archive holds collections from non-state actors such as trade unions, administrative groups, healthcare bodies and regional associations. The County Archive holds state collections including county council records, education authorities, the civil service and regional authorities. Access to these holdings is open to all users regardless of nationality as is enshrined in the Swedish constitutional amendment that gave open access to Swedish official records. The exception here being access to records considered to be important to national security and also to private archives deposited by individuals who often require permission before access can be granted. In the case of this study, all records were open and of free access. These two archives were the source for much of the data used for this study including minutes of the board of directors and steering committee, personal files belonging to the managing director, various local studies and papers from local politicians. Two holdings in particular were of great value, they were the files of a lawyer called Sören Mannheimer who worked for the blue collar union Metall and was also a Social Democrat politician in Gothenburg and the files of the personnel director of the Eriksberg shipyard, Leif Molinder. Both Mannheimer and Molinder were key players in Gothenburg politics in the 1970s, Mannheimer held a seat on many regeneration committees, as well as being a senior member of the city council, and importantly had a particular interest in the collapse of shipbuilding industry as the union he worked for, Metall, represented all blue collar

workers at the yards. Molinder was instrumental in the design and running of the project, the focus of this study, having held many senior positions within the shipbuilding industry, Molinder later went on to gain a reputation for liquidating large plants whilst avoiding large scale unemployment.

Interview data formed another primary source; here interviewees included a former official working for the vocational training department (AMU) of the local job centre in Gothenburg who was directly involved in the project. A very clear understanding of the day-to-day workings of the project was formed through this source and many confusing aspects of Swedish institutions were clarified. Although much of the information was already present in archival form, this interviewee was able to contextualise documents and make wider links between institutions and the state. Another key source was a former blue collar union official at the shipyards who represented workers transferred to the project and who is now a member of the Shipbuilding Historical Society. This interviewee was thus able to assist in the capacity as an ex-union official and also as an archivist. This was an important source for understanding the opinions of the shipyard workers both before and after the collapse of the industry. One of the weaknesses with the archival sources was their remoteness from the individual worker who often formed part of a statistical measurement and little else. Thus a union official who represented workers at the time of the collapse was an invaluable source of information. Connected to this source was a former Social Democrat politician and blue collar union official at the shipyards who was involved with the contraction process of the industry. This source



was an important link between the peak level deliberations within the Swedish parliament and policy implementation in Gothenburg. Furthermore, this interviewee had started work at the shipyards as a welder and slowly worked up the union hierarchy before becoming a union sponsored national politician. He had a close working relationship with the head of Metall in Gothenburg and was also deeply involved in the Social Democrat shipbuilding advisory group which informed the parliamentary debates on the future of the sector in the late 1970s. The final interviewee was a senior official from the education authority in Gothenburg who was involved in the work of the adult education service. During the late 1970s when the collapse of the shipbuilding industry occurred, this source oversaw the allocation of resources intended to help retrain the ex-shipyard workers. This was important for gaining knowledge about the funding of resources, accountability, and the degree to which each institution had the freedom to use allocated resources.

Secondary sources included media accounts; chiefly local newspapers held in the newspaper reading archive at Gothenburg University, union publications held by the Shipbuilding Historical Society, and in-house magazines and news letters from the shipyards held in the Gothenburg Maritime Museum. Some interviews undertaken can be considered as secondary sources as they involved interviewees who were not directly involved in the collapse of shipbuilding. This included academics who had studied the contraction process and officials from various authorities whose expertise derived from the functioning of their department. Lastly, academic studies and

popular accounts of the shipyards both in the period of growth and contraction were held in Gothenburg University's library.

*Notes on the nature of archival research and on being a 'situated' researcher*

Working in archives presents various challenges to the researcher; most of which are amplified when the archive is located in another country. Being situated in that country is essential for effective research. Importantly, the researcher must understand the rationale behind the cataloguing process in each archive visited, typically, papers belonging to an individual or organisation can be held in a number of locations, in various collections, and often are arranged in orders differing from their original owner's system. Hill (1993) argues that the process of archiving is essentially one of sedimentation and erosion. Here there are three stages of sedimentation; firstly, the initial deposit of material is dependent upon the former owner of that material. The rationale behind saving certain papers is not necessarily one of preservation for future researchers; an individual's personal filing system is often idiosyncratic and prone to constant rearrangements. Furthermore, what is discarded and what is kept can be highly personal and dependent upon external factors such as space and time. Another factor at play here is accidental erosion; fire, floods, a loss during a move or even neglect can impact upon what remains. These forms of erosion mean that collections are often partial and fragmented before even entering an archive. This process can, though, give the researcher valuable information about the nature of the agency that created the data.

At the second stage the collection of material is further eroded by individuals charged with making decisions about the future of the collection once it is no longer being used. This can happen when an individual retires or dies or maybe when a department moves location. Individuals placed in charge of the material can range from family members or executors to individuals working in the department that produced the material. At this stage the collection can be partially or fully destroyed, preserved in its entirety or be subjected to sorting by a third party whose abilities to recognise what is important differ widely depending upon subject matter and personal skill.

The third stage of sedimentation is deposition at the archive and here erosion takes the form of sorting and arranging by archivists. Of note here is that often archives refuse collections for a variety of reasons including relevance and space constraints. Donors will then have to look for other archives to take the material and by this process collections can find homes far away from their place of origin. Once in possession of the files, archivists often re-arrange the papers according to the logic of the archive. This often takes the form of chronological ordering which can disturb the original filing system. Thus ordering chronologically can bring together material once arranged by subject. Furthermore, this type of ordering can confuse the progression of a topic by separating replies to letters which could be dated some weeks or even months after the letter which prompted the reply. The priorities of the archivist also differ from that of the original owner and or donor; which material gets sorted and which is left un-catalogued for a later date depends upon factors within the archive.

Thus by these three stages material can get dispersed, rearranged and lost. The process is also ongoing as new discoveries can be made when another batch of material is deposited or when a lost box of material is found. These latter discoveries may not necessarily come to be housed in the same collection or even the same archive as the original material. This three-stage process will differ not only between archives, but also between every collection donated, many factors are involved at each stage and for the researcher it is crucial that this is taken into consideration.

For this reason the importance of being a 'situated' researcher becomes clear. Developing a close working relationship with individual archivists is important to verify the research data, as cataloguing idiosyncrasies and the logic employed in ordering material can potentially leave valuable data hidden. The expertise of the archivist in suggesting new avenues of research is amplified by the fact that material is stored in restricted areas and the researcher cannot browse the shelves. It is thus vital that research is undertaken whilst situated within the environment where the data is to be collected.

Furthermore, by being situated the researcher becomes sensitive to many of the subtleties within a culture that are not readily discerned from written data. This not only includes the finer points of language, but also factors such as conventions, notions of the common good and other forms or worth which are often compelling but

rarely if ever codified. It is these subtleties that give data its context and indeed give the researcher a glimpse of the motivations behind decisions.

Therefore, to remain outside the society a researcher wishes to study is to risk a less comprehensive archival search, especially when taking into account the expertise of individual archivists and the personal interaction necessary to extract their ideas and suggestions. Remaining outside also implies a weaker link to society as a whole as much contextual knowledge can be derived from the simple act of living in the culture one is studying. With these points in mind; the nature of archival research and the study of another society, it is of crucial importance that the researcher physically situates themselves within the subject area of their study.

#### *Notes on working in translation*

All primary sources used for this research were written in Swedish, all interviews were spoken in Swedish and many of the secondary sources were also Swedish. In the early stages of the research, that is, the period before relocating to Sweden, all sources were translated into English immediately. The major issue here was typically one of time insofar as all sources needed to be studied twice: once in Swedish and then again in English after translation. Minor problems such as translating idiomatic expressions and some irregular verbs also took time. Once relocated in Sweden this approach changed and gradually there was no translation stage. Rather, all documents were analysed in Swedish, notes were taken in Swedish, and English was only used to

translate the occasional word. Gradually, the entire process of research was conducted in Swedish, including thought processes. Thus, there was no translation stage during much of the research. Translation became important in the latter stages when the material was written up in a final form. Here there were issues regarding the style of translation when reproducing quotes in full, often a verbatim translation would make little sense and so it was necessary to rearrange words, insert others and remove some in order to make quotes readable in English. There was potential for error here, especially where translation could shift emphasis by poor word choice and also by rearranging word order to make quotes readable. Care was taken on these occasions and the help of native Swedish speakers was sometimes sought to ensure the original emphasis and meaning of the quote had not been altered through translation. Lastly, working in translation often presents insights into the researcher's native language, especially how meaning is socially constructed and when a word is used in a different context in another language, it often reveals the assumptions contained in both languages.

### *The structure of this study*

The study comprises of three parts, part one, which this chapter forms part of, is concerned with context and background, part two presents the empirical findings from the research and part three offers some analytical and concluding thoughts. Individually, then, *Chapter two* explores Amartya Sen's capability approach in some detail, starting with Sen's critiques of equality; it shows how the capability approach

hopes to overcome these issues. It then considers how the approach may be operationalised within a variety of settings before laying out how this theoretical framework can assist in better understanding the Swedish model. *Chapter three* addresses that idea of the Swedish model; it offers a definition of the term by way of a brief historical overview of developments in Sweden since the 1930s. Importantly, it dedicates a large part of the chapter to developments after 1968 when industrial action coupled with political action sought to redefine how policy was shaped. The chapter argues that any study of Sweden in the 1970s must consider the consequences of unrest in the late 1960s. The chapter finishes by offering a critique of some historical works on Sweden which seek linear understandings with distinct epochs. It balances this by exploring works that focus upon the continuities within Sweden. *Chapter four* offers a contextual basis from which to frame the case study; it briefly charts the history of Gothenburg in general and shipbuilding in the city in particular from its gradual rise, to the boom years and then onto its rapid collapse. It then outlines the state of the Gothenburg labour market during the period of collapse within the shipbuilding sector. It demonstrates how important the sector was to the city and shows some of the research into projected outcomes of the collapse which were undertaken at the time. By *chapter five and six* the study is ready to present the initiative designed to take 1800 or so workers out of the sector and help them find new work. *Chapter five* describes the initiative in detail but not before showing the role of expertise in its design and also the political debates at the peak level which led to its creation. *Chapter six* shows how the initiative operated as a collaborative project that incorporated many agencies and authorities. *Chapter seven* looks behind

the statistical results which were used by the state to demonstrate the initiative's success. Here is where the capability approach becomes important as it offers an approach that focuses upon the individual and especially how the individual was treated within the project. To this end, the chapter analyses the experiences of the least-employable workers: those considered to be disabled or suffering from alcohol problems as well as older workers and the young. It also examines the process of categorisation and the circumstances behind the justifications used to categorise workers in certain ways. Finally, *Chapter eight* moves the focus back to the original research questions and presents some conclusions.



## Chapter 2

### *The Capability Approach*

The Capability Approach has been pioneered by Amartya Sen who took a critique of Rawls as his point of departure and has further developed the theory over a long period of time (1985a, 1985b, 1987a, 1987b, 1991, 1992, 1993, 1999, 2004, 2009). Other thinkers have used the approach to further a critique of Rawls (Nussbaum, 2003) or to apply it to a theory on social rights that goes beyond T.H. Marshall's analysis (Browne *et al*, 2002). A short investigation into these currents of thought will give a better understanding of both the Capability Approach and its practical applications in terms of this study.

### *Sen's critique of utility and recourse based analysis*

In his 1979 lecture 'Equality of What?' Sen (1987a) criticised three types of equality: utilitarian, total utility, and Rawlsian, he then presented an alternative formulation which he called 'basic capability equality'. Looking firstly at utilitarian equality, Sen's critique is that the theory is blind to distribution and is focused only upon maximising total happiness. This focus allows for distribution to be changed if that change brings about an increase in total happiness, yet because all people are not equal, this change can bring about unfair results. For example, a firm could decide to award a pay increase to all its healthy employees to be funded by a pay cut to all its sick employees, utilitarian equality theory could agree with this on the grounds that the healthier employees will derive more pleasure from the money they will gain than

the unhealthy ones will lose as they are bed-ridden, thus increasing total happiness. Furthermore, because of the diminishing marginal utilities associated with increases in goods, it would make more sense to award the pay increase to one person as a 100% pay rise to one increases total happiness more than a 1% rise to many. Connected to this is the problem of utility functionings; a small pay rise to a man saving up for a caravan holiday will maximise happiness more than a small rise to the man saving for a long cruise – the former having lower aspirations and is thus easier to please.

Sen's second criticism is directed toward total utility equality. Here the theory attempts to equalise happiness rather than increase total happiness as before, it does this by ranking all individuals using a scale called *leximin* and then focusing upon the worst off. The criticism here is that the interests of the worst off rule to the disadvantage of the majority regardless of how many make up the majority. For example a firm that decides to award its lowest paid employee a pay rise funded out of pay cuts imposed on the other employees is considered better than having one poorly paid worker and many well paid workers. In other words, '10,10,10,10,5' is worse than '9,9,9,9,9' even though the second example disadvantages more people. Thus "utilitarianism is attacked for its unconcern with inequalities of the utility distribution and leximin is criticised for its lack of interest in the magnitudes of utility gains and losses, and even in the numbers involved" (Sen, 1987a, p.152).

The third criticism takes aim at Rawlsian equality. This theory sees equality in terms of primary goods rather than happiness in either total or marginal measures. The

primary goods themselves are split into three classes: basic rights, non-basic rights, and income and wealth. The former two concern aspects of freedom often expressed in constitutions and rights associated with specific positions in society such as voting powers in an assembly. The third class is where Sen focuses, here the distribution of primary goods is to be equal unless an unequal distribution benefits the worst-off. This furthering of the interests of the disadvantaged is known as the 'difference principle'. Sen's criticism here is that the focus upon primary goods ignores the diversity of people and in doing so is blind to what individuals feel and therefore cannot accommodate the fact that different people get different benefits from the same goods. In this respect it is fetishistic as it values goods rather than what goods do for people.

Sen then sets out his argument for constructing a theory of equality that combines the three theories above with some trade-offs. He thus introduces the notion of 'basic capabilities': 'a person being able to do certain basic things' (ibid, p.160). This approach overcomes the fetishism found in Rawlsian equality that is unconcerned with what goods do to people and also shifts the focus from the mental reaction toward goods (happiness) in the two utilitarian theories and places that focus upon capabilities.

### *The Capability Approach defined*

The bare bones of a capability theory as laid out in the 1979 lecture are fleshed out in Sen's work "Commodities and Capabilities" (1985a), based on his 1982 Hennisman Lecture. Sen uses the example of a bicycle to distinguish between capabilities,

commodities, entitlements and functionings (ibid, pp.9-16). Here, an individual's *capability* to achieve certain *functionings* is considered to be key in assessing one's quality of life. As Sen puts it: '[a] capability [is] a kind of freedom: the substantive freedom to achieve alternative functioning combinations' (Sen, quoted in Browne *et al*, 2002, p.4). *Functioning* itself is seen as the ability of the individual to use a *commodity* in a certain way. For example, to take a welder as our example; the welder uses welding equipment (*a commodity*) to weld (*a functioning*); thus increasing his chances of working as a welder (*a capability*). Naturally, a welder can only weld once he has attained a certain knowledge of welding, this, then, is seen as an *entitlement*. Therefore, an individual's *capability* is dependent upon having the *entitlement* to convert a *commodity* into a *functioning*.

Of note here is the distinction between goods and functionings, and the related distinction between functioning and well-being. Sen's example of a bicycle shows how this approach allows us go beyond seeing it in purely market value terms by looking at its characteristic of easing mobility. Although a bicycle can be seen in terms of exchange value and indeed may be valued for its design or materials, this is a narrow market based analysis which we can broaden by encompassing the usage characteristics of a bicycle. With the distinction between functioning and well-being, Sen uses the example of bread whose nutritional characteristics allow people to function and typically the more bread, the more one can function (up to a point). But as all humans differ in terms of being able to convert the nutritional characteristics of bread into actual functioning, we need more information before we can adequately comment upon the usage characteristics of bread and thus the well-being associated

with eating it. Sen argues that a person's well-being is 'best seen as an index of the person's functionings' (1985a, p.25) and those functionings depend upon a variety of personal and social factors. Taken as a whole, a person's total choice of functioning options reflects their capabilities and thus their well-being. Sen defends the notion of functionings reflecting well-being by stating that 'how well a person is must be a matter of what kind of life he or she is living, and what the person is succeeding in 'doing' or 'being'' (ibid, p.28).

The strength of focusing upon capabilities rather than achieved functionings lies in the fact that it allows for the diversity of humans. Robeyns (2005) gives the example of bodily integrity and compares a boxer who chooses to get 'beaten up' with a victim of domestic violence who does not. In both cases bodily functionings have been compromised, but in the former the boxer has the capability to choose whether to fight or not, whereas in the latter example, the victim has no capability for choice. Thus in this example a focus on achieved functionings would miss a crucial element between the two people as it would categorise them both as having their functionings harmed. Sen uses the example of a person fasting for spiritual reasons and a famine victim who is starving to show how their achieved functionings are the same (lack of nutrition), but only one has the capability to choose to be in such a state (Sen, 1987b, p.37).

#### *Nussbaum's critique*

Martha Nussbaum (1988, 2003) has developed a critique of Sen's capability approach and offered a differing formulation which tries to address what she calls the

'incompleteness' of the approach as put forward by Sen. Nussbaum uses the example of women in poor regions of India that suffer from malnutrition and disease; this example has also been used by Sen to show the failings of other forms of distribution vis-à-vis the capability approach. For Sen, the problem is that when questioned these women say they are doing well and this is a consequence of their society which holds that women should have less opportunities than men. Sen uses this to show how distribution approaches that focus upon desire and satisfaction are left wanting, yet Nussbaum argues that the capability approach as formulated by Sen also falls into the very same trap:

"It seems to me that the capability approach will exhibit similar deficiencies, unless we specify an objective valuational procedure that will have the power to criticise the evaluations of functionings that are actually made by people whose upbringing has been hedged round with discrimination and inequity. Sen seems on the whole to think that we remove the problem by moving from the utilitarian emphasis on desire to his own approach's emphasis on the valuation of capabilities" (Nussbaum, 1988, p.175).

For Nussbaum, then, the incompleteness of Sen is in the fact that there lacks any objective means of judging a person's functionings. This is a critique that Sen accepts, and as will be explored in more detail below, this is purposeful. But for Nussbaum, this incompleteness is a fundamental flaw and she goes further by proposing ways of overcoming it. To this end she constructs a list of capabilities which ought to be upheld through national constitutions, this list is known as 'Central Human Capabilities' and these are seen as "central requirements of a life with dignity" (Nussbaum, 2003, p.40). This must not be confused with Sen's notion of

'Basic Capabilities' which are understood as being able to meet nutritional requirements, being clothed, having shelter and so on – basic requirements which act as a foundation for a person's functionings (Sen, 1987a, p.160). Nussbaum's Central Human Capabilities underpins social justice to the extent that if a society fails in guaranteeing these to all citizens, it will "fall short of being a fully just society" (Nussbaum, 2003, p.40). This minimum conception of social justice is given concrete presence by the construction of a list which is classified into ten groups which are in a state of continual revision and modification.

Discussion regarding the composition of the list and the meaning of individual categories runs the risk of being immediately dated as the list is always open for alteration, but the idea of actually having a list has generated debate between Nussbaum and Sen. Nussbaum considers such a list to be imperative if the capability approach is to become operational. The main issues for Nussbaum are that without an objective method of evaluating functionings, we risk a situation where any capabilities are considered valuable including those which harm others. Furthermore, without objectivity, the capability approach may be difficult to operationalise in the areas of development projects where knowing which freedoms are important and which are not.

"Any political project that is going to protect the equal worth of certain basic liberties for the poor, and to improve their living conditions, needs to say forthrightly that some freedoms are central for political purposes, and some are distinctly not. Some freedoms involve basic social entitlements, and others do not. Some lie at the heart of a view of

political justice, and others do not. Among the ones that do not lie at the core, some are simply less important, but others may be positively bad” (Nussbaum, 2003, p.44).

Sen has resisted the notion of a concrete list of capabilities as it compromises freedom and that freedom is ‘always good although it can be badly used’ (quoted in *ibid*, p.46). For Sen the idea of a list is fine, but the problem arises when that list is the only route through which the capability approach is applied. Sen sees listing of capabilities as a democratic project between local actors and not the remit of philosophers working in abstraction.

The problem is not with listing important capabilities, but with insisting on one predetermined canonical list of capabilities, chosen by theorists without any general social discussion or public reasoning. To have such a fixed list, emanating entirely from pure theory, is to deny the possibility of fruitful public participation on what should be included and why” (Sen, 2004, p.76).

Whereas Nussbaum sees the capability approach’s ‘incompleteness’ as a flaw, Sen sees it as a positive facet as it allows many approaches.

“But mostly my intransigence arises, in fact, from the consideration that the use of the capability approach as such does not require taking that route [an objective method], and the deliberate incompleteness of the capability approach permits other routes to be taken which also have some plausibility” (Sen, 1987b, p.47).

Robeyns (2005) notes that the differences between Sen and Nussbaum have produced two currents of thought under the notion of the capability approach. For Sen, capabilities are more concerned with opportunity, whereas for Nussbaum, capabilities focus more upon people’s abilities and characteristics (Gasper & Van Staveren,



2003). This distinction has meant a favouring of one approach over the other in various disciplines, for example Nussbaum's approach has appeal for those working with policy on account of its focus upon guaranteeing capabilities through constitutions. Sen's approach is more in tune with those working development such as the United Nations Development Programme (UNDP) which have used Sen's approach as their grounding (Robeyns, 2005). Another distinction between Sen and Nussbaum lies in their epistemological backgrounds. Sen's work is rooted in economics and as such is attune to quantitative empirical measures, as can be seen in his own work (Sen, 1992). Zimmerman (2006) notes the primacy of statistical measures within applications of the capability approach that leave little room for analysis of social environments and the situated diversity of people. Nussbaum's approach is stronger in areas such as motivations, emotions and how freedom is used and thus has greater promise in areas where we need to understand what motivations are needed for action (Gasper & Van Staveren, 2003). Robeyns (2005) argues that Nussbaum's concrete list of Central Human Capabilities gives her approach less abstraction than Sen's as well as allowing for an approach that is more in tune with social and interpersonal needs compared to the more individualistic version offered by Sen.

#### *Operationalising the approach*

In terms of operationalising the capability approach, it has been applied to various disciplines since its inception (specifically in the Human Development Reports where Sen's version has been influential) (Robeyns, 2006), but it must be noted that the

approach is not an explanatory tool, but is rather an evaluative tool. That is, the approach can be used, for example, to assess a person's well-being, it can gauge the success of a policy, or allow us to establish an objective stance from which to engage in comparative analysis. It cannot explain why a person is in poverty or why a policy failed in practice to live up to its initial design, but it does have potential to inform policy design.

Indeed, Alkire (2005) argues that the capability approach has a 'distinctive value' outside of practical operations. One route here is to use the approach for policy evaluation; this becomes a particularly valuable exercise if the policy in question has a shared objective with the capability approach. Whereas the capability approach has often been associated with poverty and measures within developing countries, if we take the approach as a tool within developed countries we eliminate much of the focus upon poverty (such as nutrition and shelter) and this allows for a concentration upon freedoms that assume a very basic level of functioning that is often guaranteed through national constitutions. Assuming a basic level does not imply that poverty has disappeared, but rather that the analysis of policy assumes enough individuals have achieved a basic set of functionings to make the policy a worthwhile initiative and thus the analysis to be a worthwhile exercise.

The link between the capability approach and policy, and specifically social policy in a European context, is explored by Browne *et al* (2002). Here, the 'basic conflict' between social rights and market mechanisms, as formulated by T.H. Marshall (1992), is revisited using the framework of the capability approach. For Marshall,

social rights were a matter of bureaucratic provision and included income, services and employment. To promote these rights implied a subordination of market price and the two thus exist in tension. Browne *et al* argue that the capability approach offers a route out of this conflict. Here the authors distinguish between social rights as claims on resources and as forms of institutionalised interaction, the former include areas such as welfare payments, whereas the latter is more focused upon areas such as collective bargaining and corporate governance. In viewing this through the lens of the capability approach, social rights become a normative goal with a view toward equality of capability rather than a source of tension within the market. The deliberately non-prescriptive nature of the capability approach (at least in Sen's version) means this goal can be met through a variety of means. Thus:

“In this way the capability approach and its form of social rights should not be seen as replacing or stifling market mechanisms but rather offering a framework for market-steering which results in better and fairer market transactions”

“[...] the capability approach concentrates not on guaranteeing that individuals possess a given set of resources but rather upon aiming to enable individuals to develop their capacity to be substantively free to make their own effective choices, thus enabling genuine and dynamic interaction in the market” (Browne *et al*, 2002, pp.212-3)

In this view, the capability approach is a current of thought to inform policy design with the aim to equalise capability and thus make market transactions fairer. Policy effectiveness is an argument taken up by Salais (2004) who extends Sen's critique of Rawlsian equality by pointing to ineffectiveness within policy on the grounds that people use goods differently and therefore equality in resources does not amount to

equality of ends. The policy cursor, argues Salais, should be shifted from equality of resources to equality of capability (ibid, p.287). “What is important is to evaluate whether or not the selected policy or institutional system actually helps enhance effective freedoms and capabilities” (ibid, p.290). Here we can see how the capability approach can both inform and evaluate policy, indeed, the approach can be used as an evaluative tool for policy that was never designed around Capabilities. In doing so, the approach allows for a critical view that can fundamentally alter how we judge policy.

The power of using the capability approach as a unique evaluative tool can be better understood if we apply it to the policy of “workfare” in the UK and US. Although the term is highly elastic (Peck, 2001), it typically involves activation and a shift away from passive welfare. Crucially, supporters of workfare point to falling numbers of welfare recipients as evidence of the schemes’ successes. Indeed, this can be extended further to incorporate “flexible labour markets” whereby receding unemployment numbers have been used to point to the success of such an approach. Yet if we re-examine both these cases using the capability approach, we may arrive at a far different outcome. By shifting the focus from goods understood in the Rawlsian sense, and from social rights in the sense Marshall understood them, to capabilities, we move away from an analysis that focuses upon jobs as ends (Rawlsian) or jobs as an outcome of a policy which arbitrates the clash between social rights and the market (Marshall). Now, with the capability approach, we can view workfare policies in terms of achievements. The power here lies in the fact that goods are seen as means not ends and so a job is not a goal unto itself, but rather what matters is how a job

entitles a person to achieve valuable functionings. Thus workfare, recast in this sense, highlights the low wages, the low quality, highly flexible and often temporary nature of jobs associated with workfare policies (Carpenter *et al*, 2007, Peck, 2001).

### *The Swedish model through a capability lens*

The capability approach will be employed here, then, as an evaluative tool. In this regard it will attempt to assess how a commitment to full employment impacts upon the individual and especially how their freedom to choose valuable states of being is facilitated, encouraged or even hindered by policy practice. Here, then, is the capability approach's uniqueness in terms of assessing policy – its focus is upon the relationship between the individual and a policy programme, rather than peak level deliberations and outcome focused studies. It is the extent to which policy allows the individual to realise real freedoms that forms the focus of this study. Thus, evaluating the Swedish model through a capability lens will look how individual *entitlements* can convert *commodities* into *functionings*. How are these entitlements given? Are they based upon what an individual wants to be and do or is there a deliberative process in which the individual and officials working for a programme work out an action plan that balances choice with context, or, indeed, is this a coercive programme in which clients are given entitlements without their personal input? What is the role of policy in forming a person's own capabilities here? The following chapter gives some context to these questions by fleshing out the idea of the Swedish model. The approach will be to offer a definition by way of exploring some of its historical origins and importantly the developments after 1968.

### Chapter 3

#### *The Swedish Model: a Definition*

In 1936 Marquis Childs' influential work '*Sweden: the Middle Way*' was published and the image of Sweden as a model of consensus politics charting a path between communism and capitalism and forging a compromise between labour and capital was cast. Whereas the historian may point to the appointment of Jean-Baptiste Bernadotte, Marshal of France, as Karl XIV Johan, King of Sweden, or the 1905 dissolution of the Norwegian Swedish union, or the Åland crisis of 1920 as examples of Swedish compromise politics, Childs' 1936 book introduced Sweden to a wider audience. As Arter (1999) notes:

"Following Childs's analysis, Sweden became not just another state but a model for other states, its solidarity 'people's home' respected as a shining example of consensus politics and the product of an historic compromise between capital and labour. Sweden became the epitome of an egalitarian culture and pragmatic style of politics that many yearned to emulate." (p.146).

Here, then, the observer is confronted with a wealth of works emerging from both inside Sweden and intended for an outside audience and from outside Sweden looking in. The notion of a Swedish model, such as it is (or even was), becomes a phenomenon created not only through policy but also through analysis. Indeed, critical accounts have often pointed to the 'myth' of Sweden being built up through sympathetic observers, government propaganda and using politician's speeches as evidence over actual policy implementation (Toft, 2003; Ruth, 1986). Indeed a clear example of this can be seen from Tingsten's classic work '*The Swedish Social Democrats: Their Ideological Development*' (1941) where his analysis of the 1920

party programme ignored the actual economic policy followed during that period and thus confused rhetoric for action (Winberg, 1980; Tilton, 1991). Therefore, as we can see, the 'Swedish model' is a term which must be approached with care as it has been used to describe anything which the observer deems Swedish in nature and particularly something which charts a 'middle way' or seeks a 'compromise'. The definition offered here, then, will be based upon a general overview of historical works and is intended to highlight the themes which have come to be understood as components of the Swedish model no matter their ability to withstand empirical analysis.

Broadly, the term 'Swedish Model' has come to signify two interrelated aspects of Sweden: notions of compromise and consensus, and the country's institutions and policies. Since the 1932 general election, both these aspects have come to be associated with the victorious Social Democratic Party (*Sveriges socialdemokratiska arbetarepartiet*: SAP) and their subsequent dominance of Swedish politics. The term can be roughly divided into three parts; a social side (a people's home), an economic side (the Rehn-Meidner model) and a labour market side (Saltsjöbaden agreement). Thus the Social Democrats' ability to forge coalitions and the industrial peace forged at Saltsjöbaden are examples of compromise and consensus, whilst the Rehn-Meidner model and the idea of a 'people's home' are the policy outcomes.

To take first the idea of a people's home, the notion was coined by the Social Democratic politician Per Albin Hansson in 1928:

In the good home equality, consideration, cooperation, and helpfulness prevail. Applied to the great people's and citizen's home this would mean the breaking down of all the social and economic barriers that now divide citizens into the privileged and the unfortunate, into rulers and subjects, into rich and poor, the gluttoned and the destitute, the plunderers and the plundered. (Hansson, quoted in Tilton, 1991, p.127).

Central to Hansson's notion of the people's home is the idea that cooperation and consensus will produce a cohesive society that is concerned with the welfare of all and all are concerned with the welfare of society. Democracy was seen as the vehicle through which could be achieved but this was not limited to the political sphere as it also envisioned a social and economic democracy. The achievement of a people's home pre-supposed relinquishing the ascendancy of capitalism in favour of socialism. For Hansson, capitalism was entirely incompatible with the fraternity embedded within the people's home; exploitation, class mentality and authoritarianism cannot sit alongside the democratic principles underpinning his vision.

In practice, Hansson was an early supporter of Alva and Gunnar Myrdal's ideas laid out in their influential book '*Kris i befolkningsfrågan*' (Crisis in the Population Question, (1934)). The authors claimed that their argument was "completely in line with Per Albin [Hansson's] dream of the good people's home" (quoted in Tilton, 1991, p.147). The book recommended social reforms along functionalist lines to halt Sweden's dropping fertility rates. This included, *inter alia*, high quality social



housing, kindergartens, urban planning, free school lunches and sex education. As the authors argued:

All rational policy is now more profoundly seen as an unceasing attempt to link together and intelligently adjust social institutions to changing technological and economic conditions. (quoted in *ibid*, p.150)

The dropping fertility rates were undoubtedly caused at least in part by the large scale migration out of Sweden during the 19<sup>th</sup> and early 20<sup>th</sup> centuries. Sweden lost 1.25 million citizens to the United States during this period and it was typically the young (and fertile) that left (Ljungmark, 2008). Both Hansson's and the Myrdals' ideas should be seen in the context of mass migration and as an attempt to halt the trend. To be sure, it was changing US attitudes to migration and the stock market crash of 1929 that had the most profound affect upon the level of immigrants entering the US, but for Sweden there was no guarantee that previous emigration trends would not reappear in the future. Hence the emergence of a policy that made the country more attractive to would-be emigrants.

Yet the notion of the people's home has resonated further than Hansson's original coining of the phrase and the democratic route into socialism has been largely replaced by a far vaguer notion of a cohesive welfare state more in tune with some of the Myrdals' proposals. Here, then, the people's home is about solidarity and community, about universal welfare and democratic participation, but without the necessary pathway to a fully socialist state. Indeed, the notion of a people's home,

loosely defined, has been used to indicate a type of third way politics between communism and capitalism or latterly between Thatcherite capitalism and Mitterrand era socialism.

If the people's home charts the waters between capitalism and socialism in social policy, then the Rehn-Meidner model is its economic counterpart. In the years immediately following the end of World War II Gösta Rehn and Rudolf Meidner worked for the blue collar trade union confederation's (*Landsorganisationen i Sverige: LO*) research department. There they developed their model as an alternative to Keynesianism which they regarded as inflationary and actually a cause of unemployment through restrictive economic policies (Meidner, 1952). Their model attempted to combine full employment and price stability with growth and equity, into a permanent model that could replace the stop-go nature of Keynesianism. To achieve this required four interconnected policies (the following discussion is based upon: Erixon, 2001; Meidner, 1952; Rehn, 1952 and Whyman, 2003).

Firstly, a restrictive fiscal policy based on high tax levels would curb inflation and compel firms to rationalise whilst keeping wage drift in check and prompting structural change as unproductive firms would close. Secondly, a solidaristic wage policy would promote equal pay for equal work regardless of the firm's profit margins. This would further aggravate the tight economic policy and thus promote structural change by pushing the least profitable firms into bankruptcy. These factors will cause unemployment and so the third policy, the labour market policy, aimed at

the achievement of full employment. It did this in three ways: selective demand measures aimed at specific groups of workers or sectors, supply side measures including relocation and retraining grants and lastly an intensive adjustment process to match applicants with jobs. The fourth measure, marginal employment subsidies, was designed to assist expanding firms to recruit and retrain their employees. The aim was to both increase employment in growth sectors and to help reduce prices as marginal costs would be reduced.

Taken as a whole the model's goal of full employment is achieved through an active labour market policy; price stability is achieved through a restrictive fiscal policy and solidaristic wage policy; equity is also the goal of wage policy whilst growth is achieved through both the fiscal policy and employment subsidies. In the words of Rehn and Meidner:

To summarise, we can say that the maintenance of full employment is a necessary condition for the trade union movement's ability to carry through the largest possible wage increase; that, at the same time, the retention of low profit margins is a necessary condition for the rate of wage increase to be sufficiently low and not to cause a steady rise in prices; that this condition should be fulfilled by the community which should maintain full employment by suitable, local action on the labour market and a general purchasing power level compatible with national economic balance without inflationary pressure and restrictive controls. A further condition for the necessary stability in wage developments is that trade union activities be, at least to some extent, co-ordinated under the following motto: Wages policy of solidarity, taking into account

the different nature of work in different industries and trades. (Landsorganisationen i Sverige, 1953, p.99).

The pursuance of a solidaristic wage policy is linked to the third aspect of the Swedish model; the labour market policy, specifically the 1938 Saltsjöbaden Accords. Here, LO, and the employers' federation (*Svenska Arbetsgivareföreningen*: SAF) met to institutionalise industrial relations and as a consequence set in stone the idea of Sweden as a country of labour market peace. The two organisations had separate reasons for entering into the agreement, for LO it was the fear of increased legislation limiting trade union rights to strike, although the Social Democratic government was seen as being favourable to labour (Landsorganisationen i Sverige, 1984), how favourable was unknown and furthermore, there was no guarantee that unfavourable parties could not return to power in the future. It was therefore considered too risky to allow for the possibility of future unfavourable legislation. For SAF the route into the agreement was that they saw little prospect in extracting favourable legislation from the Social Democratic government and had judged that the party would hold power for a considerable amount of time. Thus according to Fulcher (1991):

“lying behind the emergence of joint central regulation were the ambiguities of the Social Democratic State, which was pro-capitalist enough to produce a state intervention threatening the unions but sufficiently socialist in potential to make the employers fear state intervention.” (p.151)

Therefore, both parties came into talks by different routes, but both fearing increased government legislation. Given how much has been written about the Saltsjöbaden Accords, the actual text is surprisingly modest both in terms of length and what it achieves. The agreement institutionalised negotiations, rules for strikes and lockouts, and conflict resolution. Importantly it also assumed that both parties were able to take “responsibility for developments on the labour market” (De Geer, 1992, p.88) and that the parties would not seek political solutions when bargaining failed to bring the desired outcome (ibid).

In terms of defining the ‘Swedish model’, the Saltsjöbaden Accords stood as an example of the spirit of compromise. Here were two organisations which during the early 1900s had been at the forefront of escalating and often violent labour unrest (Carlson, 1969), the complexities of their routes toward agreement are lost in the generalities of the ‘Swedish Model’, what stands out is the element compromise and collaboration.

What this short piece has aimed to show is that notions of the “Swedish Model” have their grounding in three key policy areas all of which share elements of consensus. In the idea of a ‘people’s home’ we can see a discourse aimed at seeing society as a family with no one left behind or outside. In the Rehn-Meidner model a commitment to full employment is coupled with a policy of lowering inequality, low inflation and high growth. The Saltsjöbaden Accords codify compromise between the two parties involved. Furthermore, the three aspects are interconnecting; the economic side is

dependent upon the social side, the labour market side lays the ground for both economic and social elements, and the social aspect requires labour market peace and full employment.

Taken as a whole, the Swedish Model has come to signify compromise and consensus grounded in the three aspects outlined above. The notion has become so persuasive that it is accepted without question. Missing is the continuing use of the strike weapon, often unofficially, after the agreement of 1938 (Korpi, 1974). The notion of the people's home misses the 'discovery' in the public conscience of real poverty in 1960s Sweden (Johansson, 1973). The use of the Rehn-Meidner model to signify elements of the Swedish Model ignores the fact that it remained a largely theoretical construct that was never applied in its full capacity in Sweden (Erixon, 2001). Yet the term is used often in complete ignorance of the contradictions. The Swedish Model, then, must be seen as an ideal type: a construct against which policy can be judged or analysed.

#### *Developments after 1968*

On the 9<sup>th</sup> December 1969, at the Leveäniemi mine in Svappavaara, 100 miles north of the Arctic Circle, the miners walked out. The many explanations for this wildcat strike have included poor working conditions, strained worker-management relations and wage lags between blue and white collar workers (Ruin, 1974). Another

explanation here was that the strike was an expression of dissatisfaction with the trade union movement:

The local trade union leadership was accused of being too dependent on advice and instructions from the National Union of Miners. The union was in turn accused of being too dependent on advice and instructions from the Federation of Labor (LO). Trade union leaders at different levels in the highly centralized Swedish trade union movement were said to be indifferent to demands 'at the bottom', and leaders 'at the top' were viewed as cooperating too closely with their adversaries. (ibid, p.178).

Thus the 1969 strike was, in the words of Ryner (2002), a 'representational crisis in the wage-determining institutions of joint central regulation' (p.128) and that a 'central component of the story was the sense of alienation within the union collective' (ibid). The strike spread to other northern mines and before it could be resolved another wildcat strike broke out in Gothenburg at the Volvo car plant and, in total, 250 wildcat strikes broke out in 1970 involving 25,000 workers (ibid, p.127). Through sympathetic media reports<sup>1</sup> the strikes came to be seen as a crisis of representation within the Swedish model as a whole with a dominant discourse on the alienating aspects of the active labour market policies. Whereas Swenson (1989) argues the strikes should not be seen solely in terms of alienation, as the major factor behind the strike was blue collar wages falling behind those of white collar workers, the way the strike was framed within the Swedish media meant it took on a meaning

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<sup>1</sup> Key to the sympathetic nature of the reports was the decision by the Stockholm newspaper Dagens Nyheter to send a reporter called Sara Lidman who had recently wrote a popular and compassionate book about the miners in the north called Gruva (1969). The word has a dual meaning, it can be used to mean a pit or mine, but it also means despair.

far beyond the original antagonisms. The strike was about the failings of the Swedish model<sup>2</sup>.

This discourse took place during the same period as the 1970 reform of the Riksdag that had removed Sweden's upper house and transformed parliament into a unicameral assembly with 350 seats. This had the effect of removing the national elections to the upper house which traditionally took place half way through a parliamentary session. Without this, the ruling government lost a valuable gauge of the electorate's feelings and thus became more sensitive to public opinion and public opinion was focused upon the striking miners (Schiller, 1988). Another factor that became more influential were study circles, although often seen as an aspect of the labour movement (Linton, 1985), they were active in all political parties and in many other informal and non-aligned settings also (Larsson, 2001). Olof Palme would call this 'study circle democracy'; a policy of 'letting a hundred flowers bloom' (Berman, 1998) and it was a key source in feeding ideas from below to the peak and became more important in this regard after the removal of the upper house. Here worker unrest was the spark that started the process of peak level response, but it was the steady information from the study circles on the subject of industrial democracy that convinced the peak to act (Eiger, 1982). That said, the influence of the study circles must not be overestimated; in the 1970s a critique of Swedish research policy emerged that argued that study circles were marginalised by a research establishment

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<sup>2</sup> An earlier LO research report given at the 1966 congress and later published in English as "*Trade Unions and Technological Change*" (Anderman, 1967), had warned of the negative and alienating consequences of industrial rationalisation and the rediscovery of this report after the strike wave appeared to add weight to the sense of crisis within the model – not only had its predictions appeared to come true, but the peak level union leaders had done little to act after it was published.



dominated by a 'scientific-technical and corporate elite' (ibid, p.127, Landsorganisationen i Sverige, 1980) that often failed to disseminate its findings.

The reaction to the strike at union peak level was to re-establish authority; the wildcat strikes had shown the rank-and-file could organise themselves and press for demands without the need for a union. Furthermore, the traditionally Social Democratic unions were fearful of the Communist party making inroads by mounting a more sophisticated anti-capitalist argument in-tune with much new-left thought prevalent at the time. For the unions it was necessary to increase power in the workplace in order to respond to the critiques behind the miners' strike. It was clear from the outset that two areas where local authority could not be enlarged were in wage setting and the strike weapon – changes here were considered incompatible with the solidaristic wage policy.

Rather, the focus settled upon the day-to-day activities of the workplace. The problem here was, of course, that the Saltsjöbaden Accords had upheld managements' right to manage – an increase in union authority would necessarily clash with this. In order for union authority to be increased at the workplace, that right would need to be overcome (Schiller, 1973). In other words, it would require the abolition of paragraph 32 of the SAF's constitution:

Collective contracts concluded between a part owner or member of the Confederation and a trade union or trade union federation must contain the provision stipulating the right of the employer to engage and dismiss workers at his own discretion; to direct and

allot the work; and to avail himself of workers belonging to any organisation whatsoever, or to none. (Quoted in Landsorganisationen i Sverige, 1972, p.50)

To accomplish this, LO turned to the Social Democrats who themselves had become more sensitive to voter sentiment and also more concerned by the Communist Party's championing of the strikers' cause through their anti-capitalist stance. The ground was fertile for the growing calls of industrial democracy to take root (Landsorganisationen i Sverige, 1972). Indeed, these calls were not limited to LO; the white collar union federation TCO also championed the cause and in a political environment dominated by the Social Democrats, both the Centre and Liberal parties supported such a drive (Ryner, 2002, p.134). The Social Democrats themselves had lost the parliamentary majority won during the 1968 elections in 1970 and decided that in the approach to the 1973 election they would make the 'democratisation and renewal of working life' (Martin, 1984, p.260) a major theme. The legislation, then, which Olof Palme called "the greatest diffusion of power and influence since the introduction of universal suffrage" (quoted in *ibid*, p.263), amounted to a number of acts designed to shift the balance of power at the workplace in favour of labour (Anderman, 1983, Sigeman, 1981). During the 1973 – 1976 parliamentary sessions a number of laws were passed which shifted the balance of power at the workplace in favour of the unions, the most relevant of which will now be outlined.

#### *Security of Employment Act (1974)*

This law required a minimum notice of one month to be given by either employee or employer before a contract of employment can be terminated. As the employee aged

the notice time was increased up to a maximum of six months. During the notice period the employee was entitled to full wages. When an employer must give redundancy notices on account of lack of work, the general principle of last-in, first-out applied to all. However, those aged 45 and over were able to add one extra month to their seniority for every month worked beyond the age of 45 up to a maximum of 60 months. The law also made 'unreasonable' dismissals illegal with 'unreasonable' understood in a way that the offered most protection to older workers and union officials. If an employee decided to bring a case to the labour court, they would retain their job and be entitled to full pay in the waiting period for the case to be heard.

*Law on Employment Promoting Measures (1974)*

This law complemented the Security of Employment Act notably in regard to older workers, those with handicaps and union officials. Here employers were required to give notice of layoffs to the relevant unions and the local employment office; the advance notice could be up to a maximum of six months and was dependent upon how many workers are affected. Once the notice had been issued, the unions, employment office and employer must then form a committee to explore ways in which continued employment could be secured with a special emphasis on older and handicapped workers, and union officials. These committees were also to be used by the same three parties in cases where the local employment office is looking for firms to employ older and handicapped workers made redundant from other firms. The committees attempted to modify the personnel policy of the firm and change the role of certain jobs to better meet the skills of local workers and the needs of the market. If

the committee did not find a solution then the local employment office could give recommendations for the employer to follow. Should the employer refuse to carry out those recommendations, then the employment office could force the employer to recruit workers sent to the firm and make the necessary internal policy changes.

#### *Law on Union Officials' Status at the Workplace (1974)*

This law extended certain protections to union officials to allow them to go about their business without fear of disciplinary measures; it assumed that a well functioning trade union is in the interest of both employer and employee. The law entitled officials to paid leave to undertake union functions, access to an office at the workplace and retention of fringe benefits whilst undertaking union business. It made it illegal for the employer to give the official inferior work and conditions on account of union activities. The official had a guaranteed right to return to the previous position held and was given special priority rights in cases of redundancy.

#### *Law on Joint Determination in Work (1976)*

The Co-determination Act (*Medbestämmandelagen*: MBL) set out the framework for negotiation between employers and employees with the latter's rights exercised through the union. The law stated that unions can negotiate joint determination rights in areas previously the domain of the employer, including organization, management, recruitment and dismissals. The goal was to achieve equal power between the employer and unions in the decision making process which is to be democratic and decentralised. An increase in job satisfaction was considered to be an important goal

of the law. In order to negotiate on equal terms, access to information regarding the employer's business was seen as a pre-requisite. The employer, then, was required to provide information to employees to make negotiations fairer and also to improve job satisfaction. The law assumed that greater access to information regarding the employer's business will help to alleviate alienation in the workplace and improve motivation. Employers were required by the law to open negotiations with employees if significant changes are planned in the operation of the firm. This could include reorganisation, expansion, contraction and changes in the work environment. The employer must postpone any planned changes until negotiations have been conclusive. In cases where employer and employee could not agree, the employer must then start negotiations with the employee's central organisation. A failure to do so could lead to damages being awarded against the employer by the labour court. Should the employer refuse to start any negotiations, then again, the labour court can settle the matter.

### *The Labour Court*

The court (*Arbetsdomstolen*: AD) preceded the laws discussed above although those laws did lead to a large increase in the court's workload. Prior to the 1970s, the court would in some years deal with only 30 or 40 cases; after the laws above were passed, this changed to 150 to 200 cases per year (Edlund & Nyström, 1988, p.44). The court had two roles: it acted as the first and Supreme Court in cases regarding collective agreements and legislation, and it acted as a court of appeal for other labour disputes taken to common courts. It consisted of 18 members headed by a chair and vice chair

both of whom must be experienced judges and were chosen on the basis of not representing either labour or capital. Three other judges, also chosen for their impartiality, must have expertise in labour market issues and the final 13 members are laymen made up of seven representatives nominated from employers' organisations and six representatives nominated from employees' organisations. Each member had one vote and typically a case was heard by seven people made up of the chair, two other judges and four labour market representatives (two for labour and two for capital).

Alongside the introduction of new labour market legislation there was also a shift in the workings of the Labour Market Board, noticeably in the area of relocating clients. Hostility to the practice of moving people to other parts of the country, especially from the North to the South, was strong in Sweden (Ryner, 2002, p.127) and the practice was colloquially known as the 'removal van policy' (*flyttlasspolitik*). Hostility here centred on what was seen as an impersonal policy that promoted structural change above the wishes of the client. The removal van policy was oblivious to the stress and anxiety of moving and the loss of leaving an area where family and friends remained. The use of this policy in the 1970s receded as hostility grew. Consequently, more resources were put into placing clients into jobs within the local area, retraining and encouraging local business investment.

In conclusion, then, a shift in Swedish labour market policy occurred in the early 1970s that produced a more defensive structure, a shift from promoting security by

subsidising mobility to subsidising security at the expense of mobility. Although the basic structure of the institutions within the Labour Department remained the same, the policy shifts aimed to give workers greater say in the workplace (via the unions) and to take part in decision making processes at the firm level. The shift from an offensive to defensive policy came about from various security elements built into the new labour laws. These came to be far more persuasive than the joint determination aspects of the laws which the Swedes often called the “*tut-tut lagen*” – meaning the employer must now sound a horn before running the workers over.

Exogenous to labour market policy, one other major factor influencing the development of the Swedish model was the impact of the global economy on the currency. Here, the Kronor was devalued six times between 1973 and 1982. The first devaluation, in February 1973 by 5%, occurred during a boom period in Swedish industry where profits and exports were experiencing rapid growth and as such this did little to quell union calls for something to be done about ‘excess profits’ and wage pressures. This boom period rapidly gave way to decline after the international oil crisis reduced demand. Sweden attempted to offset the losses in the export sector by stimulating internal demand through an expansionary policy. Yet the international decline was longer than envisioned and, according to Martin (1984), this placed Sweden into a deeper crisis than other nations that had contracted during the initial stages of crisis.

The offsetting policy had delayed the affects of the oil crisis beyond the 1976 election and as a consequence it was the Bourgeois coalition government which was charged with managing the crisis. Importantly, the coalition did not have the political capital to abandon the commitment to full employment – they faced a strong and organised labour movement both inside parliament (the Social Democrats) and outside (the unions). Furthermore, the coalition was an extremely precarious grouping with diverse opinions on many matters including employment.

The coalition manoeuvred, therefore, to improve Sweden's export costs through a policy of devaluation. Firstly a small 3% devaluation occurred in October 1976. This was then followed by 6% devaluation in April 1977 and 10% in August 1977; the latter two were part of economic packages designed to reinforce Sweden's trading prospects. The packages included increasing value added tax from 18% to 21% to slow domestic consumption, freezing prices for a limited time after which advance notification was required for an increase, and eliminating payroll tax to reduce labour costs.

A tacit commitment to full employment meant the government needed to counter any negative affects on employment that its economic policy would cause. This took the shape of various training and relief work packages run by the Labour Market Board as well as more recent developments such as subsidising wages to allow firms to retain their workforce in full and strengthening legislation to make it harder to lay off



workers. Furthermore, failing firms were increasingly given loans, credit guarantees and finally whole industries were nationalised.

Thus in 1979, a decade after the workers in Svappavaara walked out, Swedish labour market policy had shifted away from offensive measures and became far more defensive, from the Social Democratic ideals of rationalisation to the protective notions of nationalisation. Policy had also shifted in terms of responding to client needs; or rather it had shifted in response to unrest that threatened the *status quo* by addressing a number of contentious areas. In recognising hostility toward the use of relocation measures in particular, it increasingly sought to achieve labour market stability: manoeuvres to keep people in their current jobs rather than policies to promote rationalisation.

Post-1969, then, we can see certain shifts in the nature of policy within Sweden, yet there were continuities and Eklund (2001), for example, draws this out further by noting what he characterises as the Swedish model in terms of institutions and policies:

- *A large public sector*: within the labour market this is relevant in two ways; firstly, the large number of people employed within the sector and secondly, the services offered by that sector.
- *Generous transfer systems*: although cash benefits play a minor role in labour market in terms of unemployment, other transfers, for example early retirement, study grants and sheltered employment, have often played a larger role.

- *Big unions and compressed wages*: negotiations between unions and employers at peak level have long been a characteristic of the Swedish model (The Basic Agreement) with union involvement on labour market decisions and wage restraint as methods to promote full employment.
- *Large private firms, big unions and big government*: often seen as essential characteristics of the Swedish model; a corporatist system of planning aiming toward full employment and low inflation.
- *Social Democratic hegemony*: in power continuously from 1932 to 1976, the longest period of rule for any left wing party outside the Soviet Bloc, the Social Democrats came to define the political dimension of the Swedish model.

For Eklund, then, the post-1969 landscape was a shift in degree rather than kind. The Swedish model was essentially the same in terms of institutions and architecture. The underlying continuity here can be seen as being waged work both as an on-going political commitment to full employment and as a pre-condition for access to social welfare and much social life. It is this role that work plays which we will now turn to.

### *The importance of work*

The main continuity throughout this account has been work and the importance of work. Here Kettunen's argument comes into play; he suggests that the modernisation process within the Nordic region as a whole was underpinned by three ideological strains: the spirit of capitalism, the utopia of socialism and the idealised heritage of the free independent peasant (Kettunen, 2006, p. 60). The third aspect in particular was important in allowing for the adjustment to industrial waged work (Kettunen,

1999). Here, then, is the legacy of 'secularized Lutheranism'; that produced the *right* to follow the moral norm whereby everyone's *duty* is to work (Sørensen & Stråth, 1997; Kettunen, 1999). Kettunen's argument here is generalised for the whole of the Nordic region and must be read in the knowledge that the countries which make up this area are actually quite distinct (Baldwin, 1990; Trägårdh, 1997). Thus in this sense Kettunen departs from the compartmentalisation of linear historical blocs but overplays the similarities within the Nordic region whilst downplaying difference.

The notion of the duty to work as a moral norm is worth exploring further, especially if we consider it as a historical continuity. In fact within Esping-Andersen's (1990) *The Three Worlds of Welfare Capitalism*, the social democratic model contains the idea of 'individual dependence' whereby 'all benefit, all are dependent; and all will presumably pay' (ibid, p.28). This sheds light onto Kettunen's (2006, p.60) notion of the "normalcy of wage-work". Here, then, social security reinforces waged work by not only guaranteeing continuing income but also by setting its pre-conditions by linking benefits to income. This idea can be expanded to encompass the idea of work and by extension workplace as being central not only to wage earning but also to much social life.

In his enthusiastic account of Sweden, Linton (1985) argues that in Sweden "people can live their lives in the warm bosom of the labour movement [...] they can completely envelop themselves in the environment of the movement" (p.22). Hyperbole aside, what Linton was describing was more than just union organised

activities as paternalistic employers also organised many social activities and this compounded with the fact that Swedish suburbs were often empty of any social facilities meant that work came to be a site of social value.

This manifested as social clubs run by employers that organised teams in a variety of sports and other hobby activities that could be based in the buildings provided. Furthermore, unions organised other activities including 'study circles' and day trips. Through this process many workers valued their jobs not only for the wages earned, but also for the social life connected with it. The absence of public houses in the suburbs gave many workers an added incentive to engage in social activities connected with workplace. In terms of policy, the powerful Labour Market Board's (*Arbetsmarknadsstyrelsen: AMS*) main task is 'to take swift action towards evening out supply and demand in the labour market and to find jobs that correspond as far as possible to the applicant's wishes and capabilities' (quoted in Wilson, 1979, p.72). Cash benefits have always been a minor part of this work as the focus has been upon streamlining the job seeking process, funding training and relocation programs and initiating measures to create new jobs through various incentives (Jangenäs, 1985, p.35). In other words, policy has attempted to get people into work or to keep people in work rather than support people out of work.

The duty to work thus goes further than producing rights to work as it also includes social security rights and social life rights all of which reinforce the principle of

waged work as the norm. Here benefit levels are linked to wage levels, pastime activities are linked to employer, union or the Social Democratic movement at large, and waged work itself becomes the point from which other rights are defined. Full employment in this context was the natural outcome of a normative system that was a consequence of Sweden's export focused economy and also its relatively small population. The architecture of social policy and social life sought to facilitate continuing employment or the move 'out of unemployment' rather than support people during periods of unemployment (Eklund, 2001, p.55).

*A Critique of historical research on Swedish Social Democracy*

This chapter will conclude with a brief critique of some historical research on Sweden. Here, works in the English language are overwhelmingly focused on the peak level and it is here that the same basic events are recalled: the Social Democrat's 1932 election victory, the 'Cow Deal' coalition with the Agrarian Party, the Crisis Program to pull Sweden out of depression, the crushing of the Builders' Union strike by LO, the Saltsjöbaden Accords, the Rehn Meidner Model and finally the end of Social Democratic rule in 1976. Understood in terms of a linear progression, the period 1932 – 1976 gives much material to authors associated with what Fulcher (1987) called 'labour movement theory' or what Ryner (2002) refers to as the 'power-mobilisation thesis'. Key thinkers here, including Esping-Andersen (1985), Korpi (1978, 1980, 1983) and Himmelstrand *et al* (1981), contend that organised labour can take control of a state's apparatus and use it for its own benefit. Thus compromises

and concessions as well as shows of strength are all part of the long-term cumulative strategy advancing labour's interests. As Korpi (1980, p.313) argues "the distribution of power resources tends to affect the conditions for the distributive processes in society, the way and extent to which the state enters into these processes, the types of policies that are used, the arenas in which distributional conflicts tend to become manifested as well as the outcomes of these processes in terms of various aspects of inequality". For the 'two wings' of the labour movement, the party and the unions (Landsorganisationen i Sverige, 1984), political power came through tactical decisions and alliances. As Rothstein (1990, p.338) notes "political agents are in some cases able, by forming political institutions, to enhance the class-based power upon which they build political power". Once in power the movement was able to transform its industrial power into political power, thus offsetting the economic power of capital, in order to carry out redistributive measures in the form of social and economic policies.

This theory has been criticised by Pontusson (1984) as being too simplistic in its conception of the relationship between Social Democratic policy and union representation. In other words, the party and the union should not be viewed as two parts of the same movement but rather as two entities whose complementary nature during the 1950s and 1960s was a consequence of economic expansion and the strains between the two in the early 1970s highlighted their complex and often contradictory relationship. The notion of Swedish social democracy being comprised of a 'party' wing and a 'union' wing in close harmony is repeated by authors adhering to a

corporatist interpretation of Sweden. According to this analysis, social democracy abandoned any goals of socialism and accepted capitalism, it then cooperated with employers to manage and stabilise the economy and the state, and lastly it subordinated labour and integrated it into the capitalist state. Crucially, the unions cooperated in this management of the economy by practising wage restraint in return for a degree of influence over government policy. Thus 'corporatism of this sort was facilitated in Sweden by the combination of a strong labour movement, centralised union, a legal framework for collective bargaining and Social Democratic ideology' (Fulcher, 1987, p.223).

Another route is taken by Christiansen and Markkola (2006) who claim that the development of Nordic welfare states has gone through four 'epochs', in applying this to Sweden a chronology can be constructed. Firstly, during the period from around 1900 to 1920, social legislation charted a path between local administration and central legislation. Social policy took on the form of tax financing with the state acting as co-provider and the individual as the 'prime recipient' including a gradual introduction of female social rights. In the second epoch, lasting from around 1920 to 1950, Social Democrats achieved political power and transformed themselves from a class party to a people's party building broad alliances along the way and introducing comprehensive social reforms. The third epoch, the so-called golden-age of welfare which lasted from around 1950 to 1980, embedded the idea that economic growth is a precondition for welfare. During this period all policy aspects were moulded into the welfare state framework that tightly knitted all policy together. Finally, the fourth

epoch, from the 1990s onwards, saw the development of workfare policies that emphasised the 'duties' of clients and especially the unemployed.

Another key theme has been to attempt a pinpointing exercise to ascertain when the Swedish model 'ended', with the late 1970s being a popular choice. This period also saw the emergence of more critical analyses of Sweden alongside works that asked if the model can adapt to the new environment or if it is, indeed, dead or dying (Childs, 1980; De Geer, 1992; Lundberg, 1985). Indeed, many of the critical works can be seen as part of the Swedish Employers' Federation (SAF) backlash (Swenson & Pontusson, 2000) that followed the 'red wave' of the late 1960s (Ryner, 2002). This understanding allows the idea of a Swedish model to be split into two eras: a period of birth and growth, followed by a period of contraction and then death. Or even, following Martin (1979) and Stephens (1979), a later shift toward a socialist or a labour managed state, or 'third stage' Keynesianism. For other authors, the shift in the late 1970s marks a shift from 'self regulation to state intervention' (Kjellberg, 1992, p.99). Thus, the shift in policy practice in the 1970s is understood both as the high tide of Swedish social democracy and also as the first nail in its coffin.

Again, there is much here that points to a linear understanding of Sweden, framed within the context of the peak level, in which events occur progressively one after each other. The desire to compartmentalise Swedish history into theoretical or historical 'blocs' is extremely common and as a consequence has necessitated a tight focus upon national politics in an attempt to differentiate between certain time



periods. This has led to an exaggerating of difference between certain 'epochs' and an underplaying of continuities. The 'debate' between labour movement theorists and corporatists can be seen as a case in point. As mentioned above, both these approaches recall the same basic events from which they attempt to bolster their ideological positions. Historical understandings of Sweden, in this sense, then, can be seen as exercises in supporting theoretical stances. The weakness of this approach has been shown above whereby it generates a tendency toward compartmentalisation of epochs presented in a linear form, exaggerating or underplaying certain key events.

Esping-Andersen (1990) also used the notion of compartmentalised blocs in his construction of three welfare 'regimes' yet this attempt fails to appreciate the temporal nature of those regimes and the outcome is three static concepts modelled on the 'golden age' of welfare sometime from the 1950s until the 1980s (Christiansen and Markkola, 2006) and has attracted much criticism (for example: Bonoli, 1997; Ferrera, 1996; Kangas 1994; Lewis, 1992). Central to Esping-Andersen's analysis is the concept of 'de-commodification'; a measure of the degree by which citizens are able to "freely, and without potential loss of job, income, or general welfare opt out of work" (Esping-Andersen, 1990, p.6). This criterion, alongside another measure known as 'stratification', that was concerned with inequality of access to welfare were used as yardsticks to distinguish different welfare state 'regimes'. For Esping-Andersen, his social democratic regime featured 'high' levels of de-commodification (ease of opting out of work) and 'low' levels of stratification (non-stratified access to welfare). Notwithstanding the static nature of the regime types, the notion of de-

commodification by itself has come to characterise the social democratic regime, and by association, Sweden. This concept appears to clash with the notion of work as both a duty and as a moral norm as argued by Kettunen (2006). Whereas Esping-Andersen claims citizens can *de-commodify*, Kettunen's argument is essentially that citizens are encouraged to *re-commodify* as social security reinforces waged-work.

Kettunen's (1999, 2006) approach, in which the normalcy of wage-work is enshrined as a duty and exists as a sort of historical continuity, whilst certainly difficult to defend in the era of high Swedish unemployment after 1991 (*ibid*, p.60), offers a novel framework in which to analyse the period before high unemployment became tolerated for two reasons. Firstly, it departs from the tendency toward compartmentalisation and linear understandings of history and secondly, it offers a powerful critique of Esping-Andersen. Therefore, what mechanisms promoted this normalcy of wage-work; in what ways did this impact the individual, and, indeed, do these wage-work norms actually exist? In order to answer this, a theoretical grounding sensitive to the individual impact of various mechanisms is required. This framework, then, is Amartya Sen's capability approach, which was outlined in the previous chapter.

In sum, then, this chapter has explored the idea of a Swedish Model; it offered a definition framed around three interconnected facets: a social side, an economic side, and a labour market side. It analysed the developments that emerged post-1968 in some detail, especially in relation to the labour market. It suggested that the

importance of work was a major continuity throughout the period in question. A criticism was made of historical research on Swedish Social Democracy which presents a linear history or one of compartmented epochs. Finally, in order to depart from this tradition, the Capability Approach, as formulated by Amartya Sen, was proposed as a theoretical underpinning for such a departure. Having explored in detail the two theoretical elements of this study; the capability approach and the Swedish model, the following chapter will now set the contextual basis for the case study.

# **PART II**

The Case Study

## Chapter 4

### Gothenburg and the rise and fall of shipbuilding

*Gothenburg 1621 – 1980*

*"Here shall the city lie"*

In 1621 the Swedish King Gustav II Adolf stood near the mouth of the river Göta, downstream from Nya Lödöse, with a view to building a new town in the area. The Kalmar War had ended some eight years earlier, but at the Treaty of Knäred, Sweden had to pay a heavy ransom to the victorious Danes for the return of the fortress *Älvsborg* at the mouth of the river. Once the narrow strip of land between Denmark and Norway was back under Swedish control, the need for defence and more development in the area was considered urgent. The location near the *Älvsborg* fortress and opening of the river Göta was considered ideal. Here could develop a town to facilitate Western Sweden's imports and exports, to bypass the Danish Sound, to overcome the frozen Baltic ports and importantly to build up a strong fortification against Sweden's foremost enemy, Denmark. Such reasoning can be seen in the words of the King's confidant Axel Oxenstierna who argued "Gothenburg as a town is a nail in the eye of the Jutes" (quoted in Andersson, 1996, p.29). As the King surveyed the land, suddenly, so the legend goes, a dove being pursued by an eagle landed at the King's feet in an attempt to find shelter. The King took this as a sign

from God and stretched out his hand saying “*Här skall staden ligga*” – Here shall the city lie (Sandström, 1910, p.294).

Planned by Dutch architects whose experience of building in the low-lying Netherlands was considered important, the city was constructed around a series of canals that served as both defence and as drainage for the water logged ground the city was built on. The town rapidly grew into an important port and trading centre after the Treaty of Roskilde in 1658 ceded large areas of land to the north and south of Gothenburg to Sweden and thus put the city in a less exposed position. Early governance of the town was headed by a *burggreve*, a Royal appointment similar to the British title of earl. The council was made up of twelve members consisting of four Swedes, three Dutch, three Germans and two Scots – highlighting the importance of early trade links for the town. In 1668 the town’s citizens won the right to representation in the Riksdag.

Early trade links with the Netherlands were soon complimented by links with England and Scotland; two factors helping to cement the links were the presence of an English fleet in the Sound during the Swedish-Danish war (1657-1658) and also the Great Fire of London in 1666 (Ashton, 2003). In the former, the Swedish King, Karl X Gustav, noticed how the English ships could out-manoeuvre the Dutch designed ships of the Swedish navy and in 1659 the King paid two English shipwrights to build warships of the English design in Gothenburg. The second factor, the Great Fire, created a great demand for Swedish timber which was shipped through

the Gothenburg port. The war between England and the Netherlands at this time also created a strong demand for timber and masts to re-fit the English navy. Later the creation of the Swedish East India Company in 1731 brought wealth to the city which consequently expanded due to both foreign trade and as a point of departure for the 132 overseas expeditions the company embarked upon during its 80 year heyday. The city also became an important departure point for the many Swedes that immigrated into North America during the 19<sup>th</sup> century. Indeed, between 1850 and 1910 1.5 million Swedes left for America, the majority departing from Gothenburg (Ljungmark, 2008).

In its first two hundred years of existence Gothenburg transformed from a fortress or garrison town into a major trading centre, from having 4000 residents in 1670 to 105,000 in the last decade of the 18<sup>th</sup> century (Hedin, 1995, p.9; Fritz, 1996, p.186). Toward the end of this period came the first developments that gave the town a large industrial base. In 1847 a Scotsman, Alexander Keiller, made the first steam powered, iron-hulled ship in Gothenburg and six years later he founded an engineering workshop that later, under his son's directorship, moved to the northern bank of the River Göta on the island of Hisingen and was renamed *Göteborgs Mekaniska Verkstads Aktiebolag*. At about the same time Carl Christian Barchmann founded *Ericssbergs Metall och Tackjerns Gjuteri* an engineering workshop specialising in galvanisation. Another workshop, *Lindholmens Varvs och Fabriks Aktiebolag*, started making ships in 1848 and was also located on the northern banks on the river. These three workshops had, by the start of the 20<sup>th</sup> century, turned into dedicated shipyards

and helped to give Gothenburg a large industrial sector. Other firms founded around this time included the ball bearing manufacturer Svenska Kullagerfabriken (SKF) in 1907 and the car manufacturer Volvo in 1927 which had started life in 1915 as a subsidiary of SKF.

Outside of engineering other industries such as textiles, provisions and paper had a large presence in the town and especially the cotton industry which dominated by employing 32% of all industrial labour in the period 1866-70 (Fritz, 1996, p.142). But the largest firm in terms of size was the Lindholmen shipyard which in the 1890s employed no less than 1300 workers. This growth in new industry was matched by a population that almost doubled from 105,000 in 1890 to 202,000 in 1920 (ibid, p.186) and expanded the city limits outward.

Alongside industrial and population growth the town started to take its modern form in terms of governance and city structure. Key here is the reform of 1862 that gave power over the town's affairs to local authorities and thus expanded the activities of the town's officials as well as allowing for a municipal tax to be levied on its citizens. Many services which had once been the domain of private enterprise now came under the control of the town such as bridges over the river, energy provision, street lighting and the tramways. Electricity consumption grew rapidly in the first two decades of the 20<sup>th</sup> century as industry expanded, while the electrification of the tramways in 1900 allowed the city to expand further.



**Table 4.1: Employment in Gothenburg 1910 - 1945 (percent)**

Trade	1910	1920	1930	1945
Agriculture	1	6	5	3
Manufacturing	45	42	42	46
Commerce	36	18	21	22
Communications	-	12	12	11
Administration	9	7	8	12
Domestic	-	8	8	5
Other	9	7	4	1

Source: Fritz, 1996, p192, Olsson, 1996, p.78

**Table 4.2: Manufacturing employment in Gothenburg 1920 - 1945 (000s)**

Trade	1920	1930	1940	1945
Engineering	17	20	24	28
Textile	15	19	17	16
Building	8	12	13	14
Provisions	6	7	7	7
Paper	4	5	5	6
Rubber	3	3	2	2
Timber	4	3	3	2
Chemical	1	2	2	2
Other	1	2	5	5
Total	60	73	77	82

Source: Olsson, 1996, p.84

Economic development in the inter-war years was a story of growth during a time of stagnation. Gothenburg was Sweden's 'Atlantic port', a major centre for international trade that should have been hit hard by the contraction of world markets during this period, yet industry expanded. Indeed this was a period of early stagnation for both the shipbuilding and cotton industries, especially in the 1920s. Those other two staples; coal and steel, were not present in Gothenburg but instead the city had a number of high technology engineering firms including SKF (ball bearings), the city's largest work place at this time producing 20% of the world's bearing production, and ESAB (welding technology) that grew during this period and both of these firms' growing exports compelled the port to also expand. Key to this expansion was the defeat of Germany in World War I which allowed Swedish engineering firms to exploit the hole left in the market. Furthermore, the shipyards were later able to capitalise upon early investment both in the repair sector and new builds for Swedish shipping lines, the emerging oil industry and Norwegian ship-owners to the extent that in 1933 the Götaverken yard was the world's largest yard in terms of gross register tons launched. Another factor here was the diminished role of the UK as a shipbuilding nation after World War I; this gave the Swedish yards access to new markets and less competition (Bohlin, 1989, p.20). During World War II the yards were in a strong position in terms of new production techniques.

The pre-war period also saw voting reform that gave equal votes to men in 1911 and women in 1921. The newly democratised city administration had a Social Democratic

and Communist majority which lasted until 1959 and for almost thirty years from 1934 to 1963 a single Social Democratic chairman, Ernst Jungen.

**Table 4.3: Distribution of seats in the Gothenburg Council 1919 – 1979**

Year	Party					
	H/M	L/Fp	Bf/C	S	V/K	Other
1919	20	14		26		
1920	20	11		29		
1922-3	19	6		31	3	1
1926-7	18	10		25	7	
1930-1	20	8		32		
1934-5	16	8		27	7	2
1938	14	8		30	8	
1942	12	8		30	10	
1946	9	13		23	15	
1950	5	24		25	6	
1954	7	22		24	7	
1958	13	18		24	5	
1962	9	18		28	5	
1966	13	27	1	30	9	
	<b>M</b>	<b>Fp</b>	<b>C</b>	<b>S</b>	<b>V</b>	<b>Other</b>
1970	8	27	7	33	6	
1973	12	19	11	32	7	
1976	13	17	10	35	6	
1979	18	16	7	31	8	1

Source: [www2.historia.su.se/urbanhistory/cybcity/stad/goteborg/valresultat.htm](http://www2.historia.su.se/urbanhistory/cybcity/stad/goteborg/valresultat.htm) (accessed 08/10/09)

Key  
**H/M** – Rightist / Moderate **L/Fp** – Liberal / Folk  
**Bf/C** – Agrarian / Centre **S** – Social Democrat  
**V/K** – Communist / Left

The three decades after the end of World War II were a period of record growth in Gothenburg that saw the population increase by 200,000. In engineering this was a time of rationalised production techniques, investment in new factories, new technologies and expansion, the older industries such as textiles and rubber receded as car and ship production came to dominate the city. The port continued to grow in importance as both exports and imports increased and containers allowed for rapid and systematic working procedures. The high-tide for this growth was the mid-1960s after which the shipyards operated in an increasingly difficult environment, although they did experience a few 'boom years' in the early 1970s, which eventually saw them eclipsed by car production as the dominant industry.

Growth in these 30 years outstripped the supply of labour to the extent that Swedish active labour market policy drew on the surplus labour in the northern parts of Sweden and many workers moved south. When this supply started to dry up, industry looked further afield to other Scandinavian countries, and especially Finland, to recruit workers. When this source was found lacking Yugoslavian guest workers were recruited. During the period of growth demand for labour outstripped supply by 4:1, yet by the start of the 1970s this had reached equilibrium and by 1975 had reversed so that supply outstripped demand by 4:1.

The 1973 oil crisis signified the start of a more turbulent time in Gothenburg. In certain industries, notably shipbuilding, export sales were hit very hard and the

industry never recovered. Other major employers in Gothenburg fared better; Volvo survived the crisis exceptionally well and capitalised upon growing consumer demand by introducing new vehicles, better product development and marketing campaigns showing the safety of Volvo products. SKF also weathered the crisis well as its large and varied market share protected it from individual sector collapse. Yet industrial employment shrank during the 1970s as the collapse of shipbuilding shed thousands of jobs and supply industries cut back on capacity.

The mid-1970s, then, saw a contraction in industry and also a shift toward a service sector economy. Heavy industry in the form of shipbuilding was in rapid decline and although car production still dominated, the port saw strong growth with trade increasing from 20 million tons in 1975 to 35 million in 1980 (Olsson, 1996, p.298). Many connected industries such as shipping and logistics benefited from this and helped to increase trade. Although containerisation of the port meant increased trade did not automatically mean increased employment, the connected service industry, especially logistics expanded to cater far beyond its home port. Manufacturing industries in general lost 10,000 employees between 1975 and 1980 (ibid, p.296), emerging research industries such as telecommunications and pharmaceuticals grew during this period but in terms of employment, these industries were not labour intensive.

Thus in 1979, this thesis' focus, Gothenburg was undergoing a shift from a city dominated by manufacturing industries toward one based more upon service

industries and high technology research and knowledge sectors. But in 1979 much of this was yet to come and perhaps not even obvious. What was becoming certain was that the city would need regenerating; as old industries disappeared, emerging firms had different needs. To encourage private investment, the city would need to modernise infrastructure, have a skilled workforce and a long term vision of what the future should be like. In 1979 the most pressing of these demands was to clean-up and regenerate the old shipyards, now lying dormant, and to retrain the workforce leaving the industry.

#### *The rise and fall of shipbuilding in Gothenburg*

Gothenburg's three large shipyards, Götaverken, Lindholmen and Eriksberg, all started life as general engineering workshops in the eighteenth century and through a process of expansion and specialisation had become dedicated shipyards by 1910. During the first two decades of the twentieth century the main activity at the yards was repair work but slowly ship production started to eclipse the repair work. The yards started making tankers for Norwegian ship owners who dominated the oil transport market; fluctuations in supply and demand coupled with the long production period to make ships produced three spikes of activity in the inter-war years: 1926-7, 1928-29 and 1937-8. These were boom times for the yards who received many orders, yet at other times there were periods of stagnation as demand dropped and the ship owners sought to sell off some of their fleet thus flooding the market and reducing the price of new-build ships.

After the Second World War the Gothenburg yards entered a thirty year period of growth dominated by orders for tankers. Two important changes in the international shipping market affected the yards: firstly, the tendency of shipping lines to look further afield when placing orders. Previously orders for ships were typically placed with firms operating in the same country as the shipping line (with the exception of Norway), thus sheltering the shipbuilding firms from international competition. After 1945, to a much greater extent, shipping lines placed orders outside of their national base; this was largely due to the rise of the use of the flag of convenience which bypassed much national regulation. Secondly, the rise of Japan as a shipbuilding nation made the international market for ships extremely competitive.

During the 1950s the Gothenburg yards benefited from the increasingly international nature of shipping and were able to attract orders from shipping lines which traditionally placed orders with yards of the same nationality, the UK standing out as a prime example of this trend. The yards followed a general trend toward a more internationalised and export dominated focus away from their earlier Norwegian base. The Korean War and the Suez Crisis both produced huge demand for ships, especially tankers, and the yards worked to capacity. The yards modernised their production techniques and dug new docks to fit the increasingly large tankers that were being ordered. During this period the typical tanker size grew from 8000dwt to 41,750dwt (Hedin, 1995, p.103).

Capacity became a serious concern in the late 1950s because of the close proximity of the yards to the centre of Gothenburg; they could not keep expanding in their present locations without buying up prime (and expensive) city centre real estate. In 1958 the board of directors at the Götaverken yard made the decision to construct a new shipyard away from the city, further out in the estuary:

“The board has during the year decided to commence with the construction of a new shipyard at Arendal within the Gothenburg region. The construction will require an outlay of circa 150 million Crowns and will allow for the possibility of constructing vessels up to a maximum of 100,000dwt” (quoted in Hedin, 1995, p.104).

Completed in May 1963, Götaverken’s Arendal yard was built along Fordist production lines adapted from the experiences at nearby Volvo. It worked by mimicking the conveyor belt lines used in car production; it had a clear and rational input – output route, large parts of the vessels were prefabricated and then assembled in parts. Crucially, this took place indoors and the completed ships emerged from the factory gradually in the same manner that toothpaste emerges out of a tube. Working indoors meant the construction of ships could take place away from the extremes of weather that could produce outside temperatures lower than minus twenty Celsius. A British delegation that visited the yard in 1963 commented that “one hour with a Swedish yard produces more than double what other countries’ yards can produce” (quoted in *ibid*, p.107). This new method of mass producing ships became known as the “Arendal Principle”.



Although the yard was designed to accommodate new builds up to a maximum of 100,00dwt, during the Six Days War and certainly by 1969 orders were placed for vessels as large as 228,000dwt requiring significant logistical and re-fitting work as well as broadening the docks (Ohlsson, 2002, p.15). Here the nature of shipbuilding was shifting from an essentially manual activity into a more technical and planned enterprise. This required expanding the planning and design departments, to bring in more skilled technical staff and to employ computerised control of planning, stock levels and construction progress. This shift was also mirrored at the Eriksberg and Lindholmen yards where investments were made in new computerised systems, larger docks and gantry cranes as well as recruitment drives for skilled technical staff.

After the end of the Suez Crisis the Japanese yards became increasingly dominant in the world market growing from a 10% market share in the early 1950s to just under 50% by the late 1960s (Bohlin, 1989, p.59). This increase was at the expense of many European yards and Britain was hit especially hard dropping from a 50% market share to 6% during the same period (ibid). Sweden in general and Gothenburg in particular managed to retain its market share of around 10% for the entire period 1950 – 1975. This was thanks to the large investments made in the yards in the 1950s and 1960s. Initially these were funded through the yards' own profits, but as the 1960s progressed the yards found this increasingly difficult and were obliged to turn to the state for development loans (see Table B8, Appendix B).

Although the 1950s and early 1960s are often seen as the 'golden years' for the Gothenburg yards, they were still highly vulnerable to international fluctuations in the shipping market as well as having to compete against Japan's credit competition. In the late 1960s the Swedish yards asked for a government inquiry into the Japanese threat and the problems of credit guarantees. At about the same time a team of investigators from the International Metalworkers' Federation (IMF) visited Japan to observe the yards' production techniques and credit arrangements. The team was headed by Swedish Social Democratic politician and Metall official, Hans Hagnell. He presented his findings in a report to the IMF and then to the Swedish Metall union's shipbuilding conference in June 1966. There he argued that, in order to meet the Japanese threat, Sweden would require a far more systematic approach to shipbuilding, huge investment in infrastructure and technology, higher wages to attract skilled workers and better credit guarantees (Beckholmen, 1979, p.30). Concurrently the Swedish government inquiry presented its findings and offered a solution to what it saw as the threat of over-capacity; the committee recommended stronger co-ordination of all the large Swedish yards in an attempt to halt competition between yards and to allocate to each yard a certain specialism. The industry completely rejected this, and in February 1967, the director of the Götaverken yard was interviewed in the newspaper Aftonbladet where he argued "we can manage without [Industry Minister] Sträng's help" (quoted in Sjölin, 1991, p.45).

The Gothenburg yards benefited greatly from the closure of the Suez Canal in 1967 as this led to heavy demand for larger tankers which could carry larger loads over the

increased distances necessitated by the closure. Although problems persisted in terms of credit guarantees and Japanese competition, the investment in modernising the yards paid off and orders peaked after the Canal closure. During this period all the yards suffered from severe skills shortages and workers with desirable skills could exploit the labour market as the competition to attract certain workers was intense. The yards increasingly found the need to use 'grey' labour as both welders and platers – the most sought after workers – had very high quit rates as they constantly moved jobs to secure better terms.

A large percentage of the 'grey' workforce was comprised of immigrant workers, the majority of which were Finns and Norwegians, but significant amounts were Yugoslavian guest workers. The use of grey labour was heavily criticised by the unions on account of the fact that grey workers were paid more than the shipyards' own workers for doing the same job. Grey workers also received a number of untaxed benefits. This had the affect of producing tensions at the workplace which lowered productivity and had negative effects on morale. Furthermore, the unions argued, grey labour was not only illegal as it violated certain labour legislation but it also had encouraged wage drift not only at the yards but in industry in general – a critique also made by other engineering firms. In the early 1970s the yards agreed to cut back their dependence on grey labour with an aim to abolish it all together. This was not entirely successful and as late as 1975, just days before its collapse, the Eriksberg yard was employing 400 grey workers, 90% of which were immigrants (Beckholmen, 1979).

**Table 4.4: The extent of 'grey' labour in the blue collar workforce at the three large**

**Gothenburg shipyards, 1961 - 1973**

<b>Year</b>	<b>Ordinary workforce</b>	<b>'Grey' labour</b>
1961	9135	337
1962	9136	466
1963	9082	635
1964	9293	1258
1965	8971	1120
1966	8582	1049
1967	7782	1072
1968	7466	1147
1969	7123	1387
1970	6958	2082
1971	7614	1915
1972	8072	982
1973	7956	1340

Source: Bohlin, 1989, p.285

In order to cut back on the use of grey labour, the yards had to start a recruitment drive alongside attempts to make the yards pleasant places to work. This occurred at a time when issues of workplace representation and job security were gaining currency in Swedish debates. At the yards, measures such as scrapping piece work in favour of monthly wages, increasing representation committees and access to management and funding research into the affects of workplace environment on workers were undertaken (Svensson, 1983). At Götaverken, the blue-collar union leader Bengt

Tengroth accepted the position of personnel director, claiming “it is my ambition to transform my new office”<sup>3</sup> (quoted in Gartvall, 1980, p.14).

As this was getting underway the yards were about to enter a boom period, the order books had ‘never been so full’ (Beckholmen, 1979, p.65) by 1973. This produced new confidence at the yards which had been in difficult finances at the turn of the decade with the Lindholmen yard being bought and then closed by its neighbour Eriksberg and the Götaverken yard being saved from bankruptcy by government intervention. The early 1970s were ‘bonanza years’ (Stråth, 1987, p.84) for the yards, they were able to capitalise upon the investments made in the 1960s and they were able to retain their dominant position in the world market second only to Japan.

**Table 4.5: The world’s largest shipyards ranked by tonnage (GRT) launched in 1965**

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<sup>3</sup> Tengroth was a controversial character, having moved from the upper ranks of trade unionism to higher management, he was often suspected of having conflicts of interest from many on the side of capital and was seen as a traitor by many of the side of labour.

<b>Yard</b>	<b>Gross Register Tons Launched</b>
Mitsubishi, Nagasaki	618,226
Ishikkawajima-Harima, Aioi	487,907
Hitachi, Innoshima	422,500
Götaverken, Gothenburg	416,407
Mitsui, Tamano	349,310
Kure Zosen, Kure	319,450
Kawasaki, Kobe	302,530
Ishikkawajima-Harima, Yokohama	298,568
Mitsubishi, Kobe	267,298
Eriksberg, Gothenburg	248,347

Source: Olsson, 1996, p.221

During the period 1973-4 orders were at record heights and output surged. Bohlin (1989) argues that demand was to large extent speculative: 'cheap building prices, generous credit facilities and inflation (and inflationary expectations)' (p.422) drove the demand; the order books were full up to 1977. Then the 1973 oil crisis struck and demand for ships and especially tankers which the Gothenburg yards specialised in evaporated. No new orders arrived after 1974 and the backlog of orders was finished by 1976-7. The market had collapsed.



**Plate 4a:** The 402,000DWT T/T Nai Genova, one of the very last ships to be finished at the Eriksberg shipyard, pictured here being launched in 1978. Source: Gothenburg Shipbuilding Historical Society

In Gothenburg 14,500 worked at the shipyards in the mid-1970s, a further 3500 worked in supply activities; the city was home to some of the most productive yards in the world with reputations for quality products, but they had no customers. This precarious situation was mirrored at the peak level where Sweden had five different governments between 1976 and 1982, each with their own solution to the shipbuilding 'crisis'. Once the orders stopped coming in the yards collapsed at a fast rate; Eriksberg was first in 1975 when it faced bankruptcy and was saved through the purchase of the yard by the state for a nominal one Swedish Crown. Eriksberg was then merged into the Götaverken yard which itself needed saving from bankruptcy in 1976. The merger led to tremendous over capacity at the yards and the tendency for the workforce to be split into A and B teams.

The future of shipbuilding in Sweden was uncertain precisely because the industry had gone through slump periods before and emerged a year or two later when demand grew again. Could this slump follow that pattern? Much of the help given to the industry in 1975-1976 was based upon this reasoning; this was a temporary matter and the yards will be back in profit in a few years. By 1977-1978 this line of thought was losing favour as other yards in Sweden reported that they too were facing difficulties. In September 1976 the Swedish shipbuilding industry was nationalised, by 1978 all large Swedish yards were state owned.

In Gothenburg the industry faced heavy cuts in capacity and employment at the yards dropped from the peak of 14,500 in 1975 to 3,000 in 1986, all of whom where

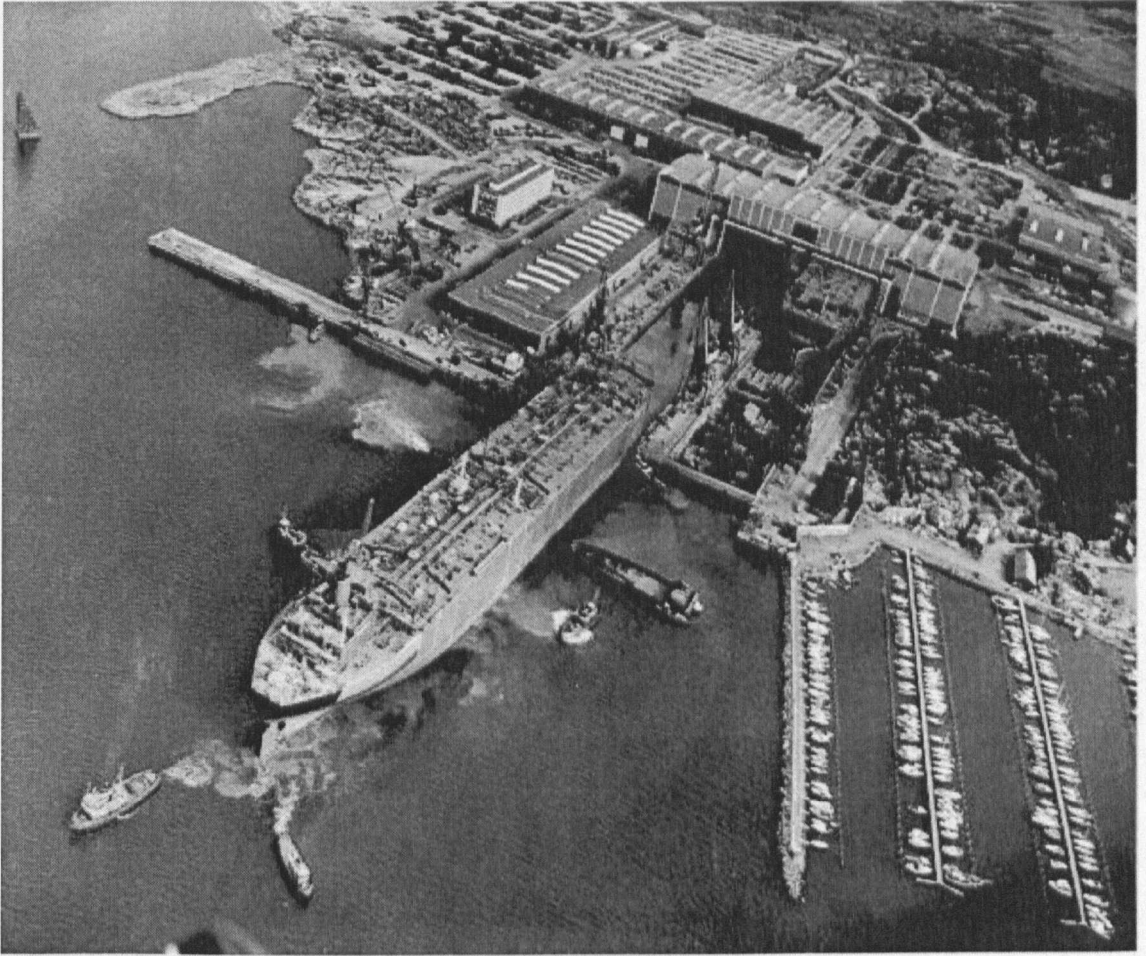


involved in repair and offshore work (Stråth, 1987, p.85). Throughout the period of contraction representatives from Gothenburg lobbied various industry ministers hard to reduce proposed cuts; an example of this can be seen in the Riksdag debates of 1978. Here a Liberal minority government had taken office after the three-party Bourgeois coalition collapsed. A new industry minister, Erik Huss, was lobbied by the unions to alter his predecessor's draft shipbuilding bill. Key to the lobbying efforts here were the close links between (blue collar) unions and the Social Democratic party (now in opposition); the unions were able to secure Social Democratic support for a Liberal bill that reduced the cuts proposed by the previous industry minister. Translated to cuts in Gothenburg, this was the difference between 2,300 job losses and 1,400 losses.

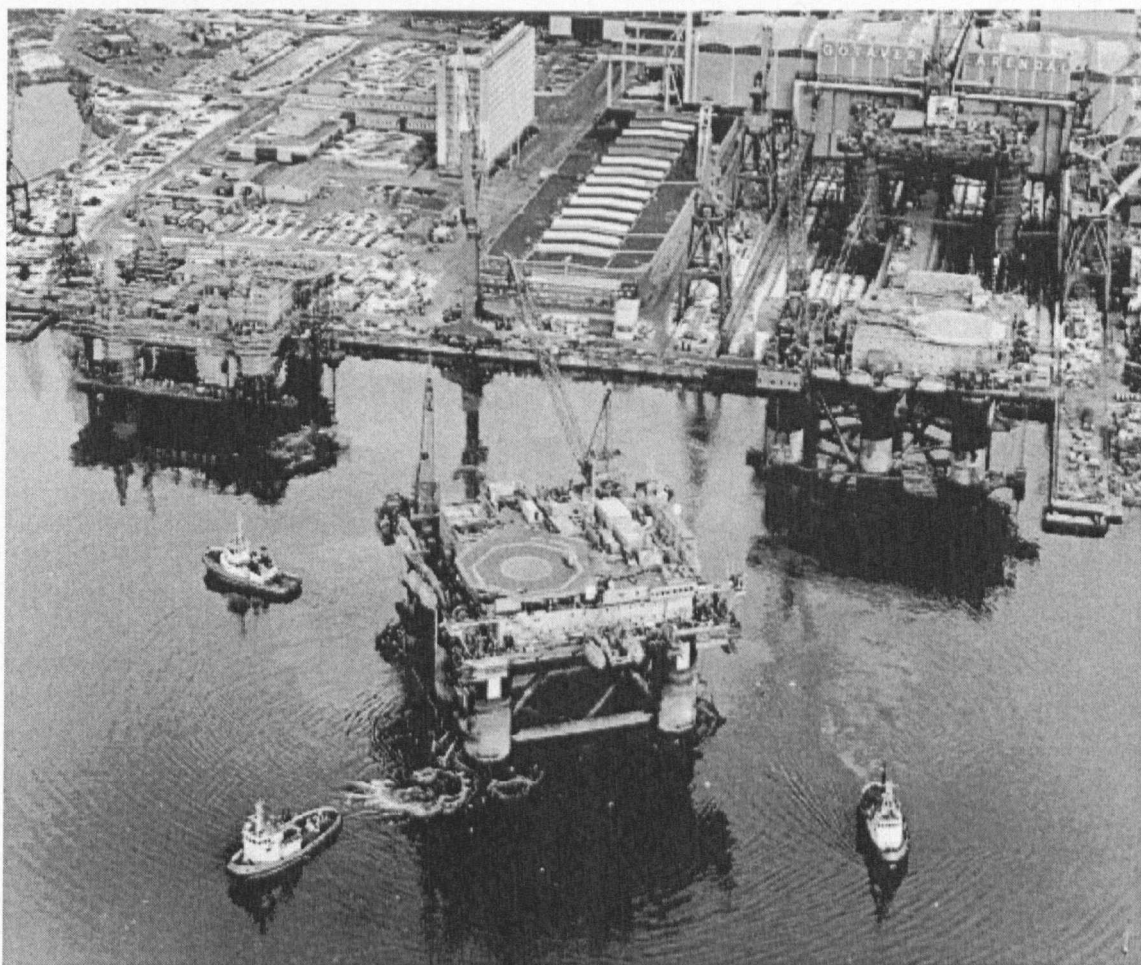
Although there was a growing recognition that the yards needed reduce capacity, the desired route was through gradual cuts and promoting a change toward alternative production such as offshore platforms and specialist vessels. Whereas the importance of the shipyards for Gothenburg has often been taken as a given with both politicians and academics pointing to employment figures and going no further, an attempt must be made to quantify and qualify the need to act. That is to say, what effect would a large plant closure have on Gothenburg in terms of employment rates, added pressure on services and the population of the city?

### *The Importance of the Shipyards to Gothenburg*

1975 was the high tide for shipbuilding in Gothenburg; it was at this time point that the yards employed the largest amount of workers both in absolute terms and in relation to total industrial employment. It was also the year that the Eriksberg Yard collapsed and the tide changed for good. By 1975 the industry directly employed 14,500 individuals in Göteborg with an additional 0.8 individuals for each employee working in supply activities within Sweden of which 0.25, or 3265, were locally employed (Hamilton, 1980, p.11). Direct employment accounted for 25% of all industrial employment in Göteborg and as Stråth (1987) notes “[t]he importance of the yards for the labour market in the shipbuilding centres can scarcely be exaggerated” (p.85).



**Plate 4b:** Götaverken's Arendal yard in 1978. Source: Gothenburg Shipbuilding Historical Society



**Plate 4c:** by 1983 the Arendal yard had diversified into making off-shore platforms. Note the office block in the upper part of the photo is now significantly larger than in 1978, reflecting the more technical nature of the new production. Source: Gothenburg Shipbuilding Historical Society

### *The Gothenburg Region's labour market*

Total employment for the Gothenburg region in 1975 was 280,000 of which 30% worked in the industrial sector and 35% in service industry (see Table B5, Appendix B). Manufacturing accounted for 65% of all industrial employment with Volvo, SKF and Götaverken dominating with 40% of industrial employment and the shipyards accounting for 20% (Länsstyrelsen, 1978, p.5). If the focus is narrowed to Gothenburg municipality (see Figure A3, Appendix A, for a map detailing the regional and municipal areas), manufacturing accounted for 74% of industrial employment (compared to 60% ten years earlier) with Volvo, SKF and Götaverken employing 58% and the shipyards 25% of all industrial workers (ibid: 6).

From 1971 to 1975 employment in the region grew by 2,800 each year, most of that expansion occurred within the public sector with industry expanding by 500 places each year. Between 1975 and 1977 industrial employment reduced by a total of 7,000 people in the region of which 6,000 were within the municipality. The shipbuilding sector lost 3,000 direct jobs over the period with a 1,000 more being lost in supply and subcontract industries. Overall, the total employment for the region grew by 600 during the period and employment in the municipality shrank by 1,600.

During the 1960s the number of job openings outstripped the number of job seekers by around 1:4. The early 1970s saw this ratio close to around 1:1 but by 1975, the

relationship had flipped to resemble the 1960s only in reverse so that the number of free places had shrunk as the job seekers grew.

**Table 4.6: Job seekers in the Gothenburg Region 1976-1977**

November 1976	November 1977	Difference	
		Number	Percent
4,928	7,561	2,633	53

Source: Länsstyrelsen, 1978

**Table 4.7: Job openings in the Gothenburg Region 1976-1977**

October 1976	October 1977	Difference	
		Number	Percent
5,054	3,157	-1,897	-38

Source: Länsstyrelsen, 1978

**Table 4.8: Job seekers per job opening in the Gothenburg Region 1976-1977**

October 1976	October 1977
1.5	3.1

Source: Länsstyrelsen, 1978

These figures mask to some extent the number of unemployed people as once an individual had been placed in some sort of activity by the local labour market authority (AMS), they were no longer counted in the above tables (see Table B6, Appendix B, for a more detailed breakdown of the figures). The number of people taking part in activities organised through the AMS was significantly larger than the number of job seekers.

**Table 4.9: Labour market measures in the Gothenburg District 1975-1978**

Activity	November 1975	November 1976	November 1978
Relief Work	1,315	2,099	2,853
Training	2,158	3,525	5,198
Work Experience	240	261	268
Archive Work	1,356	1,294	1,313
Semi-Sheltered Work	322	358	435
Sheltered Work	720	726	800
Total	6,111	8,263	10,867

Source: Länsstyrelsen, 1978

Furthermore, within Gothenburg municipality the numbers of people accepting early retirement had doubled during the period 1970 – 1976/77 from 9,000 to 18,000 which amounted to 6.2% of the entire 16-64 age group. Within the group of early retirees, 23.1% were aged between 60 and 64, 13.6% were aged 55 to 59 and 15.6% were aged between 45 and 54. At the other end of the spectrum, people under 25 registering as unemployed had also grown to 2,800 in 1977 which was an increase of some 68% over 1975 levels. Again, this figure masks the larger numbers of people involved in activities organised by the AMS.

**Table 4.10: Labour market measures in the Gothenburg District in 1977 for individuals under 25**

Activity	November 1977
Relief Work	1,903
Training	1,400
Work Experience	270
Archive Work	
Semi-Sheltered Work	
Sheltered Work	
Total	3,573

Source: Länsstyrelsen, 1978

Adding the unemployment figure to the numbers involved in AMS activities gives us around 6,400 individuals or 8% of the total age group. If we add together the figures for unemployment, AMS activities and early retirement we get a figure which implies that 9% of the working age population in the Gothenburg district stood outside the open labour market.



**Table 4.11: Summary of individuals outside the labour market in the Gothenburg Region, November 1977**

Status	Number
Unemployed	7,560
AMS Activities	10,870
Early Retirement	21,710
Total	40,140

Source: Länsstyrelsen, 1978

This figure was seen as reaching the upper limits of the capacity of the district to absorb unemployed people; if the open market's ability to absorb new workers did not improve then the district should expect the unemployed figure to grow as the number registered for AMS activities was close to hitting the ceiling of resources. To go further would imply putting 'increasingly powerful stresses' upon the district (Länsstyrelsen, 1978, p.17). A glimpse into the financial costs of early retirement for the individual, the state and the county can be got from a report into the socio-economic costs of the shipbuilding contraction prepared by a consultancy firm 'INDEVO'.

**Table 4.12: Financial costs for early retirement of blue collar workers**

Age	Accumulated costs for:			Total
	The Individual	The Commune	The State	
65	0	0	0 - 6100	0
64	6,300	3,200	51,500	67,100
63	12,100	6,200	110,900	129,200
62	18,000	9,000	160,000	187,00
61	23,000	12,000	206,000	241,000
60	27,000	14,000	248,000	289,000
59	31,000	16,000	288,000	335,000
58	35,000	18,000	324,000	377,000
57	39,000	20,000	358,000	417,000
56	43,000	22,000	398,000	454,000
55	46,000	23,000	418,000	487,000
54	49,000	25,000	444,000	518,000
53	51,000	26,000	469,000	546,000
52	54,000	28,000	492,000	574,000
51	56,000	29,000	513,000	598,000
50	58,000	30,000	533,000	621,000

Source: INDEVO, 1980.

**Table 4.13: Financial costs for early retirement of white collar workers**

Age	Accumulated costs for:			Total
	The Individual	The Commune	The State	
65	0	0	0 - 10,400	0
64	6,700	4,300	69,900	91,300
63	12,900	8,300	154,700	175,900
62	19,000	12,000	224,000	255,000
61	24,000	15,000	287,000	326,000
60	29,000	19,000	346,000	394,000
59	33,000	22,000	400,000	455,000
58	38,000	24,000	451,000	513,000
57	42,000	27,000	498,000	567,000
56	45,000	29,000	542,000	616,000
55	49,000	31,000	582,000	662,000
54	52,000	33,000	619,000	704,000
53	55,000	35,000	653,000	743,000
52	57,000	37,000	685,000	789,000
51	60,000	38,000	715,000	813,000
50	62,000	40,000	742,000	844,000

Source: INDEVO, 1980.

The financial costs for early retirement, then, were calculated as costs spread between the individual, the commune (council) and the state with all three having to bear greater costs as the retirement age reduced. The greatest financial outlay was on the part of the state as this is where the retirement funds would be paid from. The

individual's costs were greater than the commune's as this was mostly calculated from lost potential earnings, whereas for the commune the costs were limited to funding services that the retiree may have cause to use. One cost not factored in here was the loss of purchasing power on the part of the retiree and the effect this had on local businesses and by extension, tax revenues for the commune. Thus the total cost for a blue collar worker to retire at age 50 was 621,000 Swedish Crowns with the individual losing 58,000. The average blue collar wage at the shipyards during this period was 5,000 Crowns per month (Götaverkens Verkstadsklubb, 1979).

#### *Effects of future scenarios*

In December 1977 the Shipyard Analysis Committee, organised through the Industry Department at national level, requested that Gothenburg's county administrative board (*Länsstyrelsen*) investigate the consequences for Gothenburg (at both local and county level) of various capacity reduction alternatives within the shipyard industry. This report, designed to brief ministers and finished in February 1978, presents the effects of a number of future scenarios and as such gives us an understanding of the importance of the shipyard industry to the Gothenburg area. It takes the reduction level debated by parliament in 1977 (Alternative 1) as its base and then proposes three scenarios beyond that level and predicts the effects of these in 1982 and 1985. The report was concerned only with the large new build yard, *Götaverken Arendal*, the repair yard, *Götaverken Cityvarvet*, and the engine works, *Götaverken Motor*.

### *Alternative 1*

This prognosis followed the proposals for the shipbuilding industry set out in the shipbuilding proposition debated at the Riksdag in 1977; it demanded a reduction of personnel by 30% and the closure of the Arendal shipyard during the period 1978 – 1985. The outcome of this, it was predicted, would be a reduction in job vacancies by 6,000 plus a reduction in employment within the manufacturing sector by 8,000 people of which 7,000 would be lost by 1982 (Länsstyrelsen, 1978:17).

The authors then turn their attention to areas of expansion that could potentially absorb a greater number of people in the future. Here the petrochemical industry was predicted to contribute an additional 1,100 job openings in the period up to 1985. It was felt the transport industry (specifically Volvo and Saab-Scania) would not increase their recruitment and that the ball bearing firm SKF would reduce their intake of workers. In general the transport industry was seen as facing an uncertain period with a downturn predicted to be stronger in effect than the years leading up to 1978. Looking into other sectors, the fishing and forestry industry was predicted to reduce its job openings by around 1,000 over the period, while the building, trade and communications industries were predicted to stagnate around the 1975 employment level. The personal service industry, it was predicted, would grow by around 2,000 people, initially in the area of social insurance.

Finally turning to the public sector, the predicted growth here was 18,000 employees. But it was argued that it would become difficult for the local and county councils to achieve such an 'ambitious' development plan within the traditional areas of expansion: nursing, child and elderly care on account of both the costs and also the weak growth in the basic industries within these sectors. In other words, the additional growth would mean supply was higher than demand, or simply that the growth would lead to hospital wards, day care units and pre-school centres under utilised and nurses, care assistants and nursery staff unable to provide the service they were trained to do – there would not be enough patients and clients to fill the new services.

The prognosis predicted a half percent rise in gainful employment by 1985 from the 1975 level of 44% but with an accompanying 'relatively substantial' redistribution between men and women. Male employment was predicted to fall, especially for those over 50, whilst female employment was estimated to rise. The population was predicted to fall by 1982 and then rise slightly by 1985. Industry was predicted to contract throughout the period and for employment in other sectors to rise (see Table B7, Appendix B for population figures from 1974 to 1985).

**Table 4.14: Prognosis for Alternative 1**

Year	Population	Employment		Commuters
		Industry	Other	
1975	602,603	80,561	199,345	14,910
1982	597,775	67,465	213,933	17,420
1985	599,201	66,401	218,131	18,268
Change '76- '82	-4,828	-13,096	14,588	2,510
Change '76- '85	-3,403	-14,160	18,786	3,358

Source: Länsstyrelsen, 1978

*Alternative 2*

This prognosis illustrated the effects of a reduction of 30% of the current production level to a new level of 70% across all three areas concerned (*Arendalsvarvet, Cityvarvet, Götaverken Motor*) with no yard closures. The outcome was estimated to be a reduction in industrial employment by 2,388 people and a further 1,422 in other sectors by 1982 and a further reduction in other sectors to 1,815 by 1985.

**Table 4.15: Prognosis for Alternative 2, 1982**

	Population	Employment		Commuters
		Industry	Other	
Alt.1 level	597,775	67,465	213,933	17,420
70% level	590,854	65,077	212,511	17,046
Change	-6,921	-2,388	-1,422	-374

Source: Länsstyrelsen, 1978

**Table 4.16: Prognosis for Alternative 2, 1985**

	Population	Employment		Commuters
		Industry	Other	
Alt.1 level	599,201	66,401	218,131	18,268
70% level	591,191	64,013	216,316	17,851
Change	-8,010	-2,388	-1,815	-417

Source: Länsstyrelsen, 1978

This scenario would also see the population drop further than it would under the proposals for alternative one thus implying that the population would decrease further if the yards remained open with a reduced capacity compared to a closure of the Arendal yard. No reasoning is given for this but one possible explanation may be that by closing the yard funds could then be used to encourage expansion in growing sectors, whereas if the yard remained at 30% less capacity it would still require funding and that would imply fewer funds available to other areas. As well as the population dropping, the number of commuters working in Gothenburg was predicted to fall. This figure giving some weight to the explanation that keeping the yard open at a 30% capacity reduction would hinder growth in other sectors.

### *Alternative 3*

Here the prognosis illustrates the effects of a 30% reduction in new build areas only, and would imply keeping Cityvarvet and Motor at a 100% production level.



**Table 4.17: Prognosis for Alternative 3, 1982**

	Population	Employment		Commuters
		Industry	Other	
Alt.1 level	597,775	67,465	213,933	17,420
70% level	593,749	66,015	213,063	17,189
Change	-4,026	-1,450	-869	-231

Source: Länsstyrelsen, 1978

**Table 4.18: Prognosis for Alternative 3, 1985**

	Population	Employment		Commuters
		Industry	Other	
Alt.1 level	599,201	66,401	218,131	18,268
70% level	594,651	64,951	217,008	18,011
Change	-4,549	-1,450	-1,123	-257

Source: Länsstyrelsen, 1978

In this scenario the results were more favourable than those in alternative two; the population would drop less, employment in both industry and other sectors would also drop less and the number of commuters would increase. The authors, then, saw the new build yard, Arendal, as being the biggest obstacle to recovery; it was a drain on development funds even when capacity was reduced.

#### *Alternative 4*

The final alternative shows the effects of a total closure of all shipbuilding activities by 1985 at the three areas concerned. It would imply shutting down both Arendal and Cityvarvet and eliminating vessel engine production from Götaverken Motor,

significantly reducing its output. The result of this would be the disappearance of 8,000 job vacancies over the period within the industry sector and a further disappearance of 6,500 jobs in the service industry. The population for the region would reduce by over 27,000 people by 1985.

**Table 4.19: Prognosis for Alternative 4, 1982**

	Population	Employment		Commuters
		Industry	Other	
Alt.1 level	597,775	67,465	213,933	17,420
0% level	575,206	59,142	209,767	16,565
Change	-22,569	-8,323	-4,166	-855

Source: Länsstyrelsen, 1978

**Table 4.20: Prognosis for Alternative 4, 1985**

	Population	Employment		Commuters
		Industry	Other	
Alt.1 level	599,201	66,401	218,131	18,268
0% level	571,685	58,078	211,662	17,335
Change	-27,516	-8,323	-6,469	-933

Source: Länsstyrelsen, 1978

This alternative would also reduce the number of commuters coming into the city. The figures show that such a closure would have the strongest affect out of all the alternatives between the two time periods, that is to say that the trends would continue past 1982 and into 1985. The reasons for this could be two-fold; firstly that

such a large closure would take time and workers would continue to leave the industry over the whole six year period under examination, and secondly that the closures would be very difficult for the city to recover from. The authors may have factored both reasons into their prognosis for alternative four.

The report then turns its focus to subcontract and supply industries and predicts the effects of the different alternatives purely in this sector alone. It firstly shows that in the period 1975 – 1977 the industries lost over 1,000 jobs, at alternative one that figure was predicted to drop by over 1,000 more; at alternative two the drop would be around 1,500 more and lastly at alternative four the report states the industries would employ only 60 workers in the region and 55 of those would be in the municipality.

**Table 4.21: Employment in subcontract and supply industries to the shipbuilding sector**

	1975	1976	1977	1981 prognosis		
				Alt.1 level	Alt.2 level	Alt.4 level
Region	3,631	3,162	2,546	1,380	895	60
Municipality	3,331	2,891	2,311	1,320	855	55

Source: Länsstyrelsen, 1978

In the four alternatives an assumption is made that if an individual becomes unemployed and cannot find work they will look further afield and leave the municipality. This assumption is based upon the traditional Swedish active labour

market policy of encouraging worker mobility from contracting to expanding industries. Should no work be found and the person stays within the municipality and registers either as unemployed, for AMS activities or receives early retirement, the effects upon the local service industries will, conversely, be beneficial. But, as mentioned earlier, there was a ceiling to this and once breached numbers of unemployed would rise. The issue of people choosing not to relocate in order to find work was one that had been growing since the late 1960s when popular opinion in Sweden became more vocal in its opposition to the measure as it was not only very stressful but also uprooted families and broke links with communities and areas where people may have been settled for generations.

**Table 4.22: Increase in unemployment numbers 1978 – 1985 within Gothenburg**

Municipality if relocation does not occur

Alternative	Increase in Unemployment
1	+7,700
2	+9,000
3	+8,700
4	+13,300

Source: Länsstyrelsen, 1978

After presenting a current overview of the labour market and the prognosis based upon four future scenarios, Länsstyrelsen then presented some working assumptions which must inform measures for reducing the negative effects of the shipyard closures. Up until the point of publication, the authors state that the effect of contraction within the shipyards has largely been contained within that industry. This

was about to change as the four alternatives presented above show. Furthermore, the limits of the municipality to absorb individuals exiting the labour market were being stretched to the extent that without large scale investment unemployment would start to rise rapidly. The time honoured Swedish solution of moving individuals (and their families) from areas of contraction to areas of expansion (the removal van policy) was also under pressure. This was on account of the fact that all Swedish counties were experiencing the same problems with little or no expansive industries, the difference being in degrees.

Society's total costs for rising unemployment are not limited to unemployment benefit, the report argued, but also include such direct costs as retraining, relief work and higher rent subsidies. Indirect costs, both social and economic were difficult to measure and the report holds back from attempting such a task, but a research document written by shipyard workers belonging to the union Metall and in collaboration with Gothenburg University under the collective name The Shipbuilding Crisis Circle (*Varvskris Cirkelarna* (1978)) outlines the social effects of a large increase in unemployment figures. They singled out the 25 and under age group as being hit especially hard by reductions in personnel at the shipyards. Many in this group, they argued, drop out of society after long periods of unemployment and turn to crime and alcohol abuse. The following social factors were also considered to be serious side effects of large scale unemployment which would require 'strong efforts' from society and the individual to overcome:

- Marriage problems

- Alcohol abuse and other substance abuse
- Psychiatric problems including mental health
- Adaptation problems
- Education problems
- Personal economic problems

Most, if not all, of these side effects were considered to be the consequence of losing an identity as a 'worker' in a country where employers and trade unions organised a considerable amount of a person's social life. To lose a job was not just to lose income but was also to lose access to many social activities. Without this access, it was feared, the individual would lead an increasingly isolated life, in which frustration could manifest as violence, where alcohol becomes a 'solution' and physiological disorders could be the result. Both the direct and indirect economic costs to society as a whole, the report argues, are paid through many different forms including:

- Unemployment benefits
- Labour market subsidies
- Labour market training
- Public relief work
- Funding work in protected industries
- Relocation subsidies
- Reduced intake of tax
- Increased costs of social services
- Increased housing subsidies
- Early retirement

Länsstyrelsen's report argued that proposals for action must be based on offensive measures rather than defensive ones. In other words that action must be taken to

increase employment, rather than bolster the mechanisms for absorbing unemployment. This was a different crisis to the one in the late 1960s. Then calls for collaboration between yards and questions of credit were largely forgotten as the industry pulled out of its financial problems and entered a boom period, now there was no question as to if this was a temporary slump in the industry. The yards must adapt to alternative production to survive. It was argued that the majority of workers will not find equivalent employment in other firms or other areas should the yards close, rather it was expected that they would either take early retirement or find insecure work. Furthermore, by adapting to alternative production the yards would promote the social aspects of employment at the cost of reducing the isolating nature of retirement. Alternative production would also give work to subcontracting and supply industries as well as developing new technical knowledge both at the yards and with subcontract firms which would encourage new technical firms to locate in the area to take advantage of the skilled workforce. Lastly, it was argued that the profit returns for alternative products would probably be better than for conventional vessels. The report argued that the reasoning behind this approach of promoting alternative production was that in the long term the yards must reach profitability and ergo lessen the burden upon the municipality, the region and the state. Four final points are made regarding reasons to act: firstly, workers on the whole would be free from the complicated cooperative process between various institutions that the shipyards were in the midst of; secondly, in regard to the highly distressing labour market situation within the Gothenburg region that already finds itself with the highest number of early pensioners in the whole country and almost 10% of the

labour force currently outside the open market, strong action could halt this trend. Thirdly, Länsstyrelsen's prognosis for 1976-82 within the Gothenburg region points to a shipyard contraction that could potentially lose in excess of 6,000 people with addition losses of 7,000 within the manufacturing sector and lastly, society's costs for absorbing the growing unemployment clearly exceeds society's budget level for 1979.

Thus by the late 1970s the clear consensus was that the shipyards were not going to return to profits, the market had collapsed for Swedish built ships and the options were either to adjust the industry to make something else or close it. The consequences of closure, either fully or partial, were presented to the industry department which then briefed the industry minister. This happened on two occasions as a Liberal minority government came to power in late 1978 interrupting the previous government's plans for the shipyards. Therefore, when the second 1978 shipbuilding bill was debated at the Riksdag that autumn there was a clear sense of urgency and the optimistic view that the yards could return to profit without a major restructuring operation was far from dominant. Indeed, the question was effectively about how much to cut and how soon, as well as if these cuts should follow the 'salami principle', that is, equal cuts across all sites, or if a number of sites should be selected for immediate closure.



## Chapter 5

### The Project

#### *Expert committees and past experience*

By 1978 the shipbuilding crisis was in its fourth year and a number of a research projects and overseeing committees had been created at peak level to offer solutions to the crisis and to coordinate action. One such committee was called the 'Gothenburg Delegation', which was organised by Länsstyrelsen and created by a directive from the Industry Department in May 1977. Its membership consisted of senior civil servants from the administrative board, trade unionists, and local politicians and was chaired by the county governor (*Landshövding*). Its role was to act as overseer and coordinator of regeneration projects in Gothenburg, to conduct research and to lobby government for funding for various development projects.

An example of its work was the creation of a special development project set up to regenerate the now vacant Lindholmen shipyard; the project was called "Project Lindholmen" (PLAB). The Gothenburg Delegation's work here was to lobby for the project's creation and to provide evidence during the subsequent Riksdag debate. The Bill passed and the project was created with initial funds of 60 million Swedish Crowns. It was not managed by the Gothenburg Delegation, but rather it was situated as a company under the nationalised shipyard umbrella group Svenska Varv. This

was typical of the work of the Delegation; it would provide expert help in lobbying for funds, producing research reports and generally trying to keep the regeneration of Gothenburg on the political agenda regardless of the governing party. As such it was non-partisan as members were from all major political backgrounds, the work of the group based on purely local issues that transcended partisan debates. The use of these groups in Sweden reflects a technocratic approach to problem solving that is often non-partisan or at least bi-partisan, with the groups working toward their remit and then reporting back to the peak level<sup>4</sup>.

The creation of Project Lindholmen is important because of its structure and its influence on the design of the project this thesis focuses upon. It shows how the boundaries between nationalised industry and municipal development projects could become blurred. Project Lindholmen was created as a limited company wholly owned by the state shipbuilding concern, Svenska Varv, yet its activities were designed to regenerate an area for the benefit of the municipality. Key here was an agreement between Svenska Varv, the municipality and the state to codify how the area should be regenerated. The outcome being that this would be a state funded exercise controlled through the nationalised Svenska Varv with the municipality being the largest beneficiary. The project took its staff from the personnel department of the Eriksberg shipyard which had taken over the Lindholmen yard some years previously. Its remit was to clear the area of the unwanted aspects of a shipyard, to capitalise upon the existing infrastructure by either encouraging new firms to set-up on the site

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<sup>4</sup>We can see another example of this in the 1991 Rehnberg Agreement (*Rehnberg Överenskommelse*) that brought together many Swedish actors under the common good of maintaining the Swedish economy during a particularly precarious time (Kjellberg, 1998).

or to use the area as a location for internal training of shipyard employees. It set its sights on transforming the area into a site for research and development activities for emerging high technology industries, which, it was hoped, might recruit from the surplus shipbuilding workforce. This approach would benefit all three parties in the agreement; the municipality would benefit from a former brown-field site being regenerated and potentially new industries locating there; Svenska Varv would benefit by collecting rent from the firms hoping to set-up there and the state would benefit by reducing unemployment figures.

Project Lindholmen, then, had been operating for over one year when the Riksdag met in late 1978 to debate the latest shipbuilding bill. Concurrently another expert committee had been preparing a report for the Riksdag debate, this one had been organised by the Social Democrat opposition's shipbuilding group and the union shipbuilding reference group comprising of both blue and white collar unions. This group's remit was to produce a report for the Social Democrats to base their opposition to the shipbuilding bill on. Essentially this was to offer a 'development' alternative to what was seen as a proposed 'liquidation' solution being promoted by the government. The Social Democrats and unions had at their disposal some extremely well funded research departments which were put to use in writing the report. Although this was designed to be feed into an opposition motion in the Riksdag, it was still in a sense non-partisan as only the blue collar unions were affiliated with the Social Democrats; all other organisations involved were non-

affiliated trade unions. This was still a technocratic rather than partisan committee that sought to find a solution to the problem posed.

An important link between the union shipbuilding reference group and the Gothenburg Delegation was a lawyer employed by the blue collar union Metall's number 41 division in Gothenburg. Sören Mannheimer was a member of the board of the Gothenburg Delegation and also working for Metall as well as being a Social Democrat politician. Mannheimer was not unique in his position as the nature of Swedish expert committees was such that they were typically staffed by a wide range of expertise from a variety of backgrounds depending upon the nature of the enquiry.

In producing the report, the shipbuilding reference group had based some of their arguments upon the experiences of a Swedish state owned steel mill in Dalarna County in the town of Borlänge (Näringslivssekretariat, 30/01/1979). There a large plant was due to contract with the loss of 475 jobs. A plan had been put in place to regenerate the area with special development funds and the creation of various committees. Alongside this a special organisation was created to absorb the transferred workers where they would look for work or receive individualised training programs over a two-year period. The shipbuilding reference group argued that such a scheme could be used within the shipbuilding industry to allow it to develop in new areas whilst shedding surplus labour in a less controversial manner. For the Social Democrats this would be entirely consistent with their championing of development through 'socially acceptable means'.

### *The Riksdag Debate*

In September 1978 the industry minister Nils G Åsling prepared a government bill proposing a 30% cut in employment across all the shipyards under the Svenska Varv umbrella and the closure of two yards including Götaverken Arendal in Gothenburg. He was unable to carry out his bill as the three party coalition government he was part of resigned over the issue of the future of nuclear power in Sweden. A Liberal minority government took over power and a new industry minister, Erik Huss, prepared a new shipbuilding bill that was presented to the Riksdag in early November 1978. Being a minority government, the Liberals depended upon the support of other parties to enable their bills to pass and this was no different with their 1978 shipbuilding bill. The major differences between this new bill and the earlier Åsling bill were that the 30% cut in capacity would now be reduced to a 20% cut within two years and that this would be across all large shipyards and no yards were now singled out for closure (Riksdag, 1978/1979:49, pp.8-10).

In late November 1978 the Social Democrat opposition presented their alternative to the proposition in the form of a motion. They considered the Huss proposition to be better than Åsling's earlier version but they were still critical of the capacity cuts:

“The government's proposition contains some improvements in conditions over those presented by the three-party government in their press release in June 1978. There is however cause for grave criticism even toward the present proposal. It is obvious that

the proposals – if carried through – will lead to unplanned and ill-conceived dismissals” (Riksdag, 1978/1979:141, p. 2).

Furthermore, the proposition was criticised for being essentially short-term in its scope and this was considered a mistake. For the Social Democrats, a solution had to be long-term and planned in such a way that the *potential* of both the yards and the employees was factored into the solution. It was also argued that any solution needed the input of the workers themselves and that unemployment was totally unacceptable:

“An adjustment process which results in extensive unemployment cannot be accepted from a socioeconomic, social or humane viewpoint

[...]

It goes without saying that the planned action and design must occur in close consultation with employees and their union organisations” (ibid).

The Social Democrats then set out their alternative; they argued that their approach would allow the industry to ‘hibernate’ to some degree until a better global market for shipping emerged. This implied that no yard would close and that capacity reduction would essentially be a ‘mothballing’ exercise until a better understanding of the long-term market conditions could be ascertained. In the short-term the yards should adapt their output toward alternative products such as wind turbines, offshore platforms and specialist vessels. Personnel reductions at the yards should also follow ‘socially acceptable forms’, that is to say, it is “unacceptable that the government has not even taken so much responsibility for those that are employed at the shipyards so that large-scale dismissals can be avoided” (ibid, p.3). Essentially, then, the Social

Democrats saw the yards and their personnel as a valuable resource and that the shipbuilding crisis should be solved through development not liquidation.

In regards to the reduction of the workforce, the Social Democrats proposed that the surplus labour be gradually minimised over a longer period and that an employment guarantee lasting until the end of 1980 would meet these aims. During this period of 'respite' various government employment projects must be started. The employment guarantee would take the form of transferring the workers to a special company:

According to our opinion a special organisation, separate from current production should be built at the shipyards. This organisation should absorb the personnel that become redundant through the capacity reduction and rationalisation process. The personnel concerned retain, therefore, their employment in the enterprise. For those personnel placed in the organisation, they will benefit from special measures. The circumstances for the employees within the organisation that stands outside the ordinary production should, nevertheless, not prevent Svenska Varv AB from utilising parts of this labour force for special tasks. It can then, by way of example, apply to short capacity or special projects. This utilization for example does not imply that the employees must interrupt a started training period or refuse an invite for employment outside the shipbuilding industry (ibid, p.4).

This notion of a special company to 'pool' surplus labour was already taking place in Borlänge, the Social Democrats argued, and there it was seen as a great success. The principle should, therefore, be extended to the shipbuilding areas.

Opposition to an employment guarantee centred around three arguments; that it was unnecessary as the shipbuilding areas had 'better' labour prospects compared to other depressed areas, especially in Northern Sweden where unemployment was high, and that was where resources should be focused. It was also unjust as it gave shipyard employees better resources than other unemployed individuals, even other workers that had been made redundant from the yards some months before or those that would be made redundant after the guarantee. Lastly it was inappropriate as it prolonged the adjustment process which all parties agreed must happen: why delay the inevitable?

Another critique was that an employment guarantee amounted to little more than hot air. In an exchange in the Riksdag, a politician from the Moderate Party picked apart the Social Democrat motion and argued that each measure proposed was already a feature of Sweden's active labour market policy and as such "it is therefore the normal labour market policy rules that will apply for the shipyard employees" (quoted in Gartvall, 1980, p.123-4). This critique was dismissed by the Social Democrats as being valid only in principle, thus implying that in practice the labour market rules didn't always follow the letter of the law.

The Social Democrats were the largest single party in the Riksdag, but not large enough to pass their motion alone (if they had have been, they would have been the ruling party). For the Liberals, they needed the support of other parties as they were in a clear minority. The Social Democrats, then, lobbied some Liberal politicians and managed to persuade a number of them to support the motion, thus the Liberal



proposition passed on the 19<sup>th</sup> December 1978 with the modifications proposed by the Social Democrat motion.

*The design and funding of the project*

On the 25<sup>th</sup> January, 1979, the Industry Department wrote to the board of Svenska Varv outlining the decisions made during the debates and charged them with both creating a special organisation to be called 'Projekt 80 AB' (P80), to work with the unions regarding reductions in personnel and the employment agencies regarding employment opportunities:

Within the framework of the employment guarantee and in cooperation with the employment agency, to facilitate the transition to new and permanent work for the personnel that is transferred to P80. The personnel will be individually prepared for either work or pensioning. The preparations for new employment are to be put in place through both internal and external training, both theoretical and practical. Pending the opportunity for new employment, the company shall occupy the employees with training and /or work. (Projekt 80, 1979a)

Capacity reduction must happen in such a way that the yards, when the adjustment process is accomplished, have a personnel structure that renders an effective enterprise within all the divisions. So as to reach this requirement the shipyards and the unions will agree on such forms of personnel reduction that the new situation demands. (Quoted in Sjölin, 1991, p.87).

For the Industry Department, then, capacity reduction will only take place within the scope of joint consultation between the shipyard management and the unions. This put the unions in the difficult position of wanting to influence the capacity reduction but not wanting to be blamed by their membership for any 'unjust' decisions. The aims of both unions and management were two-fold; to reduce capacity by 20% and to render the shipyards as effective as possible. The novel aspect here was that the workforce will be transferred to an internal project; that is, the workers were not officially made redundant from the firm, rather they were transferred 'sideways' to a new department.

The Industry Department also stipulated that P80 would only be created in Gothenburg. The reasoning behind this was that in the other large shipbuilding areas a 20% capacity reduction could take place over the two year period through 'natural wastage'. Only in Gothenburg was the workforce comprised of enough younger workers to make natural wastage an unfeasible solution.

In January a number of fact-finding visits organised by Gothenburg municipality took place. The team was comprised of senior union officials, county level civil servants, management from the shipyards and local politicians. One such visit was to West Germany to observe efforts to stimulate the depressed Ruhr district, and another visit was to Borlänge to study the employment guarantee that had been used in the contraction of Swedish Steel AB (SSAB) and influenced the Social Democrat's motion in the Riksdag. There, the general principles of the guarantee were laid out:

- The necessary personnel reduction shall take place without lay-offs or terminations
  - The redundant personnel shall be transferred to a special organisation and will be given work or training through individual programs
  - Transferral to the 'personnel pool' is to be offered to all employees
  - The personnel surplus shall be resolved in a two-year period
  - A recruiting freeze will be in place within SSAB
  - Unoccupied positions shall be filled through internal advertising
  - The costs for the redundant personnel will be covered by the executive board
- (Näringslivssekretariatet, 30/01/79)

Another key influencing factor was the experience of Project Lindholmen (PLAB) discussed earlier in this chapter. The idea of extending the principles of PLAB into a general model for future industrial management techniques had been discussed internally for some time and, with the advent of this project, the ground appeared fertile for the seeds of PLAB to take root. Here, then, was an opportunity to apply those principles: collaborative research, training and production within the two year employment guarantee (Molinder, 22/05/79).

The architect behind much of PLAB was the former personnel director of the Eriksberg shipyard, Leif Molinder<sup>5</sup>, and the board of directors at Svenska Varv chose him to put the flesh onto the bones of the employment guarantee. Molinder's first task was to locate the project within PLAB as he saw the two as complementary. He set out what he saw as an 'acute' situation within Swedish shipbuilding with

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<sup>5</sup> Molinder had worked as personnel director for Götaverken (1963-1967), production director for the Lindholmen Yard (1967 – 1970), personnel director for Eriksberg (1970 – 1978) including Project Lindholmen and then P80 (Molinder, 1989, p.7). He later gained a reputation for closing down yards effectively, after P80 was wound up he successfully closed down the Landskrona yard with only 1% of the workforce experiencing long-term difficulties and later oversaw the closure of the Uddevalla yard and Kockums in Malmö (Lawrence & Spybey, 1986, p.38).

redundancies already a reality and 'time therefore running out to develop new ideas' and create new work opportunities for the redundant personnel. The 'traditional methods' of dealing with supernumerary workers, namely, vacancies within the same sector, new jobs within the labour market and pensioning were to be supplemented by a new method: to use a special project to create jobs (ibid). The creation of jobs was certainly nothing new in Sweden (Scase, 1977), but what was seen as novel here was to use a firm to create jobs not only outside of its own business, but also outside of its own sector. Molinder saw three advantages to situating the project within the scope of PLAB: from the individual's perspective, a high degree of personal contribution would be necessary to remedy their situation: from the project's perspective, to not be charged with using 'harsh measures'; and from Svenska Varv's perspective, to not be accused of off-loading certain responsibilities. The disadvantages were two-fold: the present situation rendered an extremely difficult environment to operate in, and that a redundancy notice would, for a certain section of workers, be very hard to carry. Lastly, Molinder argued that PLAB had a duty to help solve what was a difficult situation; Project Lindholmen had been created to develop redundant shipyard land, should it not extend this principle to the redundant workforce and develop them also?

Thus P80's mould was cast through the experience of SSAB in Borlänge and the principles and resources of PLAB in Gothenburg. During the first five months of 1979 the P80's structure was worked out, invitations were sent out to various institutions requesting their collaborative help and asking for nominations to an advisory committee. Funding for P80 came from the budget set out in the

shipbuilding bill; it channelled funds into Svenska Varv from the Industry Department. The funds were then allocated to each yard within the group and from there into individual projects. In the case of P80, the funds came via PLAB. Further funds were allocated to Gothenburg to be used in conjunction with the contraction process. This included 265 million Crowns for 'employment measures', 200 million Crowns for development of alternative production at the yards, 125 million for producing vessels for developing countries and 2.2 million Crowns to develop surplus shipyard land.

*The clients: selection criteria and reasoning*

Whilst the design of P80 was being drawn up, the management of Svenska Varv were working with the unions to achieve the 20% reduction in personnel. The main influencing factor here was the demand set out in the letter from the Industry Department that the reduction "renders an effective enterprise within all the divisions" (quoted in Sjölin, 1991, p. 87). Under Swedish labour law a firm which proposes to lay off members of its workforce must do so by respecting seniority by following the last-in first-out principle. The ranking of employees by seniority had to follow a law that gave the over 45s 'extra seniority' by adding one notional month to their service history for every actual month of service they had worked after their 45<sup>th</sup> birthday. In other words, after 45, every month worked counted for two months of service. This was designed to protect older workers who, it was argued, were less desirable to employers and found it difficult to compete on the labour market.

Another vulnerable group was those with the loosely defined 'limited employment opportunities', workers categorised in this group were to be given special priority if threatened with redundancy. Therefore, Swedish labour law had distorted the last-in first-out principle by skewing it in favour of older workers and those with limited opportunities. As mentioned in *chapter three*, these measures were manifestations of a shift in Swedish policy during the early 1970s toward a more defensive nature that valued security over mobility.

These laws which promoted security clashed with the Industry Department's demands for an effective enterprise as the least effective workers were considered to be older workers and those with little chance of finding other work, the very workers the law protected. Furthermore, the nature of shipbuilding in Gothenburg had placed a premium on certain trades (welding and plating) and these workers were in great demand to the extent that they would often change firms to secure a better pay package or working environment. As a consequence, the most sought after workers were those with the shortest service history and therefore the first to be made redundant. The law, then, was working against the demand for an effective enterprise. To follow the last-in first-out principle would have removed so many platers and welders from the workforce that the shipyards would not have been able to function<sup>6</sup>

Thus it was necessary to deviate from the labour law and this was achieved through exploiting how P80 was situated within Svenska Varv. Whereas the law stated that

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<sup>6</sup> Interview with former Social Democrat politician (10/12/08)

the last-in first-out principle will be used in instances of redundancy, the contraction process at the yards *transferred* the workers to P80. There were no redundancies; the workers were moved sideways, they were transferred into another firm under the Svenska Varv umbrella. This transferral was reinforced by the fact that no worker lost their employment service history, they retained their union membership and their pay levels remained intact. By sidestepping the last-in first-out law, the reduction of the workforce was able to meet the demands of rendering an effective enterprise: the transferral was to be selective.

This put the unions in the difficult position of working with management (as the Industry Department demanded) whilst supporting their membership; the former was preparing a selective list of workers to be transferred, the latter was extremely hostile to selection. Stråth (1987) claims that protests and a rift between union leaders and members broke out after the agreement between the shipyard management and the unions became public. Indeed, one Gothenburg newspaper ran the headline "*Union Boss: Choose Who You Want*" (Sjölin, 1991, p.89) and another newspaper interviewed some shipyard workers:

"We're thinking of refusing to transfer to Projekt 80 and are prepared to go to the Labour Court"

"There are many of us who are thinking to refuse to transfer to Projekt 80. The principle of 'last in first out' has been abandoned"

"This is like getting the sack. That's not what it's being called – but that is what it is. I've heard that workers over 55 that are placed in Projekt 80 will try a little extra to get

early retirement. It is not so easy to find a new job when you're this old" (Göteborgs Posten, 29/06/79:11).

Stråth (1987, p.105) claims that the protests which threatened to open a cleavage between the union leadership and the members were effectively quashed once the selection process individualised the threat. Furthermore, as the notification took place immediately before the summer holiday break, the transferred workers had two weeks to consider their situation before returning to work, this further individualised the circumstances as it took place during a period away from the work place.

It is important to note that the transferral to P80 was completely voluntary, that is to say, workers were *invited* to transfer to P80 and the possibility to say 'no thanks' was really there. The white-collar union SIF published a bulletin explaining P80 to their members under the heading "Yes, thanks, or No, thanks to P80" (SIF, 20/08/79):

First and foremost: you can choose. You have a real possibility to say no thanks to the invite you receive to work in P80. Because it is an invite – not an order! Whether it is good or not good for you to say yes; is for you to judge for yourself.

[...]

If you become selected and invited to work in Projekt 80 and judge that with the help from the company's resources can find sufficiently good work before 31<sup>st</sup> December 1980, you ought to say yes. If you say yes and find no job before 31<sup>st</sup> December 1980 then in all likelihood you will become unemployed after that date



[...]

If you judge that you can find a job by yourself or with help from Arbetsförmedlingen's 'ordinary' service within the same time period or if you believe that you could find a new job but need a little more time than until the end of 1980, then you ought to say no thanks.

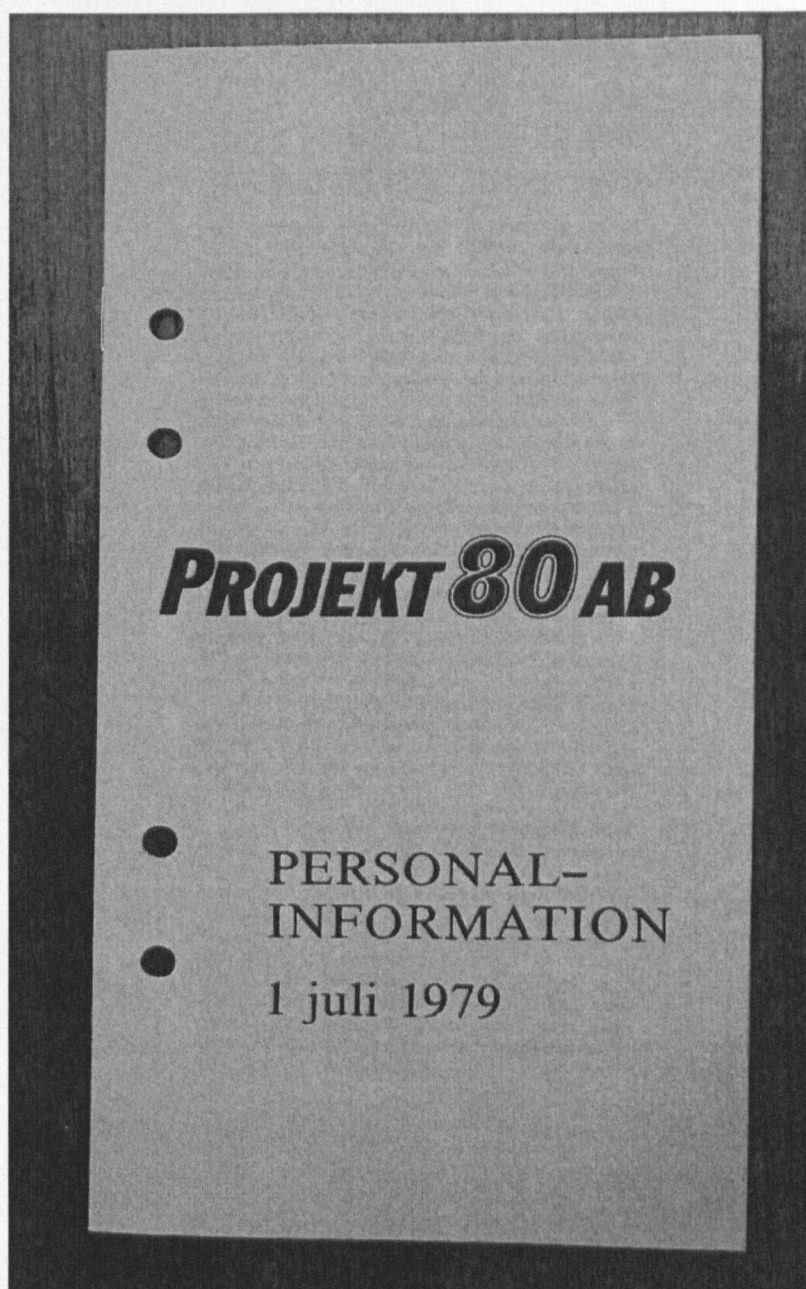
There was no mechanism to compel people to transfer to P80; however, the overwhelming majority of those invited did transfer. Many of those transferred thought that it was compulsory even though management and the unions took special measures to clarify the voluntary nature of the process as the above example shows. In total just 26 people turned down the invite to transfer to P80, 16 blue collar workers and 10 white collar workers (P80, 1980c, p.11).

The criteria for selection aimed to remove the least efficient members of the workforce. The three main factors for being selected for transferral to P80 were old age, short employment service and high absenteeism (Posner, 1982). The reasoning behind this was that it was considered uneconomical to retrain older workers as they would soon retire. Furthermore, some of the more physical shipbuilding tasks were deemed unsuitable for older members of the workforce. Those with a short employment service that were selected were typically young and lacked the necessary experience to work at maximum efficiency. Lastly those with high absenteeism were either the long-term sick, those suffering from depression or they were alcoholics.

### *The composition of the clients*

The shipyard bill had demanded a cut of 20% from the 1977 employment levels at the yards which initially translated to 2,333 people but by the time the first invitations were sent out in the summer of 1979 this figure had been reduced by natural wastage and resignations to 1,568 invitations, later adjustments increased that figure so that by the time P80 had finished the total number of workers transferred was 1,814 made up of 1,331 blue collar workers and 483 white collar (P80, 1982, p.4) (see Tables B1-B4, Appendix B, for a detailed breakdown of the composition).

P80 was made up of a disproportionate number of relatively old and young workers, in the case of blue collar workers the distribution was skewed toward the young and especially those aged 21 and younger; for white collar workers it was the elderly that accounted for the majority with the largest age group being the 59 year olds. The mean average age for blue collar workers was 39.5 and the average duration of service was 11 years. For white collar workers, the average age was 53.4 and duration of service was 23.9 years.



**Plate 5a:** a twelve page information booklet was given to all the workers invited to transfer to Projekt 80. It contained contact telephone numbers, a brief history of the project including which organisations were involved and its aims.

The skill composition of the transferred workers differed from the composition found at the yards as a whole; those jobs over represented in Projekt 80 compared to the yards included cleaners, transport and dock workers, stores and construction workers, whereas those jobs under represented were welders, sheet metal workers, plumbers and fitters. Amongst white collar workers production leaders and technicians were over represented and no job was especially under represented. Looking solely at the composition within Projekt 80, for blue collar workers, welders and sheet metal workers made up the largest skill sector in terms of absolute numbers even though they were the smallest skill sector in terms of proportion transferred. For white collar workers, both planners and production technicians, and foreman and instructors made up the largest groups within Projekt 80.

**Table 5.1: Skill group and average age of white collar workers transferred to P80**

White Collar Skill Group	Number	Largest Age Group	Mean Age
Production Technician/Planner	137	58	53.3
Draughtsman/Designer	58	59	56.3
Clerk/Secretary	81	58	51
Foreman/Instructor	137	59	53.6
Personnel/Finance/Security	22	55 / 61	53.6

Source: adapted from P80, 1980c, Tables B7 & B10, Appendix B.

**Table 5.2: Skill group and average age of blue collar workers transferred to P80**

<b>Blue Collar Skill Group</b>	<b>Number</b>	<b>Largest Age Group</b>	<b>Mean Age</b>
Welder/Sheet Metal Worker	521	21	34.5
Machinist/Fitter/Maintenance	194	62.5	46.0
Plumber/Electrician	163	21	39.5
Assembler/Painter/Carpenter	63	60	49.5
Transportation/Crane Operator/Stores	187	58	51.1
Cleaner/Fireman/Other	137	64	50.3

Source: adapted from P80, 1980c, Tables B7 & B10, Appendix B.

Both groups had significantly large clusters of people born before 1922, 22.4% for blue collar workers and 46.8% for white collar. People in this age group had the right to the so-called '58.3 pension'; here, under normal circumstances where the last-in first-out rule applies, those aged 58 and three months and older could volunteer to quit their jobs and receive 90% of their wages for a period of 450 work days (1 year, nine months) paid by unemployment benefits, then upon reaching 60 they could apply for early retirement. Furthermore, the 90% wage was the minimum right and often firms would contribute extra which could potentially bring a person's wage up to the 100% level (Ståhlberg, 2004, p.59), thus implying that there was no financial loss involved in applying for the scheme. P80 differed slightly from this as the last-in, first-out rules did not apply and thus initially there was no scheme comparable to the 58.3 pension. Later pressure from the unions compelled the project to include a

special 'elderly guarantee' that was created for those aged 55 and over. This, then, lowered the applicable age for the 58.3 pension by 3 years and 3 months, and in doing so sheltered those workers within P80, rather than within the unemployment benefit system. Once the workers reached 58 and 3 months they could transfer to the 58.3 pension: those who were very close to transferral age by the time P80 was due to finish (one or two months maximum) were either kept in the scheme beyond its finish date or, if the opportunity arose, transferred back to their old jobs.

The inclusion of an 'older guarantee' points to an acknowledgement (albeit belated) that older workers had difficulty in securing work on the open market and that this should be accounted for in the design of P80. What P80 did was to occupy these workers until it was time for them to retire. As such it promoted the positive aspects of work such as socialisation, keeping active and having a wage over the negative aspects of unemployment like isolation, depression and a lower income. Within P80 older workers would be kept busy until they could retire.

In comparison to this, another group for whom securing work on the open market was problematic were those categorised as 'vulnerable'. These were people with physical and mental disabilities as well as those suffering from depression or alcoholism. A variety of measures existed in Sweden to help people in this group including sheltered and semi-sheltered work and a special intensive type scheme called 'daddy care' in which people that needed constant supervision were given activities in a very secure environment where the ratio of worker to carer was approaching 1:1. Yet P80 did not

foresee the demand for these services and did not design a special scheme for them, nor did the unions pressure the project for any special measures.

Amongst the transferred workers, 110 were categorised as having 'socio-medical' problems. These were people for whom an illness or disability was judged to have been a consequence of social factors. In practice this group consisted of people suffering from severe depression or alcoholism or sometimes both and were therefore categorised as part of the 'vulnerable' group.

A major factor influencing the different treatment of older workers and the vulnerable was the role of the unions in pushing for special treatment for older workers which, in turn, was a consequence of older union members pushing their representatives to further their cause. This sequence was missing in the case of vulnerable workers on account of the very nature of their vulnerability. That is, their special needs situated them outside of the system inasmuch as they needed special workshops to accommodate them or they spent periods of time in hospitals or clinics and because of this they did not have the same access to the union representatives as other workers. They became almost invisible in the eyes of the union as they were detached from the workplace.

## Chapter 6

### The Functioning of the Project

*The authorities: their expertise and role within the project*

#### Svenska Varv

The state-owned Svenska Varv (Swedish Shipyards) was created on 1<sup>st</sup> July 1977 after the Bourgeois coalition government nationalised the majority of the large Swedish shipyards in September 1976. It was an umbrella group that after 1979 contained all the large shipyards in Sweden: Kockums, Götaverken, Uddevallavarvet, Öresundsvarvet and Finnboða. After the Riksdag debate regarding the two year employment guarantee, Svenska Varv was charged with creating the special organization, Projekt 80 (Industridepartmentet, 11/01/79) the funding of which came from the state via Svenska Varv.

The day-to-day running of Projekt 80 was overseen by its own board of directors and Svenska Varv's input here was through the Vice-President Bengt Tengroth although in practice it was Leif Molinder who reported to Tengroth. Essentially, Svenska Varv was concerned with fulfilling the decisions made at the Riksdag: a 20% reduction in personnel and a two-year employment guarantee for the 'redundant'. P80 was required to produce progress reports which Svenska Varv then added to their reports given to the Industry Department.



## Kommun

Gothenburg's Kommun (council) was organised around the central city council which in Gothenburg was its own municipality. 90% of the seats within the council are permanent constituency seats with the other 10% being adjustment seats. The members of the council were elected through central party lists with the people voting for the party rather than the individual although it was possible to cross individual names off the list if the voter didn't want to vote for one particular person. The party lists were arranged in such a way that a cut off point reflecting the number of votes the party received would indicate who was elected with those above the line receiving seats. The structure of the Kommun was split into committees and companies, the former included departments such as public works and transport, and the latter included energy, public transport, social housing and so on.

Within P80 the Kommun was directly involved through having a seat on the advisory board and also indirectly through the seat occupied by Näringslivssekretariat (more on this organization, below) which reported to the Kommun. Throughout the crisis period the Kommun had naturally taken a keen interest in the shipyards; once an area of strong growth (and revenue), the collapse could have lasting effects upon the city. The Kommun worked closely with not only the contraction process of the yards but also the development of the vacant yards and the personnel – it was involved in the fact-finding trips to other depressed areas, helped to set up collaborative work with industry and started development projects to inject new life into the yard areas.

## Komvux

Komvux<sup>7</sup> (*Kommunal vuxenutbildning*) is an adult education service delivered at the Kommun level and during the timeframe of this study was centralised at the state level. The institution was created out of political debates during the 1950s and '60s regarding adult education, the education minister at the time, Olof Palme, had raised the question some years earlier when he was a member of the board of directors for ABF (*Arbetarnas bildningsförbund: Workers' Education Association*). Palme set the terms of debate around the issue of adults' rights to access the same quality of education that children received; he further argued that society as a whole would benefit from a well educated population. In bringing the debate forward he also set the boundary between what fell into the scope of ABF and what a new adult education service would have in its domain. When the distinction was drawn, Komvux became an adult education institution modelled upon the school system for children with state recognised qualifications, courses bound by timetables and free at the point of delivery.

Regulation of Komvux came from the state school authority (*Skolverket*) that was responsible for standards and in part for funding. Finances for Komvux came through two routes, both of which originated at the state level: firstly, the state gave an annual allowance to Komvux for yearly expenses such as wages and maintenance which could be spent as was seen fit. Secondly, the state funded Komvux via Skolverket;

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<sup>7</sup> This section is based upon Johansson & Salin (2006) and discussions with a former director of adult education in Västra Götalands Län.

this money was to be used for special destinations and as such was subject to spending controls and reviews.

Within the context of Projekt 80, financing for Komvux came via Skolverket, not Svenska Varv. This, then, implied a budget that was conditional upon standards being set by Skolverket rather than Svenska Varv. In other words, Komvux's work within Projekt 80 was bound by educational standards rather than the more short-term desires of Svenska Varv who were keen to remove 20% of their personnel from their books. This translated to a policy of promoting academic achievement measured through examinations. In terms of P80, Komvux allowed workers to study and achieve qualifications that would help them to better compete on the job market.

### Arbetsförmedlingen<sup>8</sup>

The labour market authorities played a major role in P80. The institutions were centralised within the Department of Industry and Labour with peak level authority belonging to AMS (*Arbetsmarknadsstyrelsen: the Labour Market Board*) whose director generals had, since 1948, been SAP politicians. At the county level were the county labour boards, LAN (*Länsarbetsnämnden*), within which were located the local AF (*Arbetsförmedlingen: Employment agency*) offices. Within each AF was an AMU (*Arbetsmarknad utbildning: Labour market training board*). Thus the

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<sup>8</sup> This section based upon discussions with a former lecturer working at AMU.

hierarchical structure of the labour market authorities from peak level down was:  
AMS-LAN-AF-AMU.

The funding for the labour market authorities came from the state via AMS. The structure here was similar to that of Komvux in that two 'pots' existed, one for day-to-day expenditures, or planned expenditures, such as building maintenance and staff wages. The other 'pot' was for special projects and this would be filled as the need arose. The day-to-day 'pot' could be used for whatever AF deemed was necessary, but the special project 'pot' came with spending constraints from AMS. Here the special projects were planned at peak level (with input from below) and spending was also allocated at this level. Funding in this 'pot' was subject to spending reviews and regular progress reports.

During the period in focus AF and AMU had an extremely broad range of options open to them in regards to dealing with workers. Generally speaking, the two main options were education or work. The first port of call was a personal interview with an AF representative where the individual's options were explored. This was the stage where individual desires and labour market realities met, and a way forward was worked out. Sometimes this could be as simple as matching an individual's capabilities and desires to a vacant position but if an individual's skill had become obsolete, typically education in one form or another would be the preferred option. The AF representative would explore new career paths with the individual and then match the skills needed for a given job with a training course.

A certain amount of forward planning was necessary here so that AF did not prepare people for jobs that did not exist or for jobs in contracting sectors. This was achieved in a number of ways, largely through close contact with other state departments but also through the employers' federation SAF to the extent that their research would pinpoint growth areas from which AF could be advised of a future need for trained personnel in that sector.

Once an individual's future career path had been laid out, they would register for preparation courses (*preparand utbildning*) that would bring them up to speed in areas such as Swedish, mathematics and possibly a second language. Once they were deemed to have reached the required level they would transfer to their designated skill training. The preparation courses here were individualised to the extent that no formal examinations took place, rather a meeting of AMU officials would decide on an individual basis when a person's abilities were such that they could move forward.

AMU specialised in vocational education (*yrkesutbildning*) in a very broad sense, it offered courses for every skill sector from welding or forestry to administrative work or computer programming. More theoretical courses were offered by Komvux and AF would also register individuals there. Indeed, during the period in question, AMU suffered from some negative connotations in comparison to Komvux – the latter was seen as a more 'refined' option and the former as a 'lower' type of education.

Within P80, the labour market authorities had two representatives on P80's advisory board, one from LAN and one from AF. For the transferred workers, their encounters with the labour market authorities were limited to AF and AMU and followed the pattern outlined above. This was especially true for blue collar workers; for white workers this pattern differed inasmuch as Trygghetsrådet (more on this organization, below) was also involved and the two institutions had a close working relationship within P80. AF had officials working full time within P80 who would conduct the initial meetings with the workers and explore further options, there was also one specialist 'career path leader' who worked one day per week within P80.

AF operated in a difficult environment in regards to job searches and made full use of measures such as relief work (*beredskapsarbete*) and probationary employment (*prövningsarbete*), the latter usually leading to full time employment after the probationary period was over. On account of the reduced employment opportunities, AF personnel often had to guide individuals toward a job in a growth area even if this was not their initial desire. This would occur at the initial meeting stage and would often take the form of exploring related professions. Compulsion here was via benefit reductions and stoppages. Simply put, unemployment benefit was limited in time and during this period it was assumed a person would move either into a new job or into one or another program arranged by AF. Where this failed was often when the person concerned was diagnosed with some form of 'sickness', for example depression or

alcoholism, in these cases they would be transferred from AF's books and re-categorised as 'sick' and would then be eligible for sickness benefits (*sjukpenning*).

### Metall<sup>9</sup>

The blue collar metal workers' union (*Svenska Metallindustriarbetareförbundet: Metall*) is a highly centralised organisation and a powerful player within the blue collar union federation, LO. Metall is typical of Swedish unions in that it organises around a *sector* rather than a *skill*, for this reason all the blue collar workers at the yards were represented by Metall. The union was structured around geographical divisions (*avdelning*), the largest of which, number 41 (*AVD41*), was founded in 1896 and represented the Gothenburg area. Within the division were smaller groups organised at the employer level that were known as 'factory clubs' (*verkstadsklubb*). The contraction of shipyards in Gothenburg into the state owned Svenska Varv meant that just one factory club represented all the blue collar workers, the club was Götaverkens Verkstadsklubb which was founded in 1901. The membership of division 41 peaked in the mid 1970s at just fewer than 45,000 members and the membership for the verkstadsklubb peaked at the same time period at around 6,500 members.

Metall's activities were often intertwined with those of the Social Democrats (SAP) and this made the union extremely well connected. An example of this can be seen

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<sup>9</sup> This section is based upon Metall (1996), Sjölin (1991), discussions with a former official of Götaverken's Verkstadsklubb, a former Metall and SAP politician, and an academic at Göteborgs Universitet.

from the collapse of the Eriksberg Yard where the local factory club was better informed of the economic realities than higher management (Stråth, 1987, p.94). Metall had representatives on every board of inquiry concerning the shipyards, division 41 appointed representatives to the Riksdag and in 1973 became the first division within Metall to appoint a full time lawyer who also sat as a SAP member for Gothenburg city council and was chairman of the Gothenburg Economic Policy Delegation.

The union worked in close collaboration with Svenska Varv in designing P80 but publicly kept the relationship at arm's length to dissociate themselves from contentious issues such as the abandoning of the last in first out principle (ibid, p.105). At the factory club level, a representative sat on P80's advisory board and the club also organised four research projects that informed both activities at the yard and also contributed to union debates about the best action to take regarding the shipyard crisis. Of importance to the discussion here are the project researching alternative shipyard production and the implications for workforce levels, a project to engage with members of the white collar PTK union confederation with a view for future collaboration and a group researching the experiences of union members who were involved in the merger of Eriksberg's and Götaverken's Motor divisions. These research projects formed part of the briefing that Metall took to the debates within P80's advisory board.



## SIF/SALF<sup>10</sup>

The two white collar unions involved in P80 were SIF (*Svenska Industritjänstemannaförbundet*: Swedish Industrial Staff Workers Union) and SALF (*Sveriges Arbetsledareförbund*: Sweden's Supervisors' Union). SIF was organised under the white collar union confederation TCO (*Tjänstemännens Centralorganisation*: The Swedish Confederation for Professional Employees) and SALF under the PTK (*Privattjänstemannakartellen*: The Private Sector Staff Cartel). In 1976 SIF had 1900 members at the Götaverken yard and SALF had 550 members. Within the shipyards each white collar union had its own club that was similar to the blue collar verkstadsklubb, within these clubs there were also sections for each Götaverken company. On issues that concerned the whole Götaverken concern (and later Svenska Varv), SIF and SALF organised together around the PTK cartel which had 2,500 members in 1976 which also included 50 members of the civil engineers' union CF (*Civilingenjörsförbundet*).

Both SIF and SALF had been involved in the union reference group that had informed the SAP before the Riksdag debates that created P80. The white and blue collar unions had a history of collaborating at the verkstadsklubb level on important issues and P80 was no exception to this. One clear example of this collaboration came with the combined lobbying of P80 management to introduce an 'older guarantee' within P80 to offer increased security to those aged 55 and over.

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<sup>10</sup> This section based upon Gartvall (1980), Nilsson (2008) and discussions with a former Metall and SAP politician.

The white collar workers transferred to P80 organised a 'union reference group'. This was unofficial inasmuch as it was not recognised by P80's board, indeed there was some confusion about the union's role in this regard at some board meetings. The reference group acted rather like a 'shadow' organisation with the union organising work groups based upon the individual skills present, for example transferred workers from the personnel department would monitor relations between workers and management; designers would monitor plans for new projects and so on. This group met regularly throughout the period P80 ran and, at least in theory, would offer alternative perspectives to decisions made at the management level within P80.

#### Trygghetsrådet<sup>11</sup>

Trygghetsrådet's (TRS) origins lie in an agreement from 1972 between Arbetsgivareföreningen SFO (*Statsföretagens förhandlingsorganisation: The Public Sector Employers' Bargaining Organisation*) and PTK (*Privattjänstemannakartellen: The Private Sector Staff Cartel*) which was later expanded into an agreement between PTK and SAF (*Svenska Arbetsgivareföreningen: the Swedish Employers' Association*). The labour market unrest of the late 1960s (see *chapter three*) formed the kernel that created SFO as an intermediary corporatist institution between employers and labour in 1970. Two years later, in 1972, SFO and PTK reached agreement on a 'security package' as part of a central wage bargaining settlement and this agreement was, in 1973, expanded to include SAF through bargaining on the side

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<sup>11</sup> This section is based upon Trygghetsrådet (2004), Forsberg (1996), SFO (1990) and Skeppsbyggaren (1979-80).

of PTK. The outcome of this was Trygghetsrådet which positioned itself as an organisation which operated within both the labour market and the social insurance system for white collar union members.

The organisation offered a range of services including a 'clearing service' which was open to all members irrespective of age and employment time. The idea here was to complement the work of AMS by offering an individual approach and handling that was claimed to be 'unbound' from the regulations that constrained AMS, thus a more combined form of support was possible for job seeking white collar workers. This service included funds for educational development, help with starting one's own firm, 'acclimatisation' grants, wages during trainee work placement and supplementary wages.

Another service offered was AGE (*avgångsersättningarna: severance payments*), which was open to all who were over the age of 40 and had at least five years service at their place of work. The amount of funds a person was entitled to was calculated by taking into account a number of variables including age, length of service, education level, the conditions of the local labour market, family circumstances, disabilities and wage level before being laid off. These funds were designed to be complementary to the 'A-Kassa' unemployment benefits. For workers over 55 that had at least ten years service, a special variant of AGE was created called *Stödet till de äldre tjänstemännen* (support for older employees) that was especially designed for those

workers whose firm had gone bankrupt. Here the support was designed to assist in the limited number of years until the person was eligible for a pension.

Toward the end of the 1970s a new service was created that attempted to prevent layoffs (*Uppsägningsförebyggande verksamhet*), this shifted the scope of Trygghetsrådet's work from what was essentially a reactive one, into a more proactive service. The idea here was that when a firm notified the labour market authorities that it was in economic trouble (as the law stated it should notify the relevant bodies), Trygghetsrådet would then commence with individually designed measures for the affected workers, and this could include education, training as well as the clearing service that was normally offered. The difference here is that this would take place whilst the individual was still employed by the firm, thus if the measures were a success, the individual would not become unemployed, but would rather spend their final period at their old firm undergoing training and searching for new work. The project was carried out in collaboration with the local labour market authorities and representatives of the PTK union and had a state grant of 75% of costs.

Within the scope of P80, the layoff prevention scheme was unnecessary as many of the features of that service were present within the organisation. Thus Trygghetsrådet's work within P80 was focused upon its clearing service and AGE. The organisation had had a presence at the yards since 1977, initially only one day per week, but by the time of P80's creation in 1979, that was increased to a

permanent presence. It worked in close cooperation with the personnel department at P80, PTK and the labour market authorities. One of the major issues was that white collar workers within P80 had typically earned fairly high wages within the shipbuilding industry and finding work at a similar earning level was difficult. Trygghetsrådet assisted here through the clearing system by not only searching for suitable work, but also offering grants and supplementary wages to individuals who took jobs at lower wage levels or to those carrying out work experience or further training.

Funding for Trygghetsrådet came via a special fund that SFO paid into at a level set at 0.5% of the PTK union's average wage level for each member. In other words, for every 100 Kronor earned, 50 öre would be paid into the fund, these resources were then at the disposal of Trygghetsrådet.

#### Näringslivssekretariat

Näringslivssekretariat was an organisation founded in 1977 and was part of Gothenburg Kommun's group of industry and commerce companies. It promoted the interests of businesses within the Gothenburg area and sought to advance the economic well-being of Gothenburg. It produced reports on the current business environment, advised bodies at all levels and offered services to firms considering investing in the area. Working alongside authorities at the county level it helped to organise research and development as well as pinpointing areas for stimulation grants

and other development projects. Within P80 it advised the organisation via a seat on the advisory board.

*Collaboration within the project and its place within city regeneration schemes*

The most visible collaboration within P80 was at the 'frontline' of service delivery where the clients encountered officials from various institutions. Here the mix and therefore the collaboration between officials differed between blue and white collar workers. For blue collar workers, collaboration was between the local job centre (AF) and P80 in the first instance where a route would be planned to get the client back into work. If this entailed a form of training then either the adult education service (Komvux) or the vocational training service (AMU) would also be involved. The difference for white collar workers was that they had access to Trygghetsrådet which worked extremely closely with the local job centre to place clients in work on an individualised basis.

All the institutions involved were highly centralised, but the individualised framework in which they operated required a degree of autonomy from the centre. This was achieved by way of how each institution affiliated itself to P80; here institutions adapted themselves into the framework of P80 whilst retaining their own expertise and structure. In practical terms, institutions nominated representatives, some of whom then worked full time alongside P80's various departments but still remained employed by their institution.

Behind the front line, collaboration between institutions was continuous and also temporary. Continuous in the sense that all the institutions worked within the project at the same time and were represented at board and advisory group meetings; temporary in the sense that collaboration was individualised at the client level and lasted only until work was found. Thus a framework of structured collaboration existed at the managerial level and a flexible and temporal collaboration existed at the individual worker's level.

The collaborative effort to get people into work required not only making clients 'fit for purpose' but also helping the labour market to be prepared to absorb the workers. What is most surprising here is the lack of input from private employers and their representative body SAF. Indeed, there was no seat on the advisory board for employers, no representative on the board of directors and not once did either body invite employers to their meetings. Rather, the needs and views of employers were conveyed in an abstract manner via the city council and its business development board (*Näringslivssekretariat*). In order to prepare the labour market to absorb the transferred workers, P80 needed to collaborate with other city regeneration projects as by itself it was too small and lacked both the financial and political means to mould the market.

The major problem for P80 in this regard was that city regeneration projects were in their infancy during the period P80 ran. Furthermore, no coherent vision of

Gothenburg's future was yet formulated and so regeneration tended to lack any long-term strategy and was more ad hoc in nature. Against this backdrop, P80's place within city regeneration schemes was marginal. A major factor behind this was that regeneration was seen as a city or county level responsibility with funding coming from the state. P80 was technically a firm within the nationalised shipbuilding concern Svenska Varv. This arrangement meant that often P80 was seen as an isolated project rather than one sharing the same goal of regeneration and as such was marginalised at best and often absent from discussions regarding regeneration. Thus P80 lacked the means to mould the market by itself and it also lacked the influence necessary to mould regeneration projects (which were in their infancy, anyway), it therefore turned to the public sector where its influence was stronger and also attempted some novel projects within a semi-sheltered sphere in order to place people into jobs.

#### *How it all worked*

Projekt 80 AB was officially created on 7<sup>th</sup> May, 1979 when the management and unions signed their co-determination agreement. P80 had seven permanent departments which were modelled upon the structure of the already established Projekt Lindholmen (see Figure A1, Appendix A). Each client's route through the project was determined by the personnel department which worked in close cooperation with the local job centre to reach individual solutions for each worker transferred.



### The personnel department

The focus on individual solutions was achieved systematically by following procedures that allowed for four alternatives, all of which ultimately aimed at the individual finding work on the open market. A special procedure was also drawn up for more intensive actions should a worker prove to be especially difficult to place in work. Essentially the procedures codified various possibilities within the framework of P80 with the four alternatives ranked by order of preference.

Firstly, within *alternative one*, which was the most desirable option, the individual obtains work on the open market immediately after a planning interview. The desirability of this option lay in the speed in which the individual found new work, thus minimising both expenditure and resources within P80. The planning interview was the first point of contact the individual had with P80 after the transfer, this was a one-to-one interview where a range of possibilities were explored within the context of the individual's work history, qualifications and future desires. These interviews were conducted in close cooperation with Arbetsförmedlingen and if the interviewee was a white collar worker Trygghetsrådet was also involved. Thus the resources were set up for the rapid transfer to new work should a vacancy be found that was compatible with the individual's skills and desires.

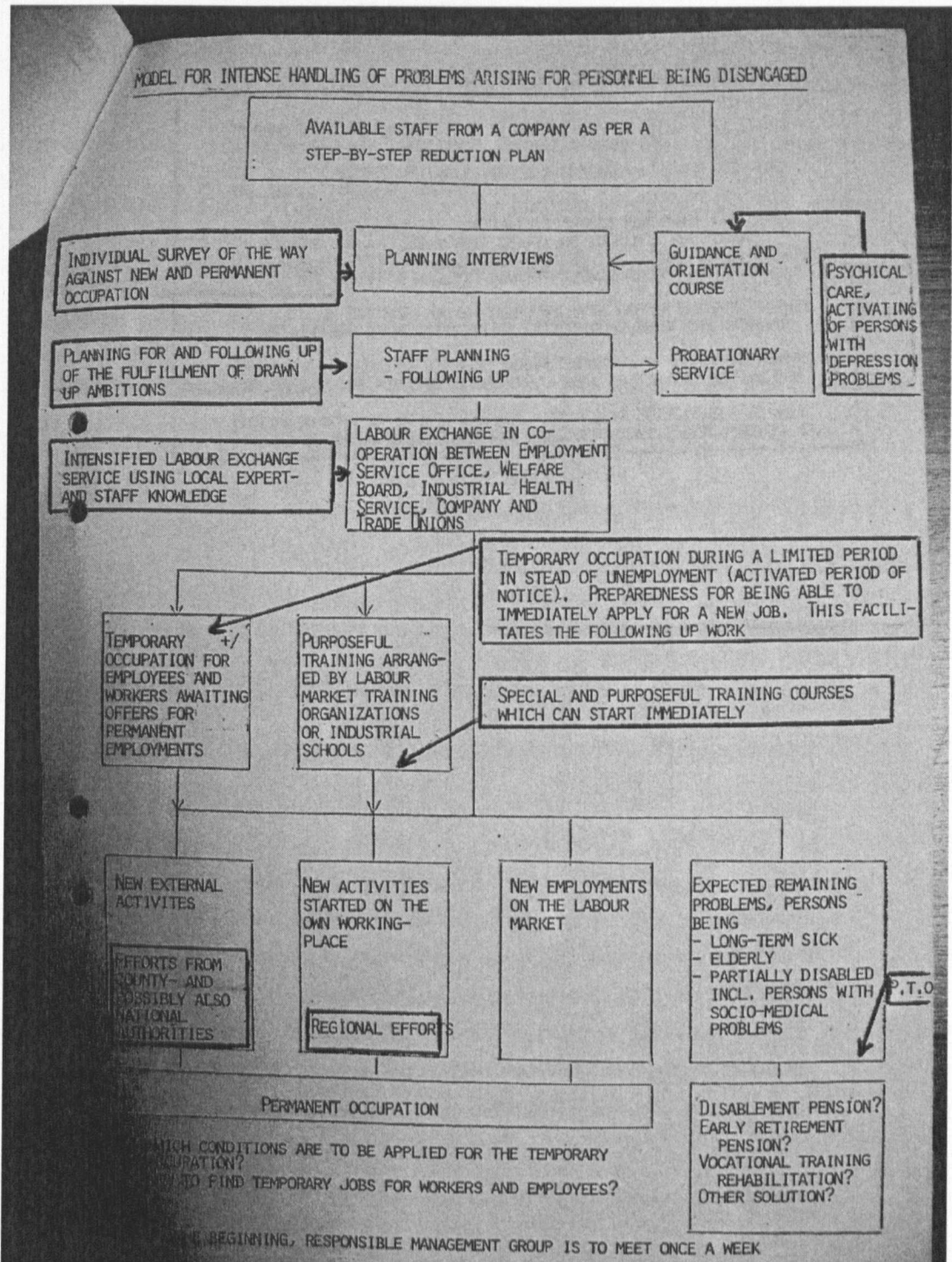
In *alternative two* the individual is transferred to the production department after the first planning interview. Often this was on account of a certain skill being rusty or

maybe needing updating, but could also be as there were no job vacancies that fitted the individual's skills and therefore the decision was made to keep the applicant busy until such a time as a suitable job became available. Throughout the time spent working with P80 there would be guidance and follow up meetings both to check up on the general well-being of the worker and to explore openings within the labour market. It was also envisioned that within this alternative the worker could move between the production and education departments should a skill need updating or learning from scratch.

*Alternative three* took the worker direct to the education department after the initial planning meeting. This was often on account of the skills and knowledge a person had being incompatible with the current labour market and a decision being made at the planning meeting to retrain within a growing sector. Here it was hoped that the worker would not work at all with the production department but would instead find permanent work after finishing the training period and attending a follow-up meeting designed to place the worker in a new job.

*Alternative four* was considered the last option and was reserved for difficult to place workers. The special procedure drawn up for problematic individuals was often applied here. Firstly, immediately following the initial planning meeting, another meeting would take place with the welfare department where psychological problems were hoped to be detected early as well as problems such as alcohol abuse and physical problems that could affect job opportunities. If the person in question was a

white collar worker, then Trygghetsrådet would also arrange for a special session. Once these initial interviews were out the way, an “intensified labour exchange service” (P80, 1979b) using local experts and staff as well as personnel from P80 and trade unions would aim to get the individual into permanent work. Failing this, the individual would take some training courses deemed to help in achieving work or take temporary work within P80 which was considered a better option to unemployment. Should the individual still fail to find permanent work, the labour exchange service would expand its search firstly to the county level and then to the national level whilst temporary and probationary work would also be searched for at the regional and national level. The remaining problematic workers were the long-term sick, older workers, the partially disabled and those with alcohol abuse problems. The solutions here included early retirement, pensioning, rehabilitation, vocational training and what became known as ‘the other solution’. This was based on the argument that “continued occupation is a better alternative to early retirement pension for the persons concerned as well as for the community” as “continued work gives self esteem, chances of being together with friends at the work place and opportunities for medical care” (P80, 1979b). Therefore, the idea was to occupy the individual with work that achieved, as far as possible, maximum results for the costs involved. These ‘results’ were not limited to personal concerns of development and welfare but also to limiting the expense of such an exercise by making the job generate some monetary returns.



**Plate 6a:** an example of the internal procedures for placing clients into work.

A number of specialist work groups were also set up within P80 including the 'Resursgrupp' that was concerned with socio medical issues and any negative effects emerging from the transfer to P80 and the 'Skyddskommitté' whose remit was the welfare of all workers within P80, the scope here went beyond the Resursgrupp to include work based accidents. The welfare of the workers was given serious consideration. Special attention was given to problems that may arise out of the redundancy notice, both work-based and domestic, and absenteeism was followed up in order to check for any causes for concern (P80, 1980b). Alcoholism, domestic violence and suicidal tendencies were concerns that had emerged during studies of the transfer process from the Eriksberg Yard to the Götaverken Yard earlier in the decade (Herloff, 1979) and in an attempt pre-empt the issues, routine contact meetings were held with all workers (Posner, 1982). This formed part of a ten point guideline on how best to secure the welfare of the workers within P80. The importance of work and especially what was termed meaningful work is evident in the ten points:

- 1) People that become unemployed generally lose faith in themselves rather quickly. It becomes more and more difficult to do something about the situation and a loss in working capacity can occur to such a degree that it may never be restored. This is bad personal development and bad for the national economy. Help must be given to find new and permanent occupation as soon as possible. Temporary work or purposeful training pending a new job is better than being unemployed. Individual solutions for all persons concerned are a must and never give up: continuous following up until results are reached is required.
- 2) The active cooperation of all people concerned in regard to looking for new work is required for a good result.
- 3) All people have their strong and their weak points – it may be that the strong points have had no chance to show up in the previous job. Try to build a new future on the strong points of the person in question.

4) If the person has been less successful in his previous employment, it may depend upon other factors than the person himself. It may depend upon unsuitable work in relation to his personal qualifications, on fellow workers, foremen or conditions outside the job.

5) A new job maybe a fortunate event for many people – “the best thing that ever happened to me” - Assist as many people as possible to reach such a result.

6) Certain people will not be able to solve their problems in connection with the change of employment – be prepared that some people may be so depressed that they try to commit suicide - prevent this with active following up of absenteeism together with personal welfare assistance.

7) Assume that many people find security in their work, i.e. they want to keep their old jobs, the well-accustomed routine in the old workshop and together with the old fellow workers and supervisors - try to get them to understand that security may be found in a positive change.

8) Some people may continue to be in a state of “dream thinking” – “in spite of everything I think it will be OK and I will keep my old job” - get them to understand that this will not come true and that it is absolutely necessary for them to actively search for a new job.

9) For many people the greatest problems will arise in their own homes – to give family and friends an acceptable explanation as to the reasons why he or she has been separated from his or her old job.

10) It will be more difficult to find temporary work and new permanent employment for white collar employees and supervisors than for blue collar workers. Start a number of new projects which in the future, in some cases, may result in new business activities, but which under all circumstances will give meaningful occupation pending new and permanent employment (P80, 1980b).

### The Training and Education Department

The education department of P80 was headed by Ingela Olsson who managed the training department of Götaverken’s Cityvarvet repair yard and all internal training within P80 was carried out by the same personnel and with the same structure. The

department had the capacity to train 250 personnel with the proviso that at least half of those places were filled with welding and plating training – this reflects the fact that the training department had been set up to facilitate education within the ship repair business that it was located within. There were 30 instructors available and the department had 4000 square meters of space at its disposal, again reflecting its ship repair focus. An additional 64 places at local colleges had been hired for electrical, milling and turning courses. In the first instance, it was agreed that courses that take some time to complete should be placed within the remit of local colleges and the AMU; failing that, the department could offer two year courses in sheet metal work, welding, boiler making, electronics, mechanical engineering and pipe fitting.

In conjunction with a local college, two year courses were available in metalwork and telecommunications and one year courses specialising in advanced repair techniques and tool making. Further one year courses in Swedish, English and Mathematics were offered via the adult education service (*Komvux*). The training department ought to, it was stated, in the first instance, use its resources for shorter, ‘complete’ courses of the type above and training for white collar employees ought to be planned and arranged in collaboration with the education authorities, AMU, the Education Association (*Studieförbund*) and external course organisers. To complement this, a number of ‘packet courses’ were offered. These were earlier courses that had been designed around the needs of the shipyard and were now offered to P80 personnel (P80, 1979c).

P80's education policy stated that its purpose was to improve the employee's opportunities within the labour market (P80, 1980c, p.12). To this end:

- For those workers whose educational background and work experience doesn't correspond with the expected demand within the labour market a more comprehensive training should be considered.
- The AMU and the affected employees will discuss various training options. If the Employment Office judges that the desired education can lead to permanent work and if suitable training places are obtained, the Employment Office can decide upon training and grants. Project 80 will pay the cost difference between the employee's wage and training grant as per the employment guarantee.
- For those employees with short or long term decisions to receive equivalent work within their own profession a more limited training can be appropriate. Further education and training within their profession is an example of such complementary training with a view to broaden the individual's competence. (ibid).

The above policy was the result of extensive deliberations over how to interpret the employment guarantee and importantly how to prioritise between training and employment. The result was based upon the policy used by AMU and attempts to strike a balance between those whose knowledge and skills are considered to be desirable within the labour market and those who either have generally limited skills or that their knowledge is within a sector that is not recruiting or even contracting.

Cooperation between the training department, AMU and Komvux toward P80's education policy resulted in education and training that focused upon supervision and preparatory courses where the employees had the chance to evaluate various options regarding future training and work opportunities. The two-year employment guarantee allowed the decisions to be made under relatively calmer conditions without some of the immediate worries often associated with redundancies. This



period also allowed those who were approaching retirement age to take courses designed to prepare individuals for retirement.

Although courses and job searches were, to an extent, tailor made, this was within the limits set out above, furthermore, the two-year guarantee set a time limit which was further reduced to eighteen months as the first workers to be transferred were not notified until July 1979. Thus the transition into new and permanent employment had to be achieved within a short time frame and this influenced to a large extent the type of options available. One outcome of this was that the majority of workers who registered within the education department took just one course and this group also had the highest percentage of individuals who found external employment.

#### The Production and Development Department

The function of the production department was to occupy workers with 'meaningful' work until they found new and permanent employment. Initially the production department had a maximum capacity for 40 people per week, but this increased over the life of P80 to a maximum number of around 600. The department had the redundant Eriksberg shipyard at its disposal with designated areas for both blue collar and white collar employees to work. The relatively modern shipyard was well suited for adaptation to a variety of different production activities.

In collaboration with construction departments from the other companies with Svenska Varv in Gothenburg, the production department received a number of assignments, many of which were initially within the area of maintenance and later the department completed some larger projects. Some of these projects included moving of a gantry crane from the Lindholmen Yard to Götaverken Cityvarvet Yard, insulating the factory offices at Götaverken Cityvarvet, dismantling and packing up of equipment at Götaverken Ångteknik's factory at Kallhäll, maintenance work at Ringhals nuclear power station in Varberg, maintenance work on various vessels in Gothenburg's harbour and maintenance of quays, cranes and other structures at the Eriksberg shipyard. The production department also employed a number of white collar workers including foremen, planners and designers in various administrative tasks linked to this work.

A key area of developmental work engaged with a large number of white collar workers including foremen and other supervisors. This group was on average older and possessed specialised skills which made securing jobs more difficult than for blue-collar workers whose skills were often generic and transferable either straight away or after some short courses. Therefore "it is both constructive and necessary to pursue development activities that perhaps in some cases could result in new business activities, but in every case for the individual in question shall be both meaningful and developed in the wait for new and enduring work" (P80, 1980b, p.14).

Furthermore, the department also felt that meaningful work with P80 could result in individuals investing too much personal interest to the extent that they became unwilling to leave the project when a new work opportunity emerged. Here a balance had to be struck between making work so *interesting* that individuals became reluctant to leave, and making work so *unattractive* that individuals would want to leave. This issue was clarified in the following policy:

“People employed in project activities that receive offers of new work, shall immediately leave the project activity and take up the offer of new work, even if there will be disturbance to the project work” (ibid).

Following the decision to create Projekt 80 a series of brainstorming sessions took place between Svenska Varv and a special reference group made up of local business interest groups, individual entrepreneurs and local officials. Here P80 became entrepreneurial in an attempt to create jobs for workers whose specialist skills were often difficult to match on the open market. The result of these sessions was a ‘project catalogue’ with around 100 project ideas. These ideas were thinned out by the reference group using the following criteria:

- There must be development for the individual
- The project has a possibility for a quick start
- There is no direct competition with another firm in the region
- There must be development for society
- The project must employ transferred workers from P80

Once the various projects had been thinned out, the department recruited the help of external experts and created a project leadership group (*projektledning*). A large

number of people to be placed within the development department worked within these projects. The placing of people into various new projects occurred after an initial job interview with the personnel department, the exception being those who choose to also undertake various training courses with the education department; this group were placed with projects at a slightly later time. In total, six separate projects were created.

#### Well Drill Systems AB

This project was involved in developing equipment for boring and extracting water in developing countries. The idea was based upon a unique pumping principle called 'petropump' using small bore holes; it required a small capital investment and was relatively easy to develop. The project had initially focused upon the oil industry and boring in remote areas to find new oil fields. The shift from oil to water was in response to market conditions and technical issues and especially the demand for water in some developing countries. The market was considered to be very large for this innovation and the intention was to capitalise upon the UN's first 'water decade' that ran throughout the 1980s. At the time of P80's finish, Well Drill employed around 20 people, the majority recruited from within P80, and had secured orders from India and Tunisia. P80 spent around seven million Crowns on the project.

#### Goterm

Based in the solar energy field, Goterm developed, marketed and installed complete solar energy packets based on special solar panels that could integrate with a

building's façade or with the whole building. It also developed heat accumulators using salt. The project had an advanced testing area where new projects were developed. Goterm was in the early stages of development when P80 finished and employed 2 people full-time from P80. P80 spent around two million Crowns on the project.

### Projekt Akustik 80

The idea here was to supply products and service in the area of noise abatement. The idea grew out of a large amount of knowledge and experience regarding noise abatement built up over the years in the shipyards where not only were individual workers exposed to noise, but also various office areas needed to be relatively quiet. It developed noise dampening products for various air-powered tools and worked on projects at the Cityvarvet repair yard. At the time of P80's finish, the project had received 0.7 million Crowns, but at that stage no personnel from P80 worked for the business and its future was uncertain.

### Projekt Skogsenergi

The project was based on the idea of producing and selling equipment for the manufacture of fuel briquettes in-situ in forest areas where felling is taking place, thus avoiding transportation and handling of bulky material. Developments were focused both on the machinery to produce the briquettes and also on their exact composition with the final product having burning characteristics similar to coal. The project thus developed in two areas: the machinery used in the forests and also the special briquettes that had special burning qualities. New prototypes were being developed as

P80 wound up and it was estimated that within six months the final product would have taken form.

#### Projekt Industripumpar

This project developed the patented 'petropump' used by Well Drill Systems AB. A key part of this project group was the collaboration with the local technical university, Chalmers Technical High School. The project was under the leadership of a management group specialising in technical and commercial areas and this resulted in a development plan to focus the project on certain market areas. Its specialisation was in industrial pumping technology and at the time P80 wound up it was working on new projects in its chosen market areas. As it was a collaborative project with the local technical university, its staff would be constantly changing with new ideas coming forward. It therefore focused upon developing and patenting new products which could then be licensed or sold – it did not manufacture the products.

#### Projekt vågenergi/vågkraftverk

This project's work was based on a report from the Tidal Energy Research Group at Chalmers Technical High School. It was involved in the manufacture and marketing of tidal power stations. Some research into the area of combining tidal power stations with the earlier work with 'petropump' resulted in the possibility of pumping water into storage towers and generating energy via gravitational pull. Work on this area was ongoing at the time Projekt 80 finished. This project differed from Projekt Industripumpar as it not only designed new technology but actually manufactured it also.

### The Information Department

The information department's focus was both internal and external. Internally, it was charged with introducing P80 to the workforce: it did this by producing a number of information booklets (see Plate 5a) and printing articles in the in-house employee magazine "*Skeppsbyggaren*" and by working in close collaboration with the unions. One area where the department was considered to have failed was in the selection process of transferred workers. Here most employees received their first information about P80 orally from their immediate supervisors and inevitably, given the size of the yards, the message differed from not only site to site, but also workshop to workshop. Thus there was no unified message about P80 until *after* the workers were transferred (P80, 1980c, p.18). This was serious not only because mixed messages would lead to confusion and the potential for rumours, but also because transferral to P80 was *optional* and workers based their decision upon the knowledge they had been given which was a mixture of oral communication from supervisors and union fact sheets which again differed depending upon which union represented the worker. The general confusion can be gauged by an article in the Gothenburg Post which interviewed workers at the yard gates on the day the transferral letters were sent out. The general mood was one of confusion where some workers argued that the state should fund training courses instead of P80 – clearly this was a failing on the part of P80's information department as a major part of the organisation was training. The state of confusion was not helped by the Metall chief Inge Carlsson whom the paper quoted as saying "I, in fact, do not know what this can imply" (Göteborgs Posten, 29/06/79) in regard to P80's function (whether his quote was taken out of context or

if he was being deliberately obtuse is unclear, as Metall was closely involved in P80's creation (Stråth, 1987).

Externally, the information department's main function was to 'sell' P80 to potential employees. From its inception, there was a fear both within the shipyards and in general that workers transferred to P80 would come to be regarded as a 'B team' – as the transferral process was *selective* rather than following the 'last in first out' principle, management would choose the most productive, healthy and skilled workers and therefore, by implication, leaving the less productive, less healthy and less skilled. This was indeed the case as the Shipbuilding Bill had called for the yards to be as productive as possible. What the information department attempted to do was to shift the terms of debate away from good / bad workers and toward a focus upon the various skills represented within P80 and how these were being developed without reference to those remaining at the yards. To this end, journalists were encouraged to visit the project and a number of high profile politicians also visited. The resulting articles were not always positive (Svenska Dagbladet, 15/09/80) but the terms of reference had shifted. This campaign was considered to have been a success on account of the 'strong interest' shown in P80 by employees (P80, 1980c, p.18).

Finally, the information department was also charged with advertising internal recruitment. P80's policy had stipulated that no company within Svenska Varv could recruit externally before a thorough audit of workers within P80. In practice this



translated to the information department disseminating job opportunities via vacancy boards and internal memos to other departments, notably the personnel department.

# Skeppsbyggaren

Personaltidning för Götaverkenbolagen i Göteborg

Nr 10 Tisdagen den 15 maj 1979

Fack och företag överens:

## Nytt bolag – Projekt 80 AB tar emot personalöverskottet

Ett särskilt bolag, Projekt 80 AB, bildas för att ta hand om dem som kommer att utgöra personalöverskottet från Arendal, Cityvarvet, Motor och Angteknik. En överenskommelse med bl.a denna innebörd har träffats mellan företaget och Verkstadsklubben och PTK-klubbarna. Bolaget, som alltså kommer att vara den "plusorganisation" som länge förutsatts, är under bildande. Om tidplanerna håller skall det redan om några veckor kunna ta emot de första som får lämna sin nuvarande jobb.

Det personalöverskott som uppkommer skall erbjudas fortsatt anställning till och med 1980-12-31 i ett speciellt för ändamålet bildat bolag, benämnt Projekt 80 AB. Det skall dessutom vara möjligt för enskilda anställda att frivilligt söka till Projekt 80", heter det i överenskommelsen.

Bolagets uppgift blir att förbereda personalen för endera av tre möjligheter:

- Anställning i Svenska Varvs dotterbolag i Göteborg
  - Anställning utanför Svenska Varv
  - Pensionering
- Projekt 80 får alltså den för ett företag ovanliga uppgiften att

försöka bli av med sin personal. De "förberedelser" som överenskommelsen talar om kommer att i första hand bestå av utbildning, som därmed blir den viktigaste av bolagets verksamheter. Men dessutom skall det kunna ge sin personal arbete och bedriva utveckling. "I väntan på att till företaget överförd personal skall erhålla nya anställningar", som överenskommelsen säger.

### BOLAGSVISA ÖVERENSKOMMELSER

Vilka anställda som skall anses höra till överskottet skall fastställas bolagsvis. Överenskommelsen säger:

"Med anledning av uppdraget (Riksdagens uppdrag till Svenska Varv att träffa avtal om anställningsgarantin) skall varje bolag var för sig upprätta och genom förhandlingssekreterariatet träffas överenskommelse med de fackliga organisationerna om struktur, organisation och bemanning".

Förhandlingssekreterariatet betyder här Svenska Varvs förhandlingssekreterariat, och innebörden är att även om bolagen var för sig gör upp sina planer så träffas överenskommelser på Göteborgsnivå.

Forts sid. 4. A

Bengt Tengroth:

## Vi följer andan i riksdagsbeslutet

– Anställningsgarantin och Projekt 80 innebär en lösning som är bättre både för företaget och för individerna än den normala med varsel, turordningsförhandlingar och uppsägningar, framför allt därför att den ger alla längre tid, säger Bengt Tengroth i en kommentar till överenskommelsen om hur vårt personalöverskott skall hanteras.

– De som idag inte har en rimlig trygghet i sina anställningar i Götaverkenbolagen får den här vägen en hygglig chans att finna något som är bättre.

Det viktiga är att individerna får längre tid på sig, fler möjligheter och i huvudsak får behålla sin lönenivå, understryker Bengt Tengroth. Inte bara företaget utan också samhället ställer större resurser till förfogande än man skulle ha gjort vid ett normalt varsel-uppsägningsförfarande. Läroarbetsnämnden har t.ex. fått extra resurser just

för att hjälpa dem som hör till varvens personalöverskott.

– De som finns i P 80 skall också kunna ha bättre möjligheter att ta provanställningar och att grundligare än annars känna på nya jobb, säger Bengt Tengroth.

Forts. sid. 4. B

### Sista biten på väg

... som ett litet steg mot ett bättre arbete för alla som arbetar i företaget. Det är ett stort steg, och vi tror att det kommer att bli ett av de viktigaste stegen på vägen mot ett bättre arbete för alla som arbetar i företaget.

... väntar, så att det blev klart att från Erösberg ta ut trämen med kranarna från Kena. På fredag morgon lyfte de bänk och plasträder i stället för att gå till jobbet. Där skulle man stå i flera dagar och vänta på att de skulle kunna ta ut trämen. Det var ett stort steg, och vi tror att det kommer att bli ett av de viktigaste stegen på vägen mot ett bättre arbete för alla som arbetar i företaget.



Plate 6b: the in-house employee magazine "Skeppsbyggaren" introduces P80, 15<sup>th</sup> May, 1979.

# **PART III**

## **Analysis and Conclusions**

## Chapter 7

### Behind the Statistics

The final report presented by P80 to the industry department in 1982 was a short nine page document that dedicated just one page to the outcomes of the 1,814 transferred clients. This document tells us that 53% of the clients found new work after leaving the project, 22% became pensioners, 13% took early retirement on medical grounds and 12% were either on leave of absence or long term sick leave.

**Table 7.1: Outcomes for clients transferred to P80**

Outcomes		White Collar	Blue collar	Total
New employment	External	22%	43%	53%
	Internal	23%	13%	
Retirement	Early	40%	4%	22%
	Old age	2%	2%	
	Unknown	0%	9%	
Early retirement (medical)		8%	14%	13%
Leave of absence or long term sick		5%	15%	12%
<b>Total number transferred</b>		<b>483</b>	<b>1,331</b>	<b>1,814</b>

Source: Projekt 80 (1982)

The report presented the figures as a success on the basis that all the clients transferred had been found solutions and that none had been left behind. Importantly, here was a project that had taken almost 2,000 workers out of an industry and two

years later none of them were unemployed, indeed none of them had been unemployed at all during this period. Furthermore, the report mentioned the good working relationships between the institutions and unions involved as further evidence of success. This was mirrored by the blue collar union leader at the shipyards who was quoted by Stråth (1987, p.105) as saying the project was a 'relative success' that was helped by the 'realism' of the unions. Indeed, ex-officials from the institutions involved that were interviewed for this research spoke of the collaborative effort as the project's lasting legacy.

Yet, from a capabilities perspective these figures and comments from officials tell us very little. The capability approach's strength lies in its sensitivity toward the individual and in this case the point of interaction between institution and client. The above table tells us the outcomes for all the clients, but says nothing about the process of getting to the outcome. A capability perspective recalibrates the notion of success to include the means as well as the ends. It demands a shift away from the statistics presented above and onto the dynamics behind them.

*From matching jobs to capabilities to any job will do*

Sweden's active labour market policy had long sought to focus upon individuals' capabilities as the most rational method of allocating scarce resources and for most of the period from the end of the Second World War until the mid-1970s it was labour power that was scarce. Not only did Sweden import labour, firstly from other Nordic

nations and latterly from further afield, it sought to allocate its own stock in the most efficient way (Wadensjö, 2001). Thus jobs were matched to capabilities, capabilities were moulded to jobs and an infrastructure was built up to facilitate both. Of note here is that capabilities were understood in a far narrower sense than that of Sen. Here capabilities were deemed of worth only if they related to the labour market. That is, what a person was capable of achieving and what they wanted to be and do was only important if it ultimately led to a job.

The individual client's wishes and capabilities were explored in an initial meeting with an advisor from the local job centre. As previously mentioned, the routes through the project and into employment were laid out in four alternative procedures, the initial meeting allowed the job centre official to categorise clients into one of the four alternatives as well as exploring future employment wishes. Those clients categorised into *alternative 1* went straight into employment after the initial meeting. They were the most desirable in terms of labour market demand and therefore had their (labour market) capabilities and new jobs matched.

Clients categorised into *alternatives 2 and 3* were required to spend time in either the education or production departments (or both) of the project. In total, 383 clients registered with the education department with the majority (61%) taking just one course, 25% took two courses and the remaining 14% took three or more courses. Just under half of those taking courses were under 30 (46%) and those over 45 amounted to 20% of the total numbers. Out of those who took just one course, 49% found new

permanent employment outside the shipyards and 17% were re-employed by the yards. For those who took two courses, 36% found new work and 17% were also re-employed. The figure for those taking three or more courses was 29% and 16% respectively. In total, 60% of those who registered with the education department found either new work or were re-employed by the shipyards.

**Table 7.2: Outcome for individuals registered with the education department of P80**

<b>Outcome</b>	<b>Percent</b>
New employment	43
Re-employed	17
Further education	13
Remaining in P80	12
Unknown	15
Total	100

Source: Lennartsson, 1984, p.40

Focusing upon those who found new work or were re-employed, out of the 30 and under age group, 47% found new employment and 10% were re-employed. 48% of those aged 31 to 45 found new work and 18% were re-employed and for the over 46s, 25% found new work and 29% were re-employed. Thus the 31-45 age group that was most likely to have secured new work and those over 46 were most likely to be re-employed by the yards. The least likely to find new work was the over 46s with 25% falling into this category and the under 30s were the least likely to be re-employed at the yards at only 10%.

For those who registered with the education department, therefore, the longer the time spent in P80, the chances of either finding employment or re-employment reduced. In total, 90% of people who spent three months or less in P80 re-entered the labour market, 69% finding new work and 21% being re-employed. At the four to six month period, 82% re-entered with 59% finding new work and 23% being re-employed by the yards. Between seven and eight months, 67% re-entered, 51% with new jobs and 16% re-employed. At nine months and more only 36% of the transferred workers re-entered the labour market with 23% finding new work and 13% being re-employed by the yards (Lennartsson, 1984, P80, 1980).

The production department registered 471 clients and 217 of those were also registered with the education department. The main focus of the department was 'buffer activities' which the Shipbuilding Bill had required Projekt 80 to engage the transferred workers in. The statistics from the production department are less complete than those from the education department, but there are similarities between the two regarding length of time in the department and individual outcomes.

As with the education department, those who were most successful at finding new work spent the least amount of time in the department. Out of those who spent four weeks or less in production activities, 54% found new work. Caution must be urged here as almost 50% of all workers registered within the production department were also registered with the education department. P80 gave the transferred workers a combination of activities and so those who finished their time with the production



department within four or less weeks may have transferred to the education department or to a special project. The statistics are not clear here and all that is known with certainty is that 54% of those finishing within four or less weeks went directly into new work.

For those who spent between two and three months in production activities, 39% went directly to new work, at the four to six month period, 14% received new work and for those who spent over seven month in production activities only 4% found new work. Therefore, 95% of workers who spent time in the production department were there for three months or less and the majority of them were there for less than one month.

Turning to the outcomes for people registered with the production department, in total 41% found new external employment, 18% were re-employed by the yards and the remaining 41% exiting the labour market.

**Table 7.3: Outcome for individuals registered with the production department of P80**

<b>Outcome</b>	<b>Percent</b>
New employment	41
Re-employed	18
Pension	13
Further Education	9
Unknown	11
Remaining in P80	8
Total	100

Source: Lennartsson, 1984, p.42

Where the production department differed from education was that 13% of people registered were pensioned whereas no people enrolled in the education department were pensioned. This was on account of the fact that there was no desire to spend resources on training courses for people who would soon be exiting the labour market. The two year employment guarantee plus the older guarantee meant that people aged over 55 could either retire within the time scale of P80 or transfer back to their old jobs until they reached 58.3. For many individuals in this category, their time in P80 was about waiting to become old enough to apply for their pension. Their only dealings with the education department were to take part in the preparation course on adapting to being a pensioner.

Projekt 80's internal guidelines had emphasised the importance of finding new, permanent work not just for economic reasons but also for combating factors such as depression and alcoholism. Yet there was also a tacit understanding that a large group of transferred workers had no desire to ever work again and were biding their time waiting for retirement<sup>12</sup>. For this group, 'meaningful' work to occupy them was judged to be the best approach.

As mentioned above, those who were most successful at finding new work spent the least amount of time in P80. This was true of both production and education departments; in the case of the latter, the short amount of time spent in the department suggests that only the shortest of courses could have been taken, typically 'refresher'

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<sup>12</sup> Discussion with Metall official; 17/09/08

courses or 'ground' courses with less lecture hours than more complete courses such as those designed to bring a complete beginner up to competence in a new trade such as welding or machining or the courses lasting a number of years and taken externally at local adult and technical schools.

Those who spent the shortest amount of time in the project had the most marketable skills or capabilities for labour market re-entry and this group was typically the under 45s. Those who spent the longest time in the project were mostly categorised into alternative 4. This was the group that was the most difficult to place into the open market and along with the over 45s that had been categorised into *alternatives 2 and 3*, they were the least desirable workers from an employer's perspective.

Here, then, was the point at which the practice of matching a person's skills and capabilities to job openings started to recede. Indeed, as late as 27<sup>th</sup> October, 1980, some two months before the project's end date, 624 workers remained in the project (P80, 1980d) and solutions needed to be found urgently. The fast approaching deadline had the affect of shifting the focus of the project off the workers as such and onto the deadline date. The date itself became a goal; the workers were the obstacle in the way of getting there.

The 624 workers were made up of 209 registered as long term sick (187 were blue collar workers) and 55 on leave of absence (54 were blue collar), just fewer than 50 workers were working in their old jobs but still registered in the project, and finally

318 workers made up of 189 blue collar and 129 white collar workers were still based in the project. These remaining 318 workers were given intensive assistance to get them into work within two months and if the final report's statistics are taken at face value this was achieved as no clients transferred were registered as unemployed. A capability perspective demands a recalibration toward the processes involved in finding solutions for these people.

Importantly from a capabilities perspective, the individuals' capabilities were at this late stage given little consideration. The onus was firmly on the individual to find work and the fact that this had not yet taken place was the individual's responsibility. This led officials from P80 and the local job centre to use coercion to get people into work. Here the clients were considered to be not looking hard enough for work and therefore they were notified that if their job search activities did not improve, they would lose their employment guarantee status and be forced to register as unemployed. The unions were critical of this move which they described as being very harsh, especially for the over 55s, but the job centre officials argued that they found it 'remarkable' that no one from the project had applied for a number of recent job openings (P80, 1980a).

As well as coercing individual workers to 'look harder' for jobs, officials (especially from the job centre) had also been pressurising the local council into creating jobs to place the remaining workers. This, they argued, was on the grounds that the local authority was the largest employer in the city and 'ought to be able to take another 50

employees' (P80, 1979d). In both of these examples, the job search process was taken out of the deliberative context between agency and client. In the former, the job search was solely an individual process; in the latter, job creation was an institutional responsibility. For P80, then, the mutual exploration between client and agency of the best route into work was reserved for the least problematic clients. Those considered hard to place were either given complete responsibility or no responsibility for finding work.

#### *Categorising and re-categorising clients*

The categorising of clients into one of four alternatives that subsequently informed their route into new employment was an attempt to rationalise and systemise the workings of the project. At its root was an attempt to codify equality: all clients were able to access the same resources and the individual routes worked out were differences of degree, rather than kind, in access and treatment. When an individual became seen as problematic, it was often a matter of re-categorisation, not re-codification.

Rather like the issues surrounding job searches in the previous section, the project worked well initially, but faltered when the remaining clients became difficult to place on the open market. The two largest groups of clients affected here were older workers and those suffering from disabilities or alcohol problems, the two groups most likely to have been subjected to coercion as outlined in the previous section.

The initial classification system that placed all workers into one of four groups was focused upon the same single outcome: labour market participation. As such, all clients were 'workers' and it was this narrow definition that produced classifications that lacked much in the way of sensitivity to difference between clients.

One example of this concerns older workers; here their age had not informed the classification process and their route back into work was based upon their skills and experience. This missed a vital element necessary for discerning a person's labour market participation: their overall desirability to the potential employer. In this case older workers found their age to be a disadvantage when competing for jobs. In order to remedy this, the unions lobbied the project to include an 'elderly guarantee' for older workers. Both blue and white collar unions argued that older workers were at a disadvantage in the labour market and the project should acknowledge this by introducing a form of 'safety net' for older clients aged 55 and over. The idea became official policy and became known as the 'elderly guarantee':

All parties concerned are in agreement that a special consideration must be given to the elderly. If it is not possible for the transferred clients belonging in this category to find new work, all possibilities must be investigated to solve their future means of support through various forms of early retirement and other support via insurance during the period that Projekt 80 continues to work. To the extent that they have had no luck in finding some private employment by 31<sup>st</sup> December 1980 at the latest, the person in question either remains in Projekt 80 until their future insurance question is solved or they are invited to resume employment at the firm from where they came. They will

then occupy the same position in regard to the employment safety law like others in the company that have not transferred over to Projekt 80. The condition for receiving early retirement according to this plan is that those in question have transferred to Projekt 80 (P80, 1980, p.5).

The guarantee, then, re-categorised a group of clients as 'elderly' whilst keeping their original categorisation intact. It retained the primacy of finding work on the open market but allowed a select group of workers to possess a further safety net. The two year employment guarantee was to be complemented with a further general guarantee of returning to the original workplace for those aged over 55 where they could remain until retirement at 58.3. Re-categorisation here was *ad hoc* and a consequence of uncertainty amongst older clients which the unions sought to alleviate. It was entirely defensive and reactionary in that it favoured short-term security for a single marginalised group over employment creating measures such as grants payable to employers for employing older workers (Forsebäck, 1976, p.92). Thus, the example of older workers has shown how the project's initial view of all clients as 'workers' needed to be refined in order to insert a clause for a specific group that challenged the project's notion of all clients finding work on the open market.

Re-categorisation was always the consequence of external factors; that is to say, the clients themselves were not given an opportunity to challenge or reject how they were classified. In the case of the older workers, the re-classification came after union lobbying and was based on a non-interpretative factor: age. But for other workers, re-

categorisation required expert opinions, although it too came only after the group concerned challenged the project's workings.

Within the project there was a group of clients that had physical or mental disabilities and others that suffered from alcoholism. These clients were categorised into *Alternative 4* in the project's procedures - difficult to place workers. The desired outcome here was still the same as for the other three alternatives: labour market participation. Re-categorisation here came late into the project; after the most desirable clients had found jobs and left, the remaining workers were given more attention and it was belatedly discovered that sizeable amount of remaining clients were those classified as difficult to place. Here again, in treating all clients as 'workers', the project lacked the sensitivity to differentiate between them and thus pick up differences in needs. Within the group of difficult to place workers was a sizable number of disabled and alcoholic clients. This group differed from the over 55s inasmuch as the unions did not argue for a special clause for them; this was a consequence of the fact that this group of clients was very much 'hidden'.

Whilst still employed at the shipyards, workers in this group had often been located away from the departments they worked for, this was a consequence of disabled workers having certain needs that the shipyards met by placing all such workers together in one area. The negative affect this had was that the workers did not socialise with other members of their department and had little contact with union representatives. Alcoholic workers, whilst not located elsewhere, came to rely heavily



on certain colleagues that could assist them in their jobs. Once these workers were transferred to P80, this arrangement stopped and alcoholic workers found they had no colleagues around them to help and disabled workers found they had no network of contacts to represent them.<sup>13</sup>

Thus for this group re-categorisation was a consequence entirely of the project's realisation that members of the group were not finding new jobs. The process of re-categorising was based upon medical expertise that had already been known to the project as it was on the individual worker's personnel files. Re-categorisation here was about recognising the medical expertise and formulating a new classification: special needs. Whereas the original procedures for difficult to place workers had factored in some options for what were termed 'the remaining problems', the re-categorisation of workers allowed various measures to be explored earlier and not as a last resort after all placement attempts failed as the original procedure had codified.

Once the clients had been defined as 'special needs' by the project, the local authority was requested to provide places in sheltered industries into which it was planned a number of clients could transfer. Although the data is incomplete regarding how many clients went into sheltered industries, the fact that they were not consulted remains valid. Indeed, the entire process from the initial focus upon this group of workers to their eventual placement occurred without their involvement: it was a process conducted and informed entirely by expert opinion.

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<sup>13</sup> Discussion with Metall official; 17/09/08

Re-categorisation was also an option in cases where a client was considered to be uncooperative. This included cases where a client refused placements, was absent without a reason or generally lacking in cooperation toward officials within the project. Although officials considered such non-cooperation to be highly unusual, if a case did emerge, then an option open to them was to re-categorise the client as being 'sick'. The argument here was that, if work placements were continually refused and a client was uncooperative, then they were suffering from some form of illness that needed to be investigated. In this case a re-categorisation as 'sick' would remove the client from the project and onto the relevant institution that was capable of providing better care for the worker.<sup>14</sup> As in the examples of older workers and the disabled, this process was *ad hoc* and only came to be considered after the normal workings of the project could not cope with specific clients.

All three examples presented here are manifestations of the same issue. Projekt 80 treated all its clients as potential workers and sought labour market integration as their outcome. During the early stages of the project issues surrounding problematic clients remained largely hidden as the most desirable workers found jobs and the project appeared to function well. Later into the project's life when the problematic workers became more visible, the functionings of the project were challenged. Yet as the project had seemingly worked well for the better workers, the failings now were seen as a problem of the client, not the project. In framing the issue in this way the

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<sup>14</sup> Discussion with former AMU official 3/12/08

project re-categorised the individual worker rather than adapting procedures to accommodate the worker. As such clients were moved between different spheres of technical competence depending upon categorisation. The project remained focused upon labour market integration and, if clients could not be integrated, then there was another institution to take care of them.

### *Residualisation as a consequence of contraction*

The process of selection for transferral to the project necessitated categorising clients: it was older workers, the young and the sick that were transferred. These individual attributes were not the product of a workforce survey; the information existed on the workers' personnel files. The categorisation process here highlights how pre-existing attributes can emerge through shifts in external factors. In this example it was the contraction of the shipbuilding industry which readjusted the measure of who was a desirable worker.

During the periods of expansion the shipyards suffered from severe labour shortages and recruitment drives targeted other Nordic countries and later widened further to include Yugoslavian guest workers (Sjölin, 2003). Recruitment also targeted workers in poor health, those with disabilities, and alcohol abuse problems. The shipyards needed to enlarge their workforce in what was a labour intensive industry and they needed to do so rapidly to keep up with demand for orders. Thus the yards absorbed

many workers who required various degrees of support to perform their jobs. For some the support was needed to help with language barriers, others needed special workshops or supervision whilst others still got by with the help of their immediate colleagues. Regardless of the individual's requirements, the need for labour outweighed any productivity concerns regarding such workers.

These workers came to be recognised as 'problematic' when the industry went into contraction. Workers with special needs along with the older workers and the young were re-defined through a stratification process whereby they were considered redundant based on personal attributes that at one time had gone unnoticed or at the worst tolerated. Here we can see the age for being eligible for early retirement being lowered to remove the upper age group. The young, many of whom had just finished their apprenticeships, were now considered lacking in experience. The 'problematic' workers became unproductive.

The standard through which workers were gauged to be either productive or unproductive shifted. As the industry shed labour the idea of what a productive worker should be tightened and those at the margins, who had once been considered capable, were now selected for transfer. The young and elderly, likewise, fell into this group through no physical change in their circumstances; rather, they came to be compared to other, more desirable, workers. Thus we can see a process whereby those workers on the margins, however defined, were the first to exit the workforce. Furthermore, this process occurred twice: firstly in the transferral process where

selection stratified the workforce, then again during the functioning of the project where the sick and elderly became residualised.

The process of contraction re-defined who was judged to be too old, ill or inexperienced. But the process of selection which was informed by this re-definition was relative and subjective. Stratifying the workforce along the lines of productive capacity gave the selection process its terms of reference, but individual selection was based on a variety of factors of which productivity was only one. In terms of the older workers and the young, age was the basis for stratification, but relative circumstances also informed the selection process. If a worker was considered to be sufficiently skilled that transferral would damage the department they were based in, then they would remain regardless of age. For this reason, the project contained many relatively old and young workers, but not all old and young workers from the shipyards.

The example of workers with special needs was slightly different but still based upon relative circumstances highlighted by the stratification process. Here illness, disability and alcoholism were categories based on professional judgment. This again was relative to the environment in which the individual worked: a missing finger is a disability, but it may not impair output. Thus special needs did not always impact negatively upon productivity, but productivity itself came to be understood in a narrower sense and this marginalised many with special needs. Again, it was the process of contraction that highlighted the residual workers.

The example of selection for Projekt 80 shows how defining a person as problematic is in part informed by the wider context. Categorisation was arbitrary, subjective and relative. During periods of growth those later seen as being problematic were defined by their occupation: welder, labourer, shipwright, etc. During contraction these definitions changed and other attributes were highlighted: old, inexperienced, disabled, etc. The worker subjected to these categorisations had often not changed at all in the time between the two definitions. An elderly welder was seen as a welder during times of expansion and seen as old during times of contraction.

Thus who is perceived to be old or young or disabled is influenced by external factors such as the economic health of the industry in which they work or the state of the economy at large. When cuts to the workforce are deemed necessary and when the principle of last-in first-out is abandoned, individuals are evaluated using an entirely different *informational basis* (Sen, 1991). During growth the informational basis is influenced by need to recruit and retain workers. During contraction the basis shifts to be influenced by the need to remove workers from the workforce.

#### *Responding to clients' demands – the benefit of solidarity?*

The elderly guarantee, created after union lobbying, and the lack of any such clause for disabled and alcoholic workers appears to show that the project responded better to solidarised clients. In this case both blue and white collar unions were able to present the case for the older clients, but no organisation spoke for the disabled and alcoholic. Furthermore, the older workers as a group had typically longer service

history and were better connected both with each other and to officials. The disabled and alcoholic clients were a disparate group with only their residual status uniting them.

Another group that organised well were white collar workers of various ages and professions who created an unofficial technical advisory group within P80. This group was extremely well connected as many members were once colleagues with officials working for P80. The group organised around the professions of its membership, open to all white collar union members, and created a 'shadow' organisation that monitored the running of the project and offered advice and critique whenever possible. Although the project had been designed to keep clients active with education and production work, this group was able to meet, write reports and plan future activities during this time.

In contrast to the older workers, this group had a far less responsive relationship with the project's management. Indeed, the reaction to the group varied from hostility to bewilderment. At management meetings and advisory board meetings the group was never invited to participate, its reports were never discussed, and on the few occasions it was referred to, no-one could say what the group's purpose was. This hostility here was based on what was seen as a breach of the boundaries of technical competence. Essentially, management was technically competent and the unofficial advisory group was not. This highlights the strict demarcation within the project and

suggests that its largely smooth running nature was in part a product of institutions rarely crossing boundaries into others' technical domain.

The project management responded to union calls for an elderly guarantee as the union was recognised as the body that represented the clients. The unofficial advisory group, however, possessed no official recognition and was therefore ignored. Their work breached the boundaries of both P80's management and also the official advisory board. The strict adherence to procedure within the project provided no opportunity for such a group to be incorporated into the official decision making process. Therefore, the claim that the project responded well to solidarised workers is inaccurate; the project responded well to recognised institutions.

#### *The Clients' opinions of their time in the Project*

Six months after P80 wound up, during the middle of 1981, a labour market research organisation (*Expertgruppen för Arbetsmarknadsutvärdering*, EFA) conducted a survey of employees that had been transferred to P80 exploring their opinions of their time within the project. Regarding the point at which the respondents started looking for new work, the majority did so only after being transferred to P80. The figures differ for both blue and white collar workers, but the pattern remains the same; a minority had started looking for work before being invited to transfer (it must be recalled that the shipyards had been facing an bleak future since 1975), a larger group



started their job search in the time between receiving information about being transferred and actually being transferred and the largest group in both blue and white collar categories, searched only after the transferral process was complete.

**Table 7.4: The point at which respondents started searching for new employment (in percent)**

	Before receiving information	After information, but before transfer to P80	After Transfer
Blue Collar	14	29	57
White Collar	13	33	53

Source: Lennartsson, 1984, p.52

Closely related to this is what methods the respondents used to find new work. Here the largest group for both blue and white collar workers is those who found new employment using their own initiative. The figure is higher for blue collar workers, many of whom had more marketable skills within the labour market than white collar workers. For both categories of workers, the majority only used their own initiative after they had been transferred to P80, this was more pronounced for blue collar workers. The second largest grouping for blue collar workers is those who found work with the help of the employment office within P80, yet a comparison with white collar workers shows that this group is far smaller with both personal contacts and job advertisements placing higher as methods of finding new work as well as the category

'other' which included services from TRS. For both categories, the unions played the smallest role in finding new work.

**Table 7.5: Distribution of how respondents found new work (in percent)**

	Blue Collar	White Collar
Own initiative	44	36
Employment office within P80	34	14
Advertisement	14	25
Through contacts	16	22
Unions	2	8
Other	18	25

Source: Lennartsson, 1984, p.52

44% of blue collar workers and 36% of white collar workers found new employment on their own initiative and this may in part explain why many of the respondents had a low opinion of their time in P80. When asked for their view of their time spent in P80, 40% of blue collar workers claimed it was 'very meaningless' and 21% of white collar workers expressed the same opinion. Only 8% of blue workers and 19% of white collar workers found their time within P80 to be 'very meaningful'. Furthermore, the differences between blue and white collar workers here may be on account of the differing outcomes for the groups. The majority of blue collar workers found employment whereas the majority of white collar workers went into retirement. Furthermore, many blue collar workers were re-employed by the shipyards, often in

the same role they left only one year before. For white collar workers going into retirement, P80 offered courses on managing finances and coping with lifestyle adjustments. The differences of opinion between the two groups, then, may reflect the differing ways in which P80 was used.

**Table 7.6: The respondents' view of their time spent in P80 (in percent)**

	Very meaningful	Quite Meaningful	Quite meaningless	Very Meaningless
Blue collar	8	22	30	40
White Collar	19	27	30	21

Source: Lennartsson, 1984, p.54

When asked to look back and consider if being transferred to P80 could be viewed as an opportune reason to look for new work, by far the largest group are white collar workers of whom 70% said no. The figure for blue collar workers also places the 'no' group higher than the 'yes' group, but only by 15% compared to 56% for white collar workers. The larger percentage of respondents who answered 'no' were white collar workers and this may reflect their higher average age when compared to blue collar workers and that they may have been more settled into their careers and thus less inclined to see redundancy as a welcome reason to find a new job. For blue collar workers, the majority also responded in the negative, but 32% did see redundancy as a welcome event. This may be because typically blue collar workers were on average

younger than white collar workers and also because they were far more likely to be engaged in heavy, dirty and often dangerous work at the shipyards, whereas white collar workers were far more likely to have office bound jobs. For younger blue collar workers, a redundancy notice may have been an opportune moment to search for a job with better working conditions or to consider their future careers.

**Table 7.7: The respondents' view on whether they felt that their redundancy notice was in part an opportune/welcome reason to search for new work (in percent)**

	Yes	No	Don't know
Blue Collar	32	47	21
White Collar	14	70	16

Source: Lennartsson, 1984, p.58

Closely related here was a question asking the respondents about their time working at the shipyards and if they felt the work was interesting and met their 'personal requirements'. Here the majority of both blue and white collar workers were positive about working at the yards. Again, the white collar workers stand out as the largest grouping with 83% feeling positive about their time at the yards. This figure must be viewed in light of the previous question where 70% of white collar workers responded that redundancy was not a welcome opportunity to find new work. White collar workers were on average older their blue collar colleagues with an average age of 53.4 and 23.9 years service in the yards on average. The invite to transfer to P80 was unwelcome for the majority.

**Table 7.8: The respondents' view on whether they felt that the work at the shipyards suited their personal requirements and was interesting (in percent)**

	Good	Neither good nor bad	Bad
Blue Collar	66	16	18
White Collar	83	8	9

Source: Lennartsson, 1984, p.57

As mentioned earlier, having such senior workers transferred to P80 was something of a novelty as it deviated from many work protection laws. If those laws had been applied, the majority of white collar workers who had been transferred would not have been selected. This, then, may help to explain why, when asked if the employment protection laws should have applied, the majority of white collar workers answered 'yes'. Blue collar workers, whilst the majority also agreed the laws should apply, were on average younger and so would have been affected if the laws applied. The answer here, then, may have less to do with personal concerns and be more about resentment that the relevant employment laws were side-stepped.

**Table 7.9: The respondents' view on whether they felt that the security of employment laws ought to have applied to the personnel reductions (in percent)**

	Ought to apply	Ought not apply	Don't know
Blue Collar	58	30	12
White Collar	65	31	3

Source: Lennartsson, 1984, p.60

An even larger percentage of white collar workers agreed, when asked, that the shipyards needed to 'thin out' the workforce. Here 75% of white collar workers compared to 48% of blue collar workers agreed with the statement. In the case of the white collar workers, this must be viewed in the light that 65% felt that the security of employment laws should have applied to the thinning out. This group believed that the workforce needed to be reduced for the yards to survive, but felt that they should have remained within the yards themselves as the employment security laws would have allowed. By comparison, less than half of the blue collar respondents agreed that the yards needed thinning out. The differences between the two groups are unexplained; one possible reason may have been the quality of information regarding the yards' situation that the workers had access to.

**Table 7.10: The respondents' view on whether they felt it necessary to thin out the workforce (in percent)**

	Necessary	Unnecessary	Don't know
Blue Collar	48	35	17
White Collar	75	18	7

Source: Lennartsson, 1984, p.60

Regarding the actual transferral process, the majority of blue collar workers felt they had not received any reason why they are being transferred, this compares to white collar workers for whom the opposite applies with the majority responding that they were given a reason. Furthermore, regarding the general level of information about P80, both the majority of blue and white collar workers felt it was 'bad' with the largest group coming from blue collar workers. These figures are particularly important when we consider that the majority of both groups had no suspicion that they would be amongst those selected to be transferred to P80. The surprise at being selected was followed by lack of information about the organisation workers were being transferred to and in many cases no information regarding why the individual had been selected.

**Table 7.11: The respondents' view on whether they considered that they had received a reason for their redundancy notice (in percent)**

	No reason given	Reason given	Don't know
Blue Collar	53	35	12
White Collar	32	63	5

Source: Lennartsson, 1984, p.59

**Table 7.12: The respondents' view on the quality of information given to them (in percent)**

	Good	Neither good nor bad	Bad
Blue Collar	20	20	60
White Collar	32	32	36

Source: Lennartsson, 1984, p.61

**Table 7.13: The respondents' view on whether they had anticipated that they shall be amongst the redundant before the notices were distributed (in percent)**

	Anticipated	Some suspicion	No suspicion
Blue Collar	25	37	38
White Collar	27	31	42

Source: Lennartsson, 1984, p.58



Furthermore, the majority of both blue and white collar workers had never considered leaving their jobs before they were invited to transfer to P80. In this regard, the majority of workers were not only surprised to find themselves selected, but also had never given thought to the prospect of leaving their job and embarking upon a search for new employment.

**Table 7.14: The respondent's view on whether they had considered leaving before their redundancy notification (in percent)**

	Many times	One time	Never
Blue Collar	14	34	52
White Collar	2	34	64

Source: Lennartsson, 1984, p.57

Once the transfer had taken place, white collar workers were the most sceptical in regards to finding new employment, 62% had weak expectations of P80 being able to arrange new work for them. On the blue collar side, the sceptics and those who had neither strong nor weak feelings were equal in number. For both blue and white collar workers, those with strong expectations of receiving new work were in the minority.

**Table 7.15: The respondents' view of the expectations that they had about P80  
arranging a new job for them (in percent)**

	Strong	Neither strong nor weak	Weak
Blue Collar	22	39	39
White Collar	9	29	62

Source: Lennartsson, 1984, p.63

In terms of jobs that the transferred workers received after P80, the respondents' feelings regarding a number of factors paint a complex picture. Comparing blue and white collar workers, the largest differences appear around the question of variety within the new job: here 71% of blue collar workers felt their new job had more variety than work at the yards whereas only 46% of white collar workers felt the same way. Yet this 46% who felt positive about the variety within their new job was the largest grouping amongst white collar workers in terms of positive feelings. The least positive was stress where only 20% of white collar workers felt their new job was better in this regard – 41% felt it was worse. The majority of blue collar workers, by comparison, felt that stress levels were better in their new jobs. In terms of wages, the majority of blue collar workers fared better and for white collar workers, the majority felt it was the same as at the yards. Comradeship for both groups was the same as during their time at the yards.

**Table 7.16: Respondents' feelings toward their new job in comparison to their old (in percent)**

	The present job		
	Better	The same	Worse
Wages	40/30*	26/40	24/30
Qualifications	59/31	26/44	15/25
Variety	71/46	16/43	13/11
Stress	40/20	31/39	29/41
Interest	64/41	20/44	16/15
Security	52/37	33/41	15/22
Comradeship	36/27	49/64	15/9

\* Blue collar / White collar. Source: Lennartsson, 1984, p.53

The in-house magazine '*Skeppsbyggaren*' painted a very positive picture of P80 (see Figure A2, Appendix A) and during the last half of 1979 printed stories about the organisation in every issue (the magazine was printed two times per month). Here the focus was overwhelmingly positive featuring interviews with transferred workers, reports on how the organisation functioned on a day-to-day basis and also some stories about various institutions that were working within P80. We find slightly more sceptical voices and some negativity only within stories featuring the opinions of

many transferred workers. By comparison, the journal '*Arbetsmarknaden*' printed a feature about P80 in its March 1980 edition that tempers the positive tone found in *Skeppsbyggaren*; here the majority of interviewees felt they were worse off than during their time at the yards with wages being a major factor in this regard for the majority interviewed.

Further comparisons can be made regarding the age of the workers featured in the two publications. In *Skeppsbyggaren* the workers are comparatively older and it is worth recalling here that many of the articles in this magazine were penned by the information department of P80. The decision to feature older workers was part of a campaign to encourage older workers to both take up the offer to transfer to P80 and also to look for work rather than sit out their time until they were applicable for early retirement. This had financial motives (INDEVO, 1980) as well as going some way to combat the 'B-Team' stigma that it feared the transferred workers would be labelled with. Thus we hear of workers in their 50s and 60s who are keen to find new work, to remain active and to be retrained. When we hear negative views toward P80, it is in terms of uncertainty regarding the individual's future and an acceptance that the older one is, the tougher it will be to find new work.

The feature in *Arbetsmarknaden* (10/03/80, pp7-10) focused more upon younger workers and many of the interviewees believed they were 'lucky' to have found work, although a common theme running through the article is that the new jobs have come at the cost of lower wages (for some interviewees, 25% lower) and reduced

comradeship at the work place. The nature of work at the yards was not missed; the interviewees had secured work in either the technical or health sectors and did not long for a return to heavy industry. One interviewee spoke of injuries to his back during his time at the yards and said he wouldn't return to such work adding "why should I wear out my body?" (ibid, p.9). Regarding P80 in general he added:

"I know people that received back-breaking meaningless jobs, presumably because they spoke up for themselves. As for myself, I went with a decision I received within three weeks. Many colleagues had arranged something before P80, so they could escape having to go through all that" (ibid, p.9).

Another interviewee claimed P80 had played "no big role" (ibid, p. 10) in helping him find work after a serious accident outside of work put him on long-term sick leave. His notification to transfer to P80 came whilst he was still recovering and he decided to enrol at a local college without ever registering with P80.

A far more positive account of P80 was printed in the *Gothenburg Trade and Shipping Journal* (Göteborgs Handels Sjöfartstidning, 9/11/79). By coincidence or design, one of the interviewees for this journal was later interviewed for *Arbetsmarknaden*, above. In this earlier feature she is highlighted as an example of a transferred worker who has successfully found work and is now building a new career. In the later interview she speaks of the large pay cuts she had to accept and how she misses her old work colleagues. To compound matters, her husband was also

transferred to P80 and had now enrolled at a local college. The article was keen to dismiss notions that P80 was a 'B-team' by showing how the transferred workers had found new work and also how many companies had expressed an interest in recruiting from P80. Although lacking in any detail about how the transferred workers judged the quality of their new jobs, the article's positive slant focused upon the fact that workers *had* found new jobs. An official working for P80 is quoted saying: "but it is important to stress that it is a question about [obtaining] reasonable jobs and not some sort of occupational therapy" (ibid, p.9).

### *Absenteeism*

Very early on into the life of P80 it became clear that absenteeism was increasing both in terms of a trend within P80 and also in comparison to those remaining at the yards. In fact a later study (Posner, 1982) that tracked absenteeism within the P80 cohort during their time in the organisation and also had access to earlier records from the years 1976 – 1978 found that absenteeism due to sickness had more than doubled between 1976 and 1980. Furthermore, total absenteeism, including study leave, accidents, holidays, leave with permission, leave of absence for child care, etc more than doubled as well from 35.3% in 1976 to 75.4% in 1980 (ibid, p.19) thus implying that those transferred over to P80 spent, on average, only 25% of their time with the company, this can be compared with a figure of around 30% total absenteeism for the workers remaining within the shipyards (ibid). In other words, the P80 cohort were absent more than twice as often as they were before being transferred and they were also more than twice as absent as their contemporaries remaining at the yards.

Breaking down these figures, we can see that those with short periods of service at the yards were typically younger and for this group absenteeism was made up overwhelmingly by study leave and military service. At the other end of the scale, those with long periods of service at the yards who were older had comparatively low levels of absenteeism in terms of the average both for sick leave and total absenteeism. It is the 'middle group' (understood both as age and length of service), then, where high absenteeism was most pronounced. This group had the highest levels of sick leave amounting to over 70% for 1979 with over half the group sick for the whole year. Investigating this group more, Posner (ibid) notes that the merger of the shipyards and a recruitment freeze in the latter half of the 1970s affected the personnel structure so that the average age grew as did the number of so-called 'dependent workers'. These were workers categorised as either physically or mentally handicapped, or both. These two groups found securing work on the open market to be difficult and so stayed at the yards as other workers better able to compete in the market left for new jobs. Toward the mid-1970s, then, as these two groups grew proportionately, they also became more likely to be categorised as sick and spend time on leave. This was on account of the type of work they performed which was usually 'heavy' labour rather than the lighter more technical work that better skilled workers were able to perform. Subsequently, as workers were being selected for transferral to P80, these groups became over represented on account of their poor attendance and lack of specialist skills and were therefore a major reason for such high absenteeism within the project.

In addressing the question as to why absenteeism increased for the P80 cohort after being transferred; this could also be a consequence of the over representation of certain groups of workers and could explain the large differences between the transferred workers and those remaining at the yards. The three main factors for being selected for transferral to P80 were old age, short employment service and high absenteeism. Workers belong to the former two groups left P80 either upon reaching retirement age or upon securing new employment. The latter group, as already mentioned, found finding new work difficult either because they were 'dependent workers' or because they were categorised as 'long term sick' – many people belonging to this group were selected for transferral whilst being on sick leave and remained on sick leave well after P80 was finished.

These two groups of workers had high absenteeism rates and as a consequence this pulled the average absenteeism rate for P80 up. As to why absenteeism grew within these two groups after transferral, one factor may be that, once the individual had been removed from the familiar production environment, issues which had been secondary to the normal working day became more apparent. Underlying health problems (physical or mental) may have emerged only after being transferred away from colleagues and the repetition of a normal working day. Furthermore, those who were long-term sick may have found little incentive in returning to P80 rather than their old job when their health started to return.



### *Tensions between local and peak authorities*

P80's final report mentioned the good working relationship between various authorities as one of its successes (P80, 1982). Working closely on an individualised client basis, representatives from authorities would pool resources to achieve the goal of labour market re-entry. The individualised nature created a fluid environment where collaborative work would bring together different authorities and different representatives depending upon the client's needs and this 'mix' of institutions would dissolve and be remade differently for the next client. This practice occurred only at the micro level where individual client and representative met. At the level of the authorities themselves, the working relationship between the peak and the localities, and sometimes within the localities between various authorities, was often strained.

The tensions emerged as the project progressed toward its end and the problematic workers became the largest client group remaining in the project. The bases for these tensions were funding and the approaching deadline. In the case of funding, the project management were under pressure from the Industry Department and the Unemployment Benefit Fund (*Arbetslöshetskassan*) to find solutions for all clients rapidly as the total payroll costs for clients were not dropping as the problematic workers remained in the project. Furthermore, there was a fear that the funding of client wages would simply become the funding of unemployment benefits when the project finished. The project's goal of getting clients into work became a goal of

reducing payrolls for the Industry Department and reducing potential claimants for the Unemployment Benefit Fund.

These goals could be conflicting but also complementary. In the early stages of the project's life getting clients into work and reducing payrolls went hand in hand as clients found work and the project appeared to function well. Later when the client base was dominated by residual workers the goals became conflicting as placing clients into jobs became difficult and reducing the payroll costs became urgent. Thus tensions grew between the time consuming goal of placing workers into jobs and the deadline of placing all clients into work rapidly so as to reduce costs.

Thus, tensions emerged over the timescale of the project during its last six months as agencies sought to extend the deadline for various reasons. For those directly involved in client placement, an extended deadline would allow more time to the remaining residual workers. For the Unemployment Benefit Fund, an extension implied less pressure upon the fund as clients would be drawing wages from the nationalised shipyard concern rather than claiming unemployment benefits. But for the management of P80, the deadline was an important measure of the project's success: the remit had been to find solutions for all clients within two years. An extension to allow more time to place the remaining clients would imply failure on both measures.

### *The economic costs of Projekt 80*

The costs of removing 1,814 workers from the workplace, offering them training and job search facilities, and finally placing them into vacancies or into retirement, is not limited to the day-to-day running of P80. Total costs must also include funds for client wages which were fixed at the level of the last payslip from the shipyards, funding for the institutions involved in P80 and also the costs of funding early retirement or sick leave.

Breaking down the costs into these component parts is problematic as this ignores the fact that funding often came from a variety of sources and associated costs of a given action could impact in a variety of areas. For example a client taking early retirement would have their pension paid by the state but it would be topped up under the 58.3 rule by the employer (Svenska Varv), on top of this the client's rent would be paid by the Kommun if they lived in social housing and lastly the personal economic costs of retirement may imply cutting back of certain activities which would then have an impact on a variety of other institutions or businesses.

In terms of the running costs of P80, the figure used in the final report and the figure quoted by Lennartsson (1984) differ slightly with the former claiming 66 million Swedish Crowns and the latter 62 million Crowns. For Lennartsson this figure is purely the wages of P80 personnel as all other costs were met by Svenska Varv (P80 being situated on the shipyard grounds). The report, then, may include other costs on

top of wages. The cost of client wages is missing from the final report as this was paid by Svenska Varv and as such was not part of P80's expenditure. Lennartsson includes this cost and claims 40 million Crowns. The report and Lennartsson also differ over the costs for early retirement with the report claiming 120 million Crowns and Lennartsson's figure being higher at 133 million. The report also includes the costs for funding new projects as 12 million Crowns and a further 11 million for stimulus grants. Lennartsson includes these two costs together with other unspecified costs into a general 'further expenses' with a figure of 31 million Crowns. The report also includes a 16 million Crown interest payment due from P80 to the state on account of an earlier loan. Lennartsson's total cost amounts to 266 million Crowns and the final report's figure is 225 million Crowns. If Lennartsson's client wage costs are added to the final report's figure we get 265 million crowns, a figure very close to Lennartsson's total. Thus we can be reasonably sure that P80's direct costs were in the region of 266 million Swedish Crowns.

On top of this figure funds were allocated to various institutions throughout the shipbuilding contraction process. The difficulty in putting a figure onto how much of these funds went to help the clients in P80 is caused by funds being allocated across both time and geographical location. The nationalisation of Swedish shipbuilding into the umbrella group Svenska Varv meant that funds given to the industry to assist in the contraction and rationalisation process were not allocated to individual yards based in certain areas, but rather they were given to Svenska Varv to use in the rationalisation of the industry as a whole. Furthermore, the contraction process lasted

ten years and funds allocated before the creation of P80 may have been used to strengthen services which were then utilised by P80 clients. Yet, funds allocated at the same time as P80's creation may have only taken effect after P80 was wound up.

Given this, it is not possible to give a figure for the amount of funds given to institutions to work with P80. Rather, we can look at the funds allocated to Svenska Varv and various institutions during the period that P80 was created. This will allow a contextual understanding of the financial impact of P80 within the framework of contraction as a whole (the following is based upon Riksdag (1978/1979:49) and Arbetsmarknadsstyrelsen (1979)). The 1978 Shipbuilding Bill allocated 17,000 million Swedish Crowns for production activities at the yards, 5,275 million for the purchase of ships from Swedish yards, 675 million in loans to the yards, 2,200 million in financial support for Svenska Varv, 200 million for alternative production projects at the yards and 125 million in grants to allow developing countries to purchase Swedish ships. This, then, totalled 25,475 million Swedish Crowns. On top of this, extra funds to the regions were allocated to assist with employment problems. In the Gothenburg area this amounted to two million Crowns for AMS, one million to LAN and 290 million in regional development grants. Therefore, the running costs of P80 can be seen as being around 10% of total funds allocated in the 1978 Shipbuilding Bill which was designed to contract the entire industry. This 10% of the entire budget of the Shipbuilding Bill, then, can be expressed as costing 146,637 Swedish Crowns per client.

## Chapter 8

To offer some conclusions, this chapter will address each of the research questions in turn. It will also consider the significance of the findings and the possible avenues for further research. To begin, then, the main research question was *how did the Swedish active labour market policy function during a period of stress?* Then the two secondary questions; *is Esping-Andersen's notion of de-commodification an accurate portrayal of the Swedish model? And is there variance between peak level policy and front-line practice?* With these two secondary questions we can start to explore some conclusions.

*Is there variance between peak level policy and front-line practice within the Swedish Model?*

The example of P80 paints a complex picture of conflicting pressures involving a variety of actors and forces, not only in a top – down sense but also within the project itself. A key theme that can be drawn out here is the idea of the marketisation of clients coming into conflict with traditional full employment strategies. The late 1970's recession in Sweden was the biggest downturn the country had experienced since the 1930s. Throughout the long period of growth leading up to the 1970s the active labour market policies had appeared to work but by the time P80 was created, the policies were under severe strain not least because there were so few growth industries to absorb the redundant. From the late 1960s onwards, labour market policies had increasingly sought to engage with the worker at the level of the shop-floor (engagement in this sense means via the recognised unions – see the latter part of chapter three for an outline of these

developments) in a variety of matters previously the domain of managerial prerogative. This drive toward what Olof Palme called the “democratisation and renewal of working life” (quoted in Martin, 1984, p.260) clashed with the emerging marketisation of workers. This was most evident in the case of the shipyards where the last-in, first-out rule had been side stepped thus rationalising the least-able workers out of the industry. P80 became the mechanism for mopping up the fall out from the clash between global market demands and the local democratisation of working life. Here, the market became the dominant force in shaping the industry and democratisation was relegated to the sphere of social welfare where tailor made solutions were offered to all.

Yet this drive toward democratisation, even when relegated to the sphere of welfare, clashed against a type of institutional inertia. The project was designed and managed locally and incorporated many institutions that operated on the local level. But these institutions were all centralised and hierarchal; local actions took place within centrally defined boundaries. This clash is most visible toward the end of the project when a large group of residual clients were unable to find work. At this point the project’s flexibility and tailor made solutions were rendered impotent by the strict demarcation lines set by various authorities working in the project. Simply put; flexibility only existed within defined limits.

This manifested in two ways; either as a strict reading of the internal policies which didn’t allow certain options to be explored or as recognising only official representative bodies. There is a contrast between the trade union formulated ‘elderly guarantee’ that

allowed workers over a certain age to either retire early or to return to their previous jobs before retirement and the white collar union reference group which P80 steadfastly ignored. Thus, although the project claimed that flexibility and unconventional avenues were some of its successes; it still reverted to recognising only the traditional forms of representation when problems arose and ideas emerged from outside the pre-defined spheres. Therefore, institutional inertia, whereby democratisation of the system including tailor made solutions and flexible approaches were given as concessions up to a point, anchored the project into a pre-defined scope for flexibility.

Variance between peak level policy formulation and local enactment, then, in this example, manifested as tensions between interest groups or between policy and broader market forces. In the former, localised flexibility which was itself an outcome of peak level directives clashed with the hierarchical structure of Swedish institutions. Here two structures, both of which were essentially top-down, produced tensions at the local level as flexibility clashed with institutional inertia. In the second example the democratisation of working life – a top-down initiative to allow more deliberation at the local level clashed with market forces which relegated deliberation to the sphere of social security. In this example P80 itself becomes a manifestation of the variance between peak level policy and local policy practice: it was the agency that marginalised democratisation policies to the areas sheltered from market forces such as retirement.

This, then, leads to the idea of legitimation. By defining the scope of the project, the circumstances in which groups were considered to have legitimate voices was also set.



The project brought together various authorities in collaboration and in doing so also implicitly prevented the participation of any other interested parties. In the case of the white collar reference group, this was an unofficial, unrecognised and therefore illegitimate group claiming to speak for its members. This group had an unresponsive relationship with the project's management. Indeed, reactions to the group varied from hostility to bewilderment. At management meetings and advisory board meetings the group was never invited to participate, its reports were never discussed and on the few occasions it was referred to, no one could say what the group's purpose was. This hostility was based on what was seen as a breach of the boundaries and membership of technical competence and legitimacy. Essentially, established management structures were technically competent and the unofficial advisory group was not. This highlights the strict demarcation within the project and suggests that its smooth running may have been in part a product of institutional rigidity that did not permit the influence of outsiders.

Insofar as variance between the peak and localities is concerned, here we can see how mechanisms created at the peak level to ostensibly create a more democratic workplace actually reinforced existing institutional relationships whilst sidelining unrecognised groups.

A final tension concerns the importance of workplace. Here, the mechanisms to encourage work, analysed in chapter 3, reinforced attachment to the workplace on account of the social life which revolved around it. The contradiction here is that Swedish labour market policy was dependent upon continuous change as it sought to speed up

technical progress by transferring funds and labour from contracting to expanding firms. Thus on the one hand the system encouraged mobility in work and on the other it reinforced the norms of work by situating much social life within that sphere. P80 attempted to bridge this gulf by retaining attachment to place whilst encouraging labour market participation. It did this by retaining the clients' union membership, length of service and employment benefits as well as offering intensive support to get people into new jobs. This was itself a reflection of the mood within Sweden which had seen the labour market policy becoming more responsive to individuals during the 1970s both as a consequence of the contracting labour market and the attachment to place which had gained much public support.

The project's two year employment guarantee was designed to allow the transferred workers to consider their options under relatively calm conditions away from the immediate threat of losing a job. During this period the internal guidelines instructed officials to try and persuade clients to embrace positive change:

Assume that many people find security in their work, i.e. they want to keep their old jobs, the well-accustomed routine in the old workshop and together with the old fellow workers and supervisors - try to get them to understand that security may be found in a positive change. (P80, 1980b).

By retaining attachment to place, the project contradicted itself. This was further compounded by the physical location of the project at the shipyards – the clients were still working in the same locality, were members of the same union and engaged in the

same social activities. Attempting to instil an enthusiasm for change whilst allowing clients to keep their old workplace security produced a situation where neither aspect formed part of a coherent strategy that could be easily presented to the clients. The project existed to get people back into work, yet it also allowed people to retain the links to their former place of work. As such it provided the conditions for the most mobile workers to find new jobs and also for the least desirable workers to remain in a semi-secure state.

Variance between peak and local practice here concerns the centrally directed active labour market policy of encouraging mobility (the so-called removal van policy: *flyttlasspolitik*) and the localised wishes of the individual workers. Essentially, workers resisted the extremely unpopular policy of geographical mobility not only because it involved uprooting people and potentially severing ties with family and friends but also because of the central importance that the workplace had in people's social lives in terms of organising leisure activities. Whereas the 'classic' Swedish model encouraged the rapid transfer of resources, including people, to areas of growth, the reality at local level was one of resistance.

Thus we can see ways in which conflicting pressures highlight the variance between what is decided at peak level and what is practised at the front line of policy delivery. Furthermore, these pressures came to mould the performance of the project itself: the clash between client democratisation and worker marketisation, the tensions between a dynamic project and institutional inertia, the role of legitimation in defining which bodies

possessed recognised expertise and which did not, and the contradiction between encouraging mobility and offering security.

*Is Esping-Andersen's notion of de-commodification an accurate portrayal of the Swedish model?*

If we turn now to the second question which is concerned with the claims made about the Swedish model in much academic literature. The focus here is on the argument put forward by Esping-Andersen (1990) that the Swedish model allows workers to 'de-commodify'. This term implies a person is able to become liberated from the uncertainties of the labour market without damage to their social rights; they are no longer a commodity. Was P80 an example of de-commodification? Perhaps the most persuasive argument in favour of a de-commodifying aspect is that the project can be seen as a sort of buffer that insulated the workers from the realities of redundancy for a period of two years, it allowed them to plan their future under relatively calm conditions. But this was limited in time and the future that needed to be planned was a future within the labour market. For Esping-Anderson, a policy which allows de-commodification is one which permits "people to make their living standards independent of pure market forces" (1990, p.3), yet for P80 the goal to be achieved for every client was a new job on the open market. In fact, market forces dominated the workings of P80; every client was assessed on their ability to find work and the education and production departments were geared toward developing skills that were desirable for labour market purposes. The project was designed to keep people actively working whilst they searched for new work.

Thus rather than seeing the project as de-commodifying, it would be more accurate to state that it addressed continuity whereby *continuous commodification* was practiced.

Herein lies the weakness of Esping-Anderson's approach, in the words of Trägårdh (1997) "much of Swedish social welfare is tied to the individual as a wage-earner" (p.278). All the clients within P80 entered as wage-earners and the majority left as wage earners, indeed, many of those eligible for retirement were required to re-enter the labour market by returning to their old jobs in order to apply for early retirement which was linked to waged work. In fact, this degree of individualised assistance to get people back into work was only available to a cohort of ex-shipyard workers, that is, waged workers. Furthermore, the services offered were designed to get people working, not to allow them to de-commodify. The importance of work here is crucial; it is, as Kettunen has argued (2009), both a *right* and a *duty*. It is *the* historical continuum which renders the idea of de-commodification as marginal at best and often irrelevant. The example of P80 shows that de-commodification was, in fact, positively discouraged. Waged work as a norm was the foundation on which P80's architecture was built.

Therefore, Esping-Andersen's claims that high levels of de-commodification that imply that people can opt out of work without potential loss of social rights and that this opting out can occur when the individual sees fit is not found in the example of P80. Indeed, not only was the project designed to keep people in work, the very services the workers accessed were themselves linked to participation in work. Here, then, we can see a clear discrepancy between a theoretical claim made about the Swedish model and the practice

which is found at the front line. In fact, a clear theme that can be taken from P80 is the notion of beneficiaries receiving different treatment. A comparison between how older clients were able to obtain concessions within the project by using a different source of legitimate representation, the unions, and how white collar clients who organised into an advisory group were ignored, highlights this process as does the treatment of those clients judged to be 'hard to place'. De-commodification here was certainly not 'high'.

Recapping these two sub-questions, the example of P80 has shown that there is considerable variance within the Swedish model and that this variance manifests not only between peak level deliberations and front-line policy enactment, but also between structural changes implemented from the peak clashing with wider market forces. This clash marginalised change to areas sheltered from the market. The claim of Esping-Andersen that the social democratic regime is characterised by high levels of de-commodification was not proven by the example of P80. Here the project was active in re-commodifying those transferred: to keep them in work rather than allow them to opt-out of work. The project was also active in stratifying the transferred workers through the system of categorisation which dictated not only the route back into employment but which services the clients could access and which were closed off to them. Having recapped the two sub-questions, we can now turn to the main research question.

*How did the Swedish active labour market policy function during a period of stress?*

As the two sub-questions have demonstrated there is considerable variance at the front line in Swedish policy enactment and this enactment isn't necessarily de-commodifying. In answering the main research question we need to do so in terms of the capability approach as it is here that our focus is shifted away from outcomes and toward a more analytical account of the project which involves an assessment of how sensitive procedures were to individual needs and how flexible the authorities were when encountering diversity. Sen (2009, p.232) argues that the "concept of capability is thus linked closely with the opportunity aspect of freedom, seen in terms of 'comprehensive' opportunities, and not just focusing on what happens at culmination". This approach demands looking beyond the raw 'outcome' data presented earlier – data that was used to gauge the official success of the project, and rather looking at the project dynamics at the point of interaction between client and official. Here we can split the analysis into two areas; freedom to choose and freedom for voice. To what extent did the project allow clients the real freedom to choose outcomes they valued? And to what extent could clients voice their concerns in the knowledge that they would be listened to?

In terms of having the freedom to choose this must first be qualified in the sense that this was a 'freedom' limited to labour market participation, as already noted, non-cooperation was not an option. In this regard, then, there is a distinction between those clients in possession of attributes considered desirable within the labour market and those with undesirable attributes. The most desirable workers left quickly from the project, some in

a matter of days after being transferred, and as such many required little help from the project as they secured new work using their own initiative. A survey conducted immediately after the project finished asked former clients how they found new work, the answers of those that responded show that 44% of blue collar workers and 36% of white collar workers found jobs using their own initiative and a further 16% and 22% respectively used their personal network of contacts.

**Table 8.1: Distribution of how respondents found new work (in percent)**

	Blue Collar	White Collar
Own initiative	44	36
Employment office within P80	34	14
Advertisement	14	25
Through contacts	16	22
Unions	2	8
Other	18	25

Source: Lennartsson, 1984, p.52

The data is incomplete in regards to the length of time spent in the project for those that left on their own initiative or used contacts, but what we can be sure of is that within the project the possibility of using one's own initiative was there. Thus for many, the freedom to choose was taken outside the project using their own resources. In this regard the project's main function was, indeed, to offer a 'buffer' period, as mentioned in



chapter eight, during which to find new work whilst still receiving a wage. This in itself could be a positive element from a capability perspective but it only applies to those workers with the necessary resources to facilitate mobility. For this group providing the opportunities to achieve valuable states of being was simply a matter of temporary financial support. In terms of freedom for voice, again for this group contact with the project was often marginal and for a short duration, thus limiting the scope for voicing any concerns if such matters manifested at all.

For those clients in possession of less desirable skills and attributes, the role of the project was more central to their route back into work or into retirement. This was especially the case for the older workers and those categorised as difficult to place. The project's sensitivity to individual needs was achieved through one-to-one guidance meetings when the client was first transferred, yet the options explored were framed within one of four procedures. From a capabilities perspective, the individualisation of this meeting and the resources offered were grounded in an attempt to capitalise upon the individual client's abilities and balance these against future wishes and labour market realities. But the rigidity of the procedural framework limited the options available to enhance individual capabilities and as such sought to promote clients' opportunities through a narrow set of codified routes.

The difficult to place clients spent longer in the project and thus had greater scope to voice their concerns compared to those that left the project relatively quickly. Here we can see a distinction between the older workers, and the disabled and those with alcohol

abuse problems. The older workers used union representatives to lobby the project to modify its procedures to include a special clause for older workers. Thus for these clients, the project listened and acted on their concerns, but only by proxy through the unions and then as a distinct group rather than as individuals. This was a sort of abstracted capability for voice where a representative aggregated all concerns into a single form. This method of raising concerns failed in the case of disabled and alcoholic clients as union representation was far weaker. Reliance on unions to voice concerns for clients meant many individuals had no effective channel through which to exercise a capability for voice. Without this line of communication placement, decisions were a matter of official expertise. The minutes of the meetings for the project's board of directors and advisory group show that individual client concerns were never discussed at this level. The lack of deliberation between officials and clients considered difficult to place resulted in little in the way of freedom to choose.

Analysing the project from a capabilities perspective highlights aspects of individual freedom in terms of choice and voice. The project provided all clients with basic benefits – a wage, union representation, access to institutions and a set period of security. The focus here, then, has been on the ability of clients to enhance their capabilities within the context of the project. When the project was marginal, as in the case of the most desirable workers, the freedom to choose was an individual concern; these workers could capitalise upon their sought after status and had little need for the project's facilities. In the case of the least desirable workers the project was central but the mechanisms of representation meant that those workers with the ability to access the union structure benefited the most.

Without representation there was no official line of communication through which clients could voice concerns and so placing these clients became a matter of central expertise.

The crucial element here is capability for voice. The project comprised an extensive system of programmes designed to place clients into work in which many institutions collaborated. But individual client input was limited and routes where concerns could be raised were assumed to be the domain of union representation. As has been shown, the capability for voice was thus anchored in the relationship between client and union official. In the case of disabled and alcoholic clients, this relationship was weak and so capability for voice was also weak.

This criticism can be expanded to include the capability approach itself and especially within the scope of individual agency freedom (the freedom to work toward valuable goals). Here Sen makes much of the opportunity aspects of the capability approach in which the individual judges and compares a variety of options based upon a given informational focus. Sen goes to some length (Sen, 2009, pp.244-247) to distance this from criticism that it is informed by 'methodological individualism' by claiming that the critique arises through not distinguishing between "the individual characteristics that are used in the capability approach and the social influences that operate on them" (ibid, p.245). Nevertheless, as Sen notes "[w]hen someone thinks and chooses and does something, it is, for sure, that person – and not someone else- who is doing these things" (ibid). Certainly this happens within the context of social influences but the crucial point is that *it isn't someone else* doing it.

The capability approach's focus is on the opportunity to be and do whatever a person values. The individual, in this approach, ought to be able to choose to do what they have reason to value. Clearly, the issue here is that people have differing abilities in terms of choosing what to do, thus inequality of capability can refer to both a social process of opportunities or lack of them and also the personal processes of being able to best make use of information presented, to process it and to choose. Sen notes that "[t]he capability perspective does point to the central relevance of the inequality of capabilities in the assessment of social disparities" (ibid, p.232). Here lies the crucial point, disparities in terms of personal capabilities requires an assessment. Who decides where these disparities manifest and on what criteria is the assessment taken?

Individual agency freedom is therefore a consequence of personal ability and social processes. These processes should, from a capability perspective, be used to correct disparities between individual ability when choosing what to be and to do. The crux here is that in order to correct, one must first assess. How to assess? That is, what characteristics are considered important and what characteristics are ignored when a person is assessed in order to correct a disparity in opportunities. This process is grounded in what Amartya Sen calls the 'informational basis of evaluative judgements' (Sen, 1991, p.16):

"In each evaluative structure, some types of factual matters are taken to be important in themselves, others not so. [...] In this sense, each evaluative system imposes – typically

implicitly, certain 'informational constraints', which rule out classes of information from having a direct and first-hand role in evaluative judgements" (ibid).

Here, then, the capability approach's focus on individual freedom is underpinned by a reliance upon expert judgement that is exercised to address inequalities of opportunity. This reliance has the potential to become a lynchpin that dictates how and where inequalities are addressed by focusing on certain areas whilst ignoring others. The example of P80 has shown that expert judgement has an important impact on an individual's capability. Using a given set of criteria to categorise a person opens certain opportunities and closes others.

Thus for the individual who is in command of their situation, able to access key information, process it and exploit this to work toward a valuable state of being, the capability approach is ideal. It places the necessary resources at the disposal of the individual to exploit as they wish in order to achieve valuable goals. However, for the less able individual who cannot access or process information to the same degree as a more able individual, resources need to be allocated in order for these people to also achieve their valued outcomes. Importantly, the focus upon individual choice relies upon the less able individual voicing their concerns and worries, if these voices are not heard; expert opinion may act on their behalf. Looking again to the example of P80, we can see the consequences of structures that give little opportunity for less able individuals to voice their opinions.

The focus upon individual agency freedom is what sets the capability approach apart from other forms of equality such as Rawlsian and utilitarian, yet this focus can also be its weak spot as it relies upon the individual's ability to exploit that freedom. It assumes not only an ability to exploit given freedoms but also a desire to do so. When these assumptions are not met, technical expertise is employed to address the issues.

The focus upon individual agency freedom when evaluating a welfare program assumes a type of client in command of all the options presented, able to make informed decisions and in possession of a clear vision as to what valuable goals to work toward. Yet in many respects, clients in P80 just wanted to carry on as before. Whereas a child may be asked what they want to be in the future, a similar question posed to a worker made redundant will often produce a reply based on what type of job they used to do. Once a shipyard worker, always a shipyard worker. In Gothenburg in 2008 the former shipbuilding site contains a shipbuilding historical association with over 500 members, the former shipbuilding city is now known as a shipbuilding city without ships and when interviewing a former Social Democrat politician about the ideal solution to the yards' collapse, his response was that the solution should have made sure the yards were kept open. In such an environment where shipbuilding produced such a powerful identity on the city, being rationalised out of the industry could be very upsetting. When considering what valuable goals to work toward, the obvious answer was to go back to the old yard, to continue as before.

Projekt 80 was an example of the Swedish active labour market policy in action during a period of stress. It functioned in a complex manner and this study has shown a variety of different factors at play. Notably, the system of categorisation had a strong impact upon how the project functioned for individual clients as did the process of representation. A variety of tensions within the project or between the project and outside elements also played a large role in its functioning. There is, therefore, no short answer to the main research question. Rather, what we see is a project that was at times proactive (in its initial design), at other times reactive (when the clients couldn't find work), it was given a degree of flexibility (locally run and administered) but this flexibility existed within centrally defined boundaries (hierarchical structure of the institutions plus centrally administered funding). One outcome of this complexity was the varying ways in which clients were treated with certain groups benefiting to a larger extent than others. Yet one aspect remains opaque and that is gender.

The Swedish model and especially Swedish unions see workers strictly on class, not gender, grounds (Higgins, 1996) so perhaps it is unsurprising that P80 did not categorise the transferred workers by gender. Rather there exists a variety of categorisations based on skill, sector, age and length of service, but gender remains unknown. Certainly shipbuilding was a male dominated sector but not exclusively so and although there is some evidence of the gender makeup of the transferred workers, this is incomplete and based upon a limited number of medical records. The missing gender aspect, then, is a shortcoming in this study and one area where future research could be focused. In this regard a potential comparative study could be made with another sector which contracted

rapidly at the same time as the shipbuilding sector. Here, some sixty kilometres to the east of Gothenburg is the town Borås which was once home to a large textile and clothing industry (textile och konfektionsindustri: TEKÖ) which employed a large female workforce. The rapid contraction this industry occurred during the same period as the male dominated shipbuilding industry. A comparison between the responses to these two events has the potential to illuminate a gendered aspect to the Swedish model which ostensibly has no such gendered aspect.

This research, then, has shown how front-line policy practice can vary from what is decided at the peak, yet the relationship is complex with certain freedoms being contained within centrally defined spheres and outside market forces playing an important role. Esping-Andersen's joint concepts of high de-commodification and low stratification were not present in the example which, if anything, was characterised by principles of re-commodification and in practice was highly stratifying. Work is of central importance in this model not only as a source of revenue as Esping-Andersen correctly observes: "it is at once genuinely committed to a full-employment guarantee and entirely dependent upon its attainment" (1990, p.23), yet work's central importance extends further as it is also a key source of social integration. Projekt 80 reflects this importance; it sought, first and foremost, to keep clients in work and it was at its most proactive in doing so, those clients at the margins became major hindrances and the subject of the project's reactionary shifts in policy.





## Appendix A figures

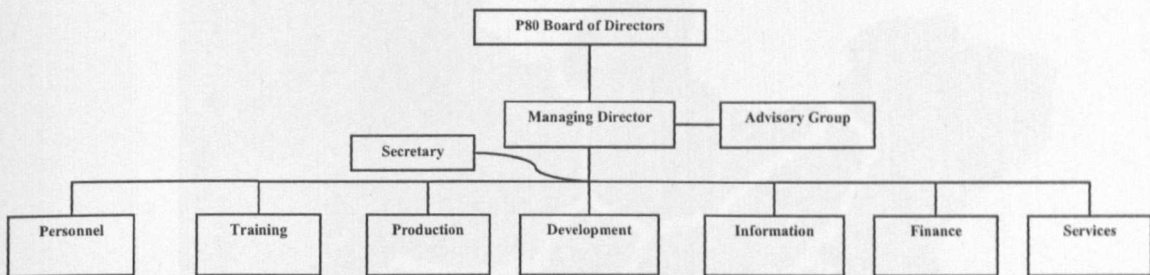


Figure A1: P80 organisation structure. Source: Gothenburg Regional Archive: Lindholmen Utveckling AB, Projekt 80 AB, F6AII.

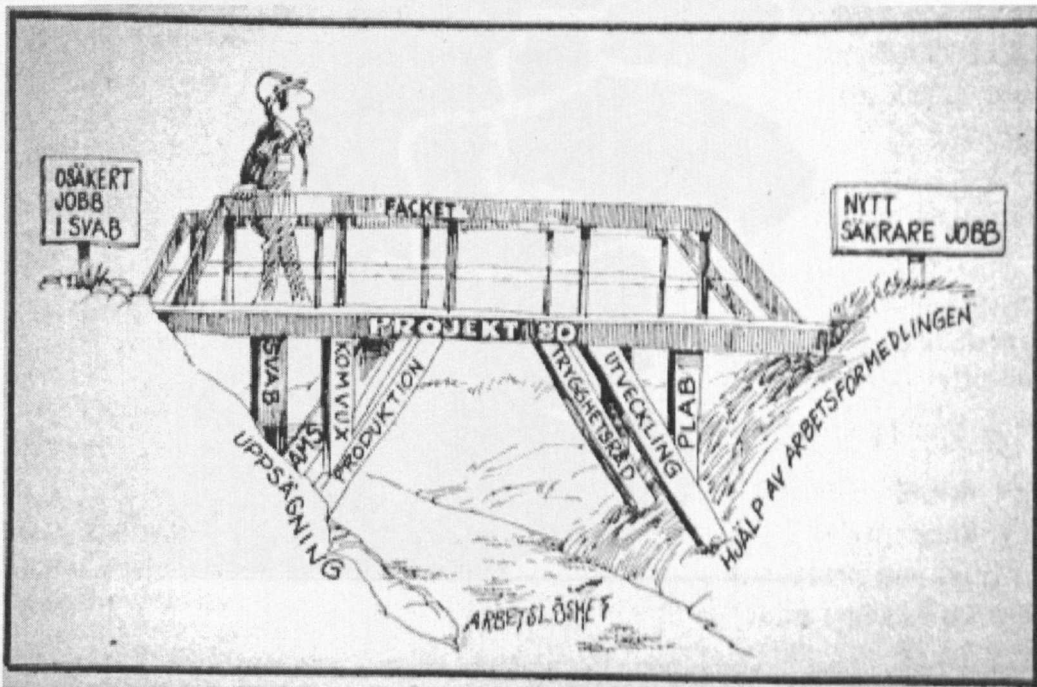
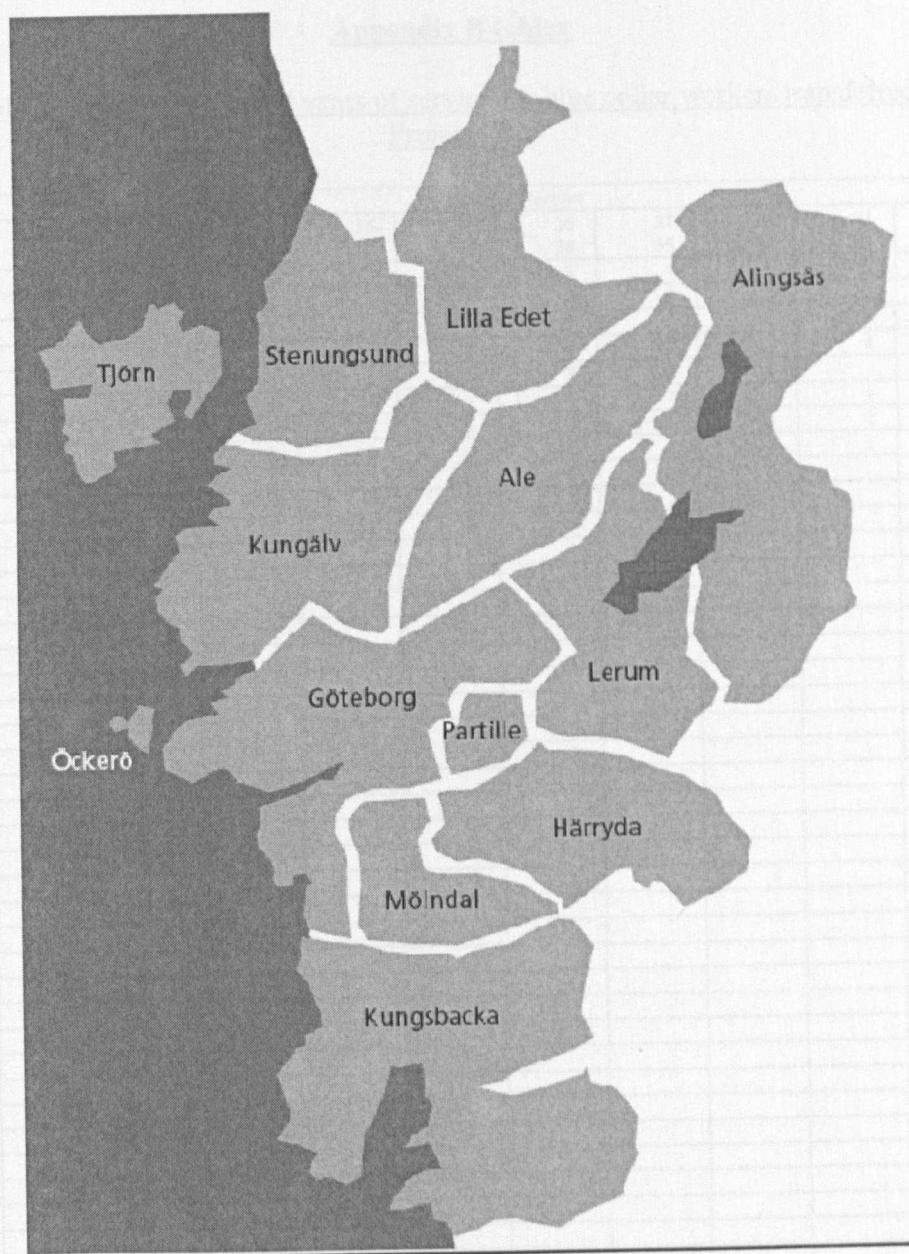


Figure A2: Projekt 80 as a bridge from uncertainty toward safety. Source: Skeppsbyggaren, 29/05/79

A worker walks across a bridge which crosses a stream called “Unemployment”; he leaves an area called “Uncertain Job at Svenska Varv” and walks toward an area called “New Safer Job”. The bridge’s hand rail is called “The Unions”, its base is “Projekt 80”, and the supports are named after each institution involved and some of the departments within P80. The bank on the left reads “Notice of Termination”, the opposite bank is “Help from the Employment Office”.



**Figure A3:** a map showing the Gothenburg region, the municipality is the area called Göteborg.  
Source: Statistik Årsbok Göteborg, 1985.

## Appendix B tables

**Table B1: Date of birth and years of service for blue collar workers transferred to Projekt 80**

Date of Birth	Years of Service										Total Number
	1-5	6-10	11-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50	
1914		2	1			3	4	1	3		14
15	4	6	2		3	5	9	3	9	2	43
16		6	3		2	6	5	4	8	1	35
17	1	3		5	7	3	7	5	8	2	41
18	1	10		1		2	7	4		2	27
19		5	4	1	1	5	7		1		24
20	3	8	1	2	5	3	5	2	2		31
21		12	3	1	4	7	5	2	1		35
22	1	8	2	3	3	5	10	2			34
23	1	5		1	2	1	3	1			14
24	2	5	3	1	1	3	5				20
25	1	10	2		3	1	4	1			22
26	2	15	3	2			3				25
27	3	7	3	2	1	3					19
28	4	9	2		1	4	2				22
29	4	3	4	1							12
30	6	8	4		1						19
31	2	9	3		1	1					16
32	6	9	3	2		1					21
33	1	8	3	1	1	1					15
34	5	7	1	1							14
35	2	6	5	1							14
36	6	13	3	1							23
37	1	9	3	1	1						15
38	3	9		2	2	1		1			18
39	3	7	3								13
40	6	11	2								19
41	7	10	1		2						20
42	9	4	4	2							19
43	4	12	3	4							23
44	3	8	4	6							21
45	5	8	3								16
46	6	12	3	1							22
47	9	17	3	2							31
48	7	13	3	1							24
49	3	18	3								24
50	9	16	2								27
51	10	15	2								27
52	13	16	4								33
53	7	15	1								23
54	4	16									20
55	5	28									33
56	11	25									36
57	19	34									53
58	39	39									78
59	66										66
60	45										45
61	17										17
<b>Total</b>	<b>366</b>	<b>516</b>	<b>99</b>	<b>45</b>	<b>41</b>	<b>55</b>	<b>76</b>	<b>26</b>	<b>32</b>	<b>7</b>	<b>1263</b>

Source: Projekt 80 AB, 1982



**TableB 2: Date of birth and years of service for white collar workers transferred to Projekt 80**

Date of Birth	Years of Service										Total Number
	1-5	6-10	11-15	16-20	21-25	26-30	31-35	36-40	41-45	46-50	
1916					1	1					2
17			1	1	1	2	1	2	1		9
18			1	1	4	12	3	8	11	1	41
19		1	2	1	4	3	3	4	3	2	23
20		2		5	9	11	17	3	9	1	57
21		1	4	2	6	14	8	2	7		44
22		2		3	5	6	7	4	1		28
23	1	1	1	3	1	1	4	1			13
24			2	2	3	4	4	2			17
25		2	1		3	2	3	2			13
26		2		2	4	4	2				14
27		2		1	2	3		1			9
28					5	1					6
29		1	1	1	4	2	2				11
30			1	3	2	2	1				9
31		1			2	2					5
32		3		4	1		2				10
33		1		1	3	4					9
34		2		4	2	2					10
35				4							4
36		3	1	3	1	2					10
37		2	1	3	3	2					11
38			2	3	3						8
39	1		1	1	1						4
40		1	1	2	4						8
41		1	2	3	2						8
42		1	2	1	1						5
43		1	2	1	1						5
44		4	3		1						8
45		1	1	1							3
46		6									6
47			1								1
48		2	2								4
49		5	1								6
50			2								2
51		1	1								2
52		4									4
53	1	1									2
54		1									1
55		3									3
<b>Total</b>	<b>3</b>	<b>58</b>	<b>37</b>	<b>56</b>	<b>79</b>	<b>80</b>	<b>57</b>	<b>29</b>	<b>32</b>	<b>4</b>	<b>435</b>

Source: Projekt 80 AB, 1982

**Table B3: Distribution of Skills of Blue Collar Workers Transferred to Projekt 80**

Date of Birth	Skill						Total
	Sheet Metal Worker / Welder	Machinist / Fitter / Maintenance	Plumber / Electrician	Assembler / Painter / Carpenter	Transportation / Crane Operator / Stores	Cleaner / Fireman / Other	
1914	5	1	2	1	2	3	14
15	4	8	9	3	10	9	43
16	5	9	7	3	8	3	35
17	10	9	10	4	6	2	41
18	3	5	4	2	10	3	27
19	4	5	1	5	4	5	24
20	4	3	4	2	10	8	31
21	5	7	5	3	11	4	35
22	6	8	4	2	10	4	34
23	4	3	1	1	2	3	14
24	3	2	4	0	7	4	20
25	4	4	1	1	5	7	22
26	4	7	4	1	5	4	25
27	3	3	1	2	6	4	19
28	4	5	1	2	3	7	22
29	2	2	1	0	3	4	12
30	6	3	1	4	2	3	19
31	4	3	0	0	5	4	16
32	3	5	0	2	4	7	21
33	5	4	1	1	0	4	15
34	7	1	0	0	3	3	14
35	7	2	1	2	1	1	14
36	7	5	1	1	8	1	23
37	1	4	2	0	6	2	15
38	6	4	1	0	3	4	18
39	8	2	0	1	2	0	13
40	10	4	0	0	5	0	19
41	8	1	1	2	4	4	20
42	6	3	1	1	7	1	19
43	11	4	1	2	1	4	23
44	12	5	1	0	3	0	21
45	5	5	1	4	1	0	16
46	12	3	2	0	4	1	22
47	17	3	3	1	2	5	31
48	9	5	2	0	3	5	24
49	11	3	2	2	3	1	24
50	14	5	4	0	1	3	27
51	14	6	2	0	3	2	27
52	16	6	3	4	2	2	33
53	8	5	6	1	1	2	23
54	3	4	8	1	4	0	20
55	22	1	6	2	0	2	33
56	22	6	5	1	1	1	36
57	34	2	14	1	2	0	53
58	54	6	18	0	0	0	78
59	51	3	9	0	2	1	66
60	39	6	0	0	0	0	45
61	17	0	0	0	0	0	17
<b>Total</b>	521	194	163	63	187	137	1263

Source: Projekt 80 AB, 1982

**Table B4: Distribution of Skills of White Collar Workers Transferred to Projekt 80**

Date of Birth	Skill					Total
	Production / Planning	Draughtsman / Designer	Clerk / Secretary	Foreman / Instructor	Personnel / Finance / Security	
1916	2	0	0	0	0	2
17	2	1	4	1	1	9
18	11	8	7	12	3	41
19	7	6	5	4	1	23
20	14	15	6	20	2	57
21	15	5	9	13	2	44
22	10	3	2	13	0	28
23	4	1	4	4	0	13
24	8	0	1	5	3	17
25	2	3	3	5	0	13
26	7	0	4	3	0	14
27	3	2	2	1	1	9
28	3	0	0	3	0	6
29	2	1	2	4	2	11
30	1	1	0	7	0	9
31	1	0	2	2	0	5
32	4	2	3	1	0	10
33	3	2	2	2	0	9
34	6	0	0	4	0	10
35	1	1	0	2	0	4
36	1	1	3	3	2	10
37	5	0	1	4	1	11
38	3	0	1	2	2	8
39	2	1	1	0	0	4
40	3	1	0	4	0	8
41	2	0	0	6	0	8
42	1	0	0	4	0	5
43	1	0	1	2	1	5
44	4	1	3	0	0	8
45	0	0	1	2	0	3
46	2	1	1	1	1	6
47	0	0	0	1	0	1
48	1	0	2	1	0	4
49	2	0	3	1	0	6
50	1	0	1	0	0	2
51	1	0	1	0	0	2
52	2	1	1	0	0	4
53	0	0	2	0	0	2
54	0	1	0	0	0	1
55	0	0	3	0	0	3
<b>Total</b>	137	58	81	137	22	435

Source: Projekt 80 AB, 1982



**Table B5: Industrial Workforce in Gothenburg 1945 – 1985**

Year	Blue Collar	White Collar
'45	39755	8691
'50	41406	11420
'55	42831	12846
'60	41631	14417
'65	44123	17810
'66	42636	18221
'67	41126	17422
'68	36763	16509
'69	36879	17274
'70	38546	17576
'71	38214	17764
'72	38815	18025
'73	38361	18304
'74	38145	18947
'75	39443	19486
'76	39666	19416
'77	35452	17974
'78	34651	17676
'79	33666	17139
'80	33100	18032
'81	32897	17824
'82	33104	18088
'83	30690	15225
'84	30355	15719
'85	30517	15932

Source: Statistik Årsbok Göteborg, 1985



**Table B6: Unemployed and Job Seekers in Gothenburg, 1974 - 1984**

Year	Number	% Total	% Male	% Female
'74	5900	1.7	1.5	2.0
'75	5100	1.4	1.2	1.6
'76	4700	1.3	1.0	1.6
'77	6400	1.7	1.6	1.9
'78	6700	1.8	1.8	1.8
'79	6900	1.8	1.8	1.9
'80	7400	1.9	1.8	2.1
'81	8100	2.1	2.3	1.9
'82	11300	2.9	2.8	3.1
'83	11300	2.9	2.8	3.0
'84	10300	2.6	2.6	2.7

Statistik Årsbok Göteborg, 1985

**Table B7: Population of Gothenburg 1974 - 1985**

Year	Population at Year End	Male	Female	Aged 16 - 64
'74	445,704	218,451	228,736	298,700
'75	444,651	217,744	227,253	297,356
'76	442,410	216,076	226,907	295,262
'77	440,082	214,663	225,419	292,830
'78	436,985	212,841	224,144	290,571
'79	434,699	211,454	223,245	289,022
'80	431,273	209,555	221,718	287,074
'81	428,171	207,776	220,401	279,974
'82	425,875	206,567	219,308	278,468
'83	424,186	205,344	218,842	278,368
'84	424,085	205,254	218,831	277,607
'85	425,495	205,876	219,619	277,348

Statistik Årsbok Göteborg, 1985

**Table B8:** State Aid to the Shipbuilding Sector 1958-1978.

Date	Amount (Mkr)	Description
1958	30	Credit guarantee to Uddevalla Yard
1961	23	Purchase of shares in Karlskrona Yard
1962	15	Purchase of shares in Karlskrona Yard
1963	20	Purchase of shares in Uddevalla Yard
1963	20	Loan to Eriksberg yard to purchase Uddevalla shares
1965	40	Capital injection to Uddevalla Yard
1967	75	Capital injection to Uddevalla Yard
1970	50	Support for research and development
1971	20	Purchase of shares in Uddevalla Yard
1971	105	Reconstruction of Götaverken Yard
1974	100	Purchase of shares in Uddevalla Yard & write off of earlier capital injection
1976	181	Purchase of shares in Götaverken Yard
1976	420	Capital injection to Eriksberg Yard
1976	25	Support for research and development
1976	-10	Repayment from Uddevalla Yard
1977	400	Purchase of shares in Svenska Varv
1977	45	Purchase of shares in Götaverken
1977	859	Capital injection to Eriksberg Yard
1977	375	Capital injection to Götaverken Yard
1977	60	Special projects
1977	1300	Writing off of loans to Swedish buyers of vessels
1977	800	Credit guarantees
1977	40	Writing off of capital injection to Uddevalla Yard
1978	600	Credit guarantees
1978	175	Writing off of loans
1978	950	Capital injection to Svenska Varv
1978	1050	Guarantee loss of customer orders
1978	340	Loan to Kockums Yard
1978	250	Writing off of loans for alternative employment

Source: Varvskriscirklarna, 1978.

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Former official of Götaverken's Verkstadsklubb 17/9/08  
Historian at Göteborgs Universitet 1/10/08  
Former director of adult education in Västra Götalands Län 30/10/08  
Former lecturer working at AMU 3/12/08  
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