

Young benefit claimants' pathways to work in Denmark, Norway, and Sweden

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Although The Scandinavian countries belong to the same overall welfare regime, the three countries have chosen different approaches in helping young claimants into work. Denmark combines work/education-orientated benefits, strong work incentives and intense local service integration with balanced flexible hiring and firing regulations; Norway has stronger health-orientation in available benefits, relatively generous benefit levels, and medium and balanced decentralisation/service integration and labour market flexibility; while the Swedish approach combines two-tier welfare services with work-oriented benefits, strong work incentives and unbalanced employment protection.

The paper uses register data on first-time benefit recipients aged 20-25 years in 2013, to assess the extent to which these three approaches yield different outcomes for young people. Sequence analyses shed light on the extent to which work, education and benefit trajectories differ across countries during a four-year observation period. We also assess the ability of the three welfare systems in dealing with disadvantaged groups, in terms of mental health illness, education and socioeconomic disadvantage.

We find that youth in Denmark had the best outcomes, while in the Swedish case, a large proportion was seemingly stuck in a precarious income situation. Norway, surprisingly, is in between, with relatively a high proportion achieved good and stable jobs, but also the highest proportion relying exclusively on welfare benefits. Social background, incomplete secondary school education and mental health problems seemed to be equally disadvantaging in Norway and Sweden, but less so in Denmark.

The paper concludes that the mode of follow-up (education conditionality, local service delivery and supported employment) and balanced employment protection seem to be more important than benefit generosity and work vs. health – orientation of public benefits. We conclude that the Danish approach can be dubbed “Enabling”, the Norwegian case “Welfare-oriented” and the Swedish case a “Work first” approach.