

# Migrant Workers or Working Women? Comparing Labour Supply Policies in Post-War Europe

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## Abstract

Why did some European countries choose migrant labour to expand their labour force in the decades that followed World War II, while others opted for measures to expand female employment via welfare expansion? The paper argues that gender norms and left power resources were important structuring factors in these choices. Female employment required a substantial expansion of state intervention (e.g childcare; paid maternity leave). Meanwhile, migrant recruitment required minimal public investments, at least in the short term, and preserved traditional gender roles. Using the contrasting cases of Sweden and Switzerland, I argue that the combination of a weak left (labour unions and social-democratic parties) and conservative gender norms fostered the massive expansion of foreign labour and a late development of female labour force participation in Switzerland. In contrast, more progressive gender norms and a strong labour movement put an early end to guest worker programs in Sweden, and paved the way for policies to promote female labour force participation.

**Keywords:** labour migration; female employment; Sweden; Switzerland; comparative public policy

## 1. Introduction

Migrant workers and women have been the two most important contributors to employment growth in industrialised countries over the last few decades (Oesch, 2013). For instance, according to the OECD (Organisation for Economic Cooperation and Development) between 2004 and 2014, about half of the increase in the labour force in the United States, and two thirds in Europe, could be accounted for by migrant workers (OECD 2014: 1). Developments for female employment have been even more far-reaching. While only 41% of women were part of the labour force in OECD countries in 1960, this proportion had increased to two thirds in 2016.<sup>1</sup>

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In the period that followed World War II, marked by a booming economy and significant labour shortages, the timing and extent of these two developments varied significantly across countries. While Scandinavian countries raced ahead in the expansion of female employment in the 1970s, coupled with the massive expansion of social services to enable it, many Continental countries (e.g Germany, France, the Netherlands, Switzerland, Austria) relied extensively on so-called “guest worker programmes” sourcing labour from poorer regions of the Mediterranean rim (Italy, Spain, Portugal, Morocco, Greece, Turkey). In Continental Europe, female employment progressed more slowly, before catching up in the 1990s and 2000s.

Comparing immigration and welfare state expansion as two alternative strategies to expand the labour supply, this article explores the rationales that underpinned these strategies in two countries – Sweden and Switzerland – that diverged significantly in this respect. In line with the theme of this special issue, I look at “social policy by other means”, but in contrast to other contributions focusing on how policies or actors other than conventional welfare programmes may provide social protection, I look at how immigration may act as a substitute to welfare programmes as a labour supply policy.

I argue that countries seeking to increase their labour supply could do so either by facilitating the labour market participation of women, which entailed the expansion of social services (childcare) and tax revenues, or by bringing in migrant workers, which required minimal public investment and preserved traditional gender roles. The choice between these two strategies was shaped by two factors: institutionalised gender norms, and the strength of labour unions and left parties. Indeed, policies aimed at facilitating the entry of women in the labour market required not only societal norms that were favourable to female labour force participation, but also public investments in family-friendly policies, such as childcare facilities. The recruitment of foreign labour did not require such investments, at least in the short-term, especially if family reunification was constrained. Using a comparison of Sweden and Switzerland, I show how power relationships and dominant gender norms structured policy choices favouring migrant labour or female employment. Conservative Switzerland relied almost exclusively on foreign labour to expand its workforce, while social-democratic Sweden started drawing much earlier on female employment after an experiment with foreign labour.

The contribution of this article is embedded in the idea of “social policy by other means”, looking at the functional connections between social policies and other policy domains (Seelkopf and Starke forthcoming). More specifically, it links the growing literature connecting immigration, employment and welfare (Afonso & Devitt 2016), and the gendered dimension of social policy (Sainsbury 1999, Lewis 1992). Rather than looking at alternatives to social

protection, I look at another function of social policies, namely the structuring of the labour supply in the labour market. In his seminal study, Esping-Andersen (1990, 144-161) already emphasised how ensuring labour market supply is an important goal of social policy, and welfare programs can have an important effect on the employment of specific groups (Iversen and Wren, 1998; Sapir, 2006; Häusermann and Palier, 2008). For instance, generous early retirement schemes likely lower participation among older workers, while childcare subsidies and care leave facilitate the labour market participation of mothers (Esping-Andersen, 1990, 155.). While these “conventional” welfare programs can be used to activate domestic reserves of unused labour, immigration policy can be considered as an alternative strategy to expand the labour force with external labour supplies. Recently, Devitt (2015) has looked at whether Irish migration policies in the 2000s hindered the development of childcare services to facilitate female employment. Migration and childcare policies are considered as alternatives to increase the size of the labour force in a period of high demand. This paper draws on this idea but puts it in a comparative-historical context.

## **1. Female Employment or Migrant Labour: Choices in Labour Supply Strategies**

The thirty years that followed the Second World War were arguably the longest period of growth in Western Europe since the Industrial Revolution (Eichengreen, 2008; Kindleberger, 1967). West European economies grew at an unprecedented pace, propelled by an increasing demand for consumer goods, infrastructure and services. Technological progress allowed for remarkable jumps in productivity. Accordingly, labour markets were close to full employment. Many countries soon faced severe labour shortages. In Germany, official unemployment amongst men in September 1955 was at 1,8%, meaning that nearly all of the male workforce was de facto employed (Herbert 2001: 202). This tight labour market resulted in growing concerns from employers and public authorities because of its inflationary tendencies. In this context, they were faced with different options: technological change; relying on the domestic labour market (e.g. women), or foreign labour (Kindleberger 1967).

While the rationalization of production was a means to reduce labour demand through capital investments (Eichengreen, 2008, 6.; Kindleberger, 1967, 132.), it faced a number of limits. Replacing people with machines was not possible in every sector, especially in services. It was also limited by the availability of technology and capital. While mechanisation was an important factor, I focus on choices determining which type of labour supply should be mobilised.

If an increase in demand cannot be met with technological change, one has to increase the labour supply. Options range from increasing the working hours of the core workforce to

mobilising under-utilised sources of domestic labour, such as young people, older workers, and – most importantly - women. In 1950, the percentage of women participating in the labour force was 48.5% in Germany, 39.1% in Switzerland, 28.8% in the Netherlands, 42.9% in the United Kingdom, and 50% in Denmark (Kindleberger, 1967, 153.). An average of 14 OECD countries indicates a 45% female labour force participation rate in 1965 (Brewster and Rindfuss, 2000).

A number of social dynamics, have played out against the three first options (increasing working time, bringing in more young people, or more elderly people). First, given the hard tendency towards the reduction of working hours in the post-war period, increasing working time for the core workforce has been a difficult option for employers. Working hours have declined steadily across almost all advanced economies. Similarly, the mobilisation of older and young (male) workers has tended to clash with the decrease in the effective retirement age after the Second World War<sup>2</sup>, and of (higher) education, delaying entry into the labour market (Hagmann 1966: 124).

#### *Expanding the Domestic Labour Supply: Female Employment With Welfare Expansion*

A major obstacle to female employment were conservative gender norms. As Kindleberger (1967: 154) noted, “work for older women [above 29] in much of the Continent, especially the Netherlands and the Latin countries, is subject to social disapproval” (Kindleberger 1967, 154.). Female employment challenged the male breadwinner model championed notably by Christian-Democratic parties, who were important forces in the building of social insurance programmes (Van Kersbergen 1995).

An obvious problem for mothers in particular was how to reconcile paid work with childcare (Morgan 2003). Enabling the labour market participation of mothers requires a particular political configuration which enables the expansion of public facilities to take care of young children, and/or arrangements such as paid maternity and parental leave (Morgan 2008). These policies can be understood as the translation of progressive gender norms into institutions. If this task was to be taken over by the state, it required a considerable expansion of the welfare state, and an increase in tax revenues. In this context, the expansion of female employment could face potential opposition from Liberals because of its fiscal implications, and from christian conservatives because of its challenge to the traditional (male-centric) family model. As I will show, Scandinavian countries were the only ones where political power relationships would prove favourable to the expansion of female employment via an expansion of the public sector.

*Expanding the External Labour Supply: Foreign Workers*

The second strategy is the import of foreign labour through temporary guest worker programs (Kindleberger, 1967, 196.; Martin and Miller, 1980). This strategy displayed a number of advantages. First, it seemed to be a less risky strategy to increase the labour supply in the context of uncertainty that characterized the post-war period because foreign workers possessed a higher degree of elasticity. Immigrants from poorer countries could be brought in to fill in short-term labour needs, but could also – theoretically – be easily sent back to their country of origin should a new downturn arise. In this respect, it was a more secure strategy than capital-heavy technological change. Implicitly, the use of foreign labour could also help preserve existing gender roles by making it possible to “keep native mothers at home” (Herbert, 2001, 204.; Gazette de Lausanne, 1964).

Arguably, importing foreign labour could generate tensions within the native workforce, especially if labour migration took place concomitantly with the persistence of residual unemployment. From the point of view of trade unions, besides slowing down wage increases through an increased supply of labour, immigration also entailed the risk of the creation of a secondary labour market with worse wage and working conditions because of the presumably lower bargaining power of migrant workers, and the difficulty for unions to organize transient workers (Piore, 1979). Hence, strong unions could be expected to oppose possibilities to differentiate employment terms, if not to block immigration altogether.

## **2. Explaining the Choice of Labour Supply Strategies: Gender Norms and Left Power**

How can we explain why certain countries put greater emphasis on female employment, while others put it more on the import of foreign workers? Each labour supply strategy entails a number of trade-offs in terms of state intervention and taxation on the one hand, and the preservation of traditional gender roles on the other. Here, I argue that gender norms and the strength of the left are important factors to explain the choice for one or the other. These factors partly overlap with differences between Bismarckian (male-breadwinner) and social-democratic (strong left; more egalitarian) welfare regimes, but here I disentangle their properties to delve into mechanisms.

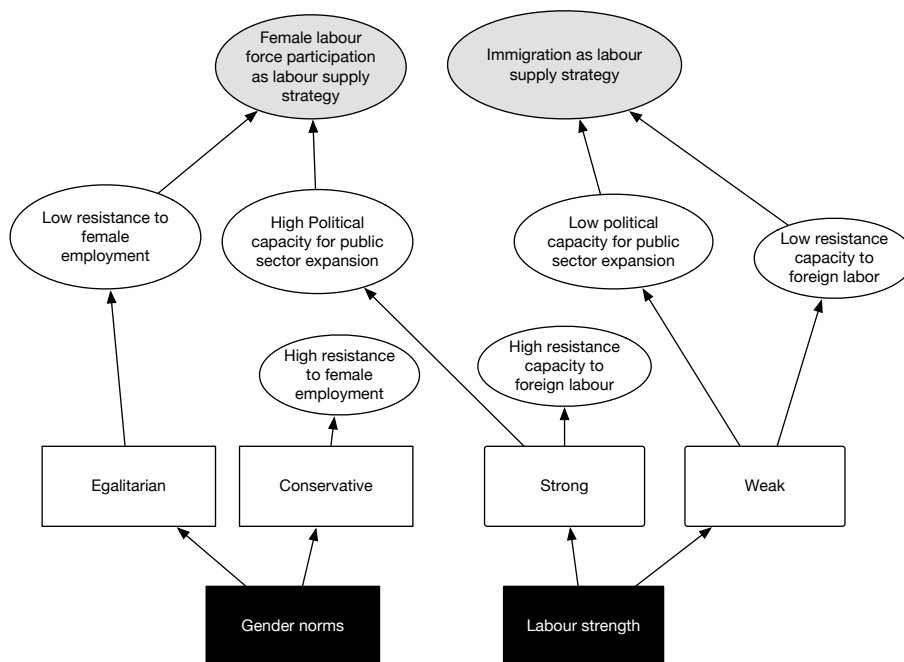
Policies aimed at enhancing the labour market participation of mothers entail a challenge on traditional gender norms, and imply a considerable expansion of the public sector (childcare; maternity leave) in order to enable it. Hence, they require two conditions: first, societal values that are more favourable to gender equality and women working outside the home. Second, political power relationships which make it possible to expand state intervention. State

intervention is important both in terms of the demand and supply for female labour. On the one hand, affordable childcare makes it economically viable for mothers to work. On the other hand, the public sector (especially health, education and care) is a major employer for women: in 2011, for instance, 72% of Swedish public employees were women.<sup>3</sup> Arguably, social-democratic parties and trade unions need to be strong enough to allow for such an increase in state intervention.

In many ways, these conditions made it difficult to implement this strategy in Bismarckian countries. First, the traditional Bismarckian model and the Christian Democratic parties that shaped it were strongly anchored in the idea that women should stay at home to take care of children. Various policies and tax incentives typically discouraged female employment (Morel, 2007, 620.; Esping-Andersen 1990). Second, a central organising logic of the Bismarckian welfare state was the principle of subsidiarity, that is, that the state should not take up tasks that can best be performed by other actors, such as the family, social partners or subnational political units. In Bismarckian systems, family policy would typically consist of cash transfers to families – essentially subsidising families to take care of children – and little in the way of public social services (Morel, 2007, 621.). In general (and with the exception of France (Morgan 2003), this hindered the expansion of state intervention via public childcare services that would be required to free up the female workforce for paid employment.

Hence, foreign workers could be considered more attractive in contexts marked by a more entrenched male breadwinner model and weaker left-wing forces. By using (male) foreign labour, traditional gender norms could be preserved. The public investments required to welcome mostly young, able-bodied men into the workforce were believed to be minimal (especially if family reunification was constrained), satisfying fiscal conservatives and the principle of subsidiarity. Finally, the segmented nature of social rights in Bismarckian welfare systems was expedient to exclude them from certain benefits (Herbert, 2001, 209.; Sainsbury, 2012; Tabin 2017). In contrast, immigration in social-democratic systems was a greater risk to the preservation of an egalitarian model if it could lead to two-tier labour market. For instance, Bucken-Knapp (2009) and Schall (2016) show that social-democratic and trade union stances regarding immigration in Sweden have been guided by a desire to preserve the egalitarian Swedish social model, possibly through restrictionist measures. An important question here concerns preferences: while the preferences of social democratic parties may be less clear, labour unions can be assumed to oppose labour migration because of its potential depressing effect on wages. If they are strong enough, they can afford to limit it, while weaker unions unable to impose restrictions on entry tend to advocate equal rights for foreign workers in order to prevent labour market segmentation (Watts 2002: 11)

Figure 1: Causal Schema



Source: own elaboration

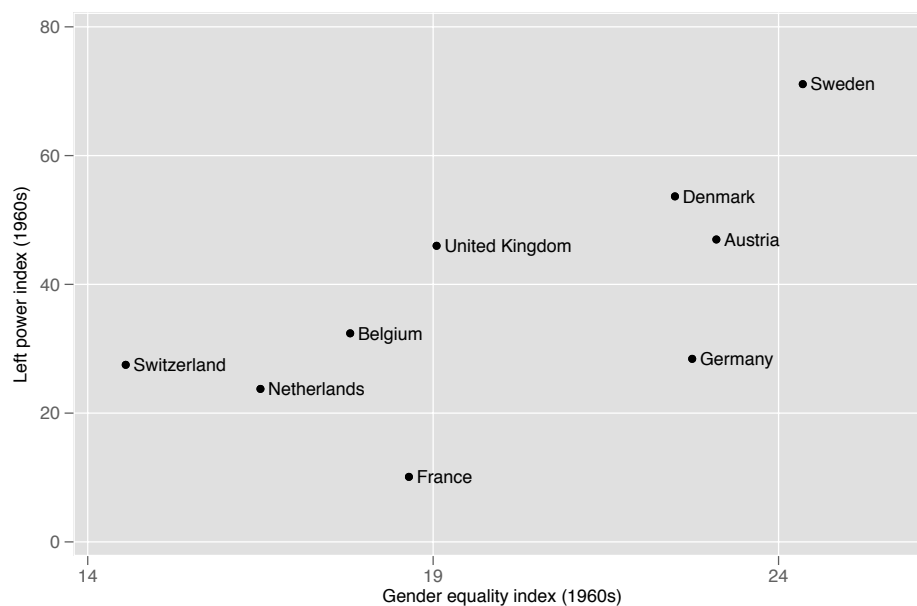
## 2. Cases and Methods

To assess my argument, I use a comparative-historical analysis of welfare and immigration policy debates in Sweden and Switzerland, focusing on the 1960s. The research design is a most-similar systems design where the main independent variables are labour strength and gender norms.<sup>4</sup> Sweden and Switzerland are appropriate cases to assess the argument insofar as they share a number of scope characteristics. They are wealthy West European countries where wage levels were large enough to be attractive for Southern European immigrants, and faced labour shortages in the 1950s and 1960s. Following Katzenstein (1985), both belong to the group of small European countries that developed corporatist structures. Both countries had remained neutral during World War II, and possessed a relatively intact production apparatus faced with a large demand for exports in the postwar period. Finally, none of them had colonial ties which could – as in the case of France, Great Britain or the Netherlands – foster immigration flows without deliberate choices guided by labour market concerns. While Sweden and Switzerland naturally exhibit idiosyncrasies, they can reasonably be considered representative of the Nordic and Continental-conservative models when it comes to the power of the left and the prevalence of conservative gender norms.

Yet, Sweden and Switzerland diverged in important ways with respect to our variables of interest. Sweden is often presented as the most emblematic example of the social-democratic welfare state, with high levels of social spending, the dominance of social-democratic parties in government, and a powerful and organised labour movement. Besides, it has often been presented as a forerunner in progressive gender norms. In contrast, while Switzerland is a latecomer in welfare state development, with persisting right-wing dominance in politics, a relatively weak labour movement, and conservative gender norms (Häusermann, 2010, 214.).<sup>5</sup> I focus on policy debates in the 1960s. This can be considered a turning point: on the one hand, gender norms shifted considerably in Sweden during this period (Lundquist 2015: 119), while immigration was questioned (Knocke 2000: 163), resulting in policies to activate women. Immigration was also questioned in Switzerland in the 1960s, notably in a number of referendum votes asking for more restriction, but there was no similar movement to activate women into the workforce in response. While I focus on this period, differences persist to this day. In the Economist's ranking of countries with the best conditions for working women in 2017, Sweden was 1<sup>st</sup> out of 29, while Switzerland was 26<sup>th</sup>.<sup>6</sup>

Figure 1 shows how Switzerland and Sweden are positioned in comparison to a wider set of European countries with regard to our two independent variables of interest in the 1960s, namely left power and gender norms. The figure shows clearly that Switzerland and Sweden are at the two opposites.

**Figure 2: Positioning of countries on Left Power and Gender Equality Indexes, 1960s<sup>7</sup>**



Source: CPDS, Hagmann 1966: 67.



Regarding power relationships, these two countries have also varied starkly regarding the strength of social democratic parties. While the average share of parliamentary seats and cabinet posts held by social-democratic parties between 1960 and 1980 was 47.3% and 82% in Sweden respectively, it was 25.6% and 28% in Switzerland. Even if Switzerland cannot really be taken as a “typical” conservative-Bismarckian case (Obinger 1998) and displays strong liberal features as well, it provides a good point of comparison to Sweden with respect to two central features of the conservative model.

In order to obtain some insight into the causal mechanisms at work, for each country, I carry out a comparative case study analysis of policy developments in the areas of immigration policy and female-employment-friendly social policies. The analysis is based on a variety of sources. On Switzerland, it draws on statistical sources, a newspaper analysis of the *Gazette de Lausanne*, *Journal de Genève* and the *Neue Zürcher Zeitung*, parliamentary debates, the yearly reports of the Swiss Employer Association, and secondary literature. For Sweden, the analysis draws mostly on the in-depth analyses of Waara (2012) and Yalcin (2010) and other secondary sources.

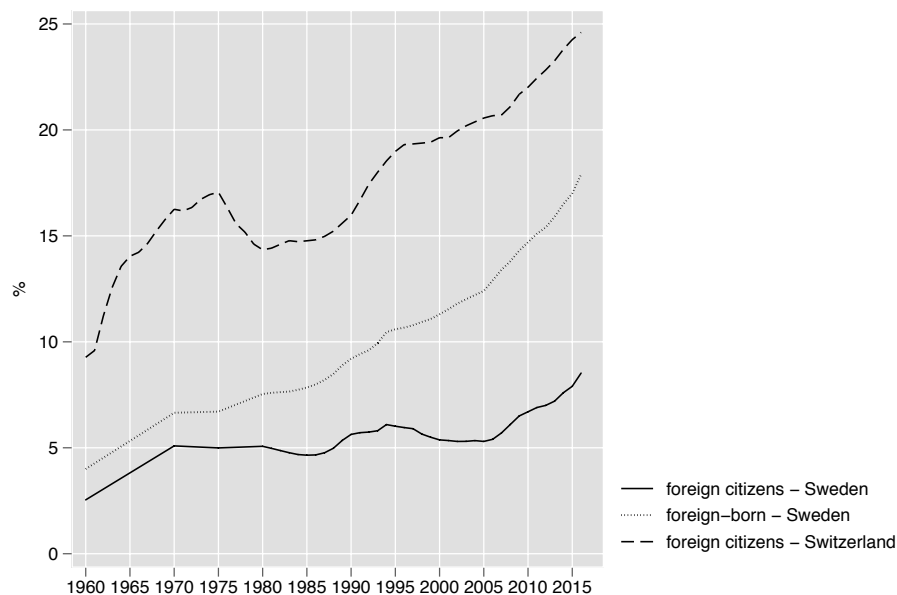
### **3. Sweden: From Guest Worker Programs to the Promotion of Female Employment**

In 1947, Sweden signed its first of a series of bilateral recruitment agreements with Italy and Hungary (Waara 2012: 108). The recruitment and organization of labour migration was carried out by the newly created National Labour Market Board (AMS), a tripartite body managed by employers and trade unions. The grip of trade unions on labour migration policy was important, at least compared to the Swiss case. Local unions needed to be consulted for every work permit delivered (Knocke, 2000, 162.). Swedish unions were initially reluctant to accept labour migration as a solution to labour shortages. They emphasised the need to mobilise national unused reserves of labor, such as women, the elderly and handicapped, however, without taking active measures to facilitate their entry in the labour force (Yalcin 2010: 403).<sup>8</sup> Eventually, they consented to the establishment of guest worker programmes (Yalcin, 2010: 144), but made sure that labour migration flows would not be used to undermine local wages and welfare provisions.

First, the strength of unions and their contacts with social-democratic governments made sure that the opportunities for employers to differentiate employment terms and access to social benefits were limited, and rights were on par with those of native workers. Foreign workers were allowed to change jobs within the occupational sector for which they were recruited, which, as we will see, contrasted with Switzerland. Second, foreign workers were granted access to the whole range of welfare benefits available to Swedish workers. The guarantee of an equal footing

between nationals and non-nationals was laid out in the 1954 Aliens act (Knocke, 2000, 159.). Migrants were also allowed to bring in their families. Third, the recruitment agreements signed between Sweden and partner countries contained an organization clause stipulating that foreign workers committed themselves to join the appropriate union for their profession, and to remain unionized during their entire stay in Sweden (Knocke, 2000, 159.). This clause was abolished in 1965, but replaced by an agreement between SAF (the main employer body) and LO (the main trade union) providing for employers to recommend joining the union. Union membership was informally understood as a precondition for migrants to obtain a job, a practice that persisted through the 1980s (Knocke, 2000, 166.).

**Figure 3: Share of foreign citizens and foreign-born in Switzerland and Sweden, 1960-2015<sup>9</sup>**



Source: SCB, Swiss Federal Statistical Office

Progressively, however, immigration channels were liberalized, and it became easier for nationals of other countries to gain access to the Swedish labour market. Swedish unions were concerned about the creation of an “industrial reserve army” of workers which could undermine the working conditions of the native workforce. Throughout this period, labour unions remained critical of labour migration, calling for a better use of untapped domestic labour reserves, such as married women, the elderly, and partially disabled persons (Knocke, 2000, 160.; Borevi, 2014, 38). However, they had accepted it – providing it did not challenge wage and employment levels of Swedish workers – when faced with the fact that labour demand could only met with a quick expansion of the workforce enabled by immigration. This tolerant stance, however, changed in

the end of the 1960s. Foreign labour had increased to higher levels, especially from Yugoslavia (Knocke, 2000, 163; Waara 2012: 41). This was also a time when LO started to envisage the existing liberal migration policy as a threat to an orderly functioning of the labour market (Knocke, 2000, 163.). First, the entry of low-skilled foreign workers could delay structural transformations that were otherwise promoted by other policies to foster productivity within the Rehn-Meidner model (Waara 2012: 128-129). In this model, solidaristic wage policies acted as a productivity whip on low-wage sectors. Second, it could delay the labour market participation of married women, or the wives of union members themselves.

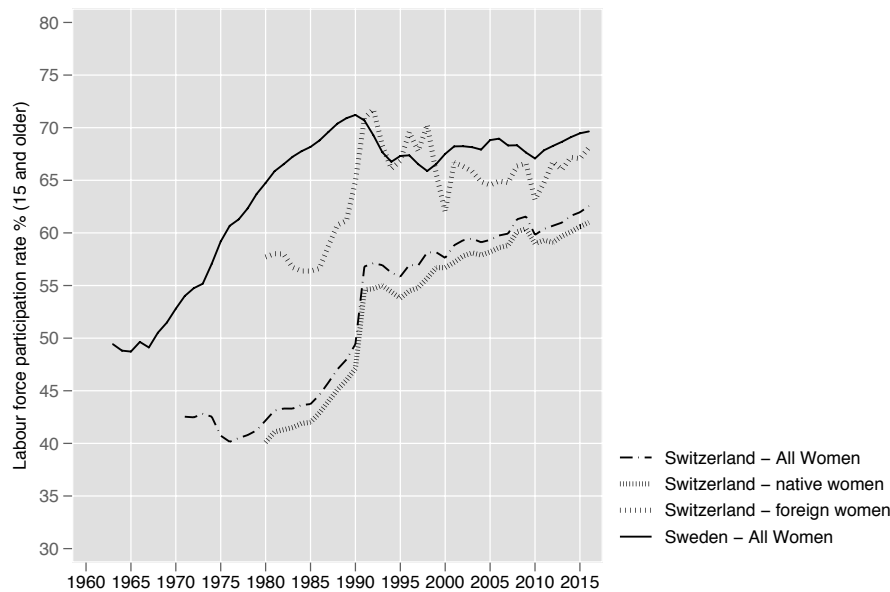
“From the 1966 Congress came a clear message. In connection to labour immigration, it was considered that the need for labour in Sweden could only be met to a small extent by the "import of foreign labour", because most countries experienced full employment and there was a scarcity of workers everywhere. Therefore, labour shortages should be solved by creating more space for women” (Yalcin 2010: 145, my translation).

The same year, the labour market board AMS was given a monopoly on recruitment, and migrants coming to Sweden needed to have a work permit before entering the country. In 1967, immigrants coming on their own initiative – outside bilateral recruitment agreements - could no longer be given work permits. In 1972, eventually, LO decided to put a stop to non-Nordic labour immigration. This did not happen through direct legislation but through an internal decision with the trade unions, which decided to systematically reject applications for work permits (Yalcin 2010: 155-156). It must be noted that LO explicitly justified this decision by the need to prioritise local workers, and namely women.<sup>10</sup>

From the mid-1960s, onwards the labour force participation of women in Sweden increased very significantly, from about 50% in 1968 to 70% in 1989 (Figure 4). In 1965, the Swedish female participation rate was 5% higher than the European average. By 1985, it had become 18% higher (Brewster and Rindfuss, 2000). In many respects, the 1960s marked a new era in gender relations in Sweden (Lundquist 2015: 119). While the country had made significant advances in the social provision of care for women in previous decades, including paid maternity and parental leave, child welfare centres, universal child allowances, the male breadwinner model was still an important guiding principle of labour market policies. Propped by the women’s movement but also trade unions and employers, a new model focusing on individual choice shaped public policymaking in the 1960s. A 1964 government commission report argued that government policies should aim at “relieving the woman from the choice between children and work: rather it (should) enable her to do both, as a woman and as an individual” (cited in Lundquist 2015: 120). If one considers more egalitarian gender norms as a condition for the expansion of female employment, the literature mentions a turning point in the 1960s. The “creation of the necessary institutional conditions to incentivize women to take paid labour and

to make it possible for men to take on the caring role for children” became a guiding policy theme in the 1970s (Lundquist 2015: 120).

**Figure 4: Female Labour Force Participation Rate, 15 and older, 1960-2015, Sweden and Switzerland**



Source: Our World in Data, University of Oxford (for Sweden); Swiss Federal Statistical Office (for Switzerland).<sup>11</sup>

Propelled by the women’s wing of LO, who had started lobbying for public childcare in the 1950s already, policy proposals in the debate included the introduction of a care allowance for working mothers and the expansion of public childcare (Naumann, 2005, 54.). Towards the end of the decade, the balance would tip in favour of the expansion of childcare to promote female employment to replace guest-worker policies (Naumann, 2005, 54.). From the 1960s onwards, the number of children in childcare centres increased dramatically (Nyberg, 2000, 9.). A battery of policy initiatives took place to foster the labour force participation of women. These include for instance a radio programme called “The housewife changing her profession” explaining various professions available to women and how they could get the proper training to enter paid employment (Lundquists 2015: 123), a plan to adapt the workplace for women, or the establishment of “activation officers”.

The background strategy behind these developments was a report from the National Commission on Child Care commissioned by the government to devise a strategy that could reconcile education imperative with increased female employment (Gunnarsson et al., 1999, 22.).

During the 1970s, the Swedish welfare state underwent a period of clear extension. For instance, the 1975 National Pre-School law required all municipalities to offer all 6 year olds at least 525 hours of free pre-schooling (Gunnarsson et al., 1999, 23.). In 1974, paid maternal leave was substituted with paid parental leave, allowing fathers to take subsidized leave to care for their children. Nowadays, Sweden is one of the top spenders in public childcare and early education (OECD, 2014) (Figure 2). In 1972, the year Sweden stopped Non-Nordic labour migration, separate taxation for spouses was introduced, making it more profitable for married women to work (Knocke, 2000, 164.).

#### **4. Switzerland: Importing Guest Workers, Keeping Women at Home**

Switzerland provides a contrasting example of labour force expansion based to a much greater extent on foreign labour than on female employment (Kindleberger, 1967). The size of foreign migration flows in Switzerland in the post-war period, brought in proportion to size, totally outpaced what happened in Sweden and, for that matter, almost all other West European countries. The context and power relationships explain a great deal of the variation in policy choices. While Sweden exhibits the typical characteristics of Social Democracy, Switzerland can best be characterized as a liberal-conservative model: weak and fragmented unions, the prevalence of conservative gender norms, the dominance of right-wing parties ultimately hostile to welfare expansion, and a set of political institutions (federalism, direct democracy) which prevented the emergence of a large public sector (Immergut, 1992; Obinger, 1998; Trampusch and Mach, 2011).

Conservative gender norms were institutionalised in a series of social policies. For instance, the 1877 law on factories prevented women from working on Sundays or at night (unlike men), but there was no compensation for income loss related to maternity. Married women were excluded from unemployment insurance between 1942 and 1951, and their benefits were set at lower rates. A constitutional article provided for paid maternity leave was adopted in 1945, but legislation to implement it was only agreed on in 2005. Up to 1995, old age pensions of married women were transferred to their husbands. The male breadwinner model was consolidated in the first half of the century: the share of women between 20 and 65 who worked fell from 50.7% in 1910 to 42.7% in 1960 (Hagmann 1966: 66). In 1960, Switzerland had one of the lowest proportion of women in its workforce, with 29.1%, compared to 34.8% in Sweden, showing that in Switzerland “advocates of the woman at home have been more able to impose their rule” (Hagmann 1966: 67). Similarly, the proportion of women in higher education stayed stable at a

very low level between 1939 and 1962 (12.9% vs 13.2%), while it was 40% in France in 1960 (Hagmann 1966: 67).

In the direct aftermath of the war, Swiss authorities were sceptical about the durability of post-war growth (Cerutti, 2000, 89.). In light of labour shortages in a number of economic sectors, they opted for seeking guest workers – first from Germany, then Italy - providing they would not settle. Trade unions were opposed to this measure, but the Government pursued this strategy nonetheless in light of strong employer demand (Cerutti, 2000, 89.; Conseil Fédéral 1967, 73-76). In 1948, the Swiss government signed a bilateral agreement with Italy. In contrast to Sweden, there was no unionisation clause. On the contrary, Swiss public authorities were very concerned that Italian workers could import socialist ideas with them (Cerutti, 2000, 106.). The duration necessary to access permanent permits was extended from 5 to 10 years, making it more difficult to access residency status (Cerutti, 2000, 92.). The explicit guidelines of immigration control were to favour temporary permits, notably seasonal permits, so that immigration could be stopped in case of a new recession. The settlement of families was also prevented, and family reunification was constrained (Cerutti, 2000, 93.). The number of immigrants in Switzerland increased from 285'000 in 1950 to nearly 600'000 in 1960, and more than a million in 1970 (Piguet, 2005, 51.).

Similar to Sweden, the 1960s witnessed growing concerns about the influence that immigration would have on Swiss society. However, both the nature of these concerns and the options presented to solve them were very different. First, even if trade unions were a critical voice, often calling for limitations on the recruitment of foreign labour, unlike their Swedish counterparts they yielded little influence in immigration policymaking (Cattacin, 1987: 63). The most important challengers to guest worker programs were anti-immigration movements who threatened to use the tool of direct democracy to put an end to labour migration via a referendum; *Überfremdung* (“overforeignisation”) was becoming a growing cause for concern.

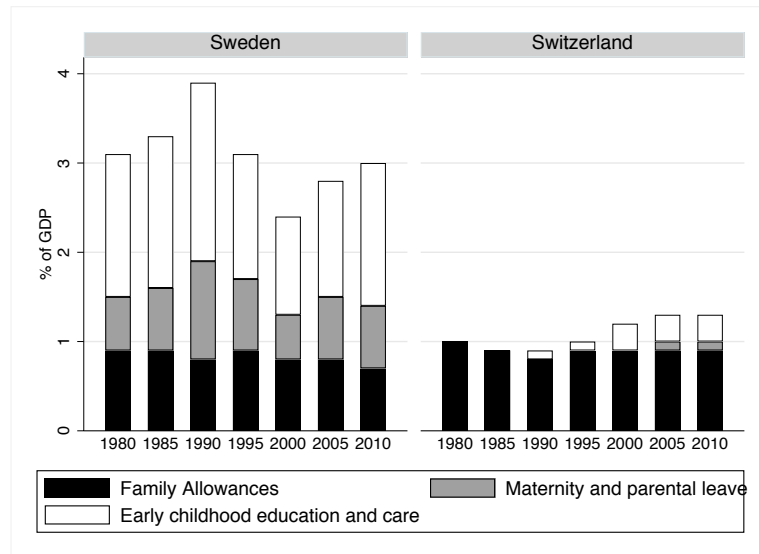
Compared to similar debates in Sweden at the time, the most striking difference is the absence of female labour force participation as a significant potential alternative to guest-worker programs. The options discussed at the time included an increase in working time to allow for the domestic workforce to work more to compensate for a lower supply of foreign workers (Bulletin du Conseil National, 1965: 268).

A commission was appointed in 1964 to outline strategies to solve the “problem of foreign labour” (Conseil Fédéral, 1965; OFIAMT, 1964). In its report, the potential to increase labour force participation amongst the domestic workforce was considered exhausted in spite of the fact that the participation rate of women was below 40% at the time. Rationalization was the favoured solution because access to cheap labour had made it possible for many economic sectors to delay

modernization and expand their labour force instead (Conseil Fédéral, 1965, 338.). The only policy proposals contained in the report which made explicit references to women were increasing opportunities for home-based work (so that married women could continue taking care of children in the home while taking up paid employment) or part-time employment (OFIAMT, 1964, 191.), besides delaying male retirement. While part-time employment was discussed in the mid-1960s as a way to possibly lower the demand for external labour, it was seen with hostility by trade unions as unfair competition to full time work (Journal de Genève 1965; Gazette de Lausanne 1964). Strikingly, the expansion of public childcare to facilitate the employment of mothers was never mentioned. In one of the few analyses examining the increase in female labourforce participation as a solution to replace foreign workers, Huber (1963: 123-124) considered that this was not a viable solution. First, female labour force participation could not be influenced in the short term through state intervention and was shaped by broader economic and social dynamics. Second, there were strong “non-economic” arguments against a higher participation of women in the labour market, most notably its adverse impacts on the family. Third, it was believed that an increase in GDP per capita would be accompanied by a decline in female labour force participation, because families would depend less and less on this additional source of income.

During the 1960s, the government put in place a system of quotas to limit the recruitment of foreign labour. However, immigration flows continued to grow and only slowed down in the mid-1970s, because of the oil crisis (Afonso, 2005). In the 1980s, labour migration resumed, and expanded further in the 2000 with the opening of the Swiss labour market to EU workers, accompanied by an extension of rights. Because most migrant workers were not covered by unemployment insurance, a large number of them who lost their jobs left the country, and unemployment did not increase in spite of a considerable economic contraction (Flückiger, 1992).

**Figure 5: Public spending on family policies: family allowances, parental leave and childcare in Sweden and Switzerland, 1980-2010.**



Source: Brewster and Rindfuss (2000, 276.). Socx database only provides data from 1980 onward.

In contrast to Sweden, public spending on childcare remained marginal (Figure 5), and the rate of female employment, even if it was fairly close to the Swedish rate in the early 1960s, stagnated up until the mid-1980s, especially amongst Swiss women – migrant women displayed a much higher activity rate (Figure 4). The policy activism witnessed in Sweden was absent in Switzerland; a major stumbling block was federalism, cantons being responsible for education and childcare. By any standard, Swiss family policies, and especially policies aimed at supporting working mothers, lagged behind most neighbouring countries (Kuebler, 2007, 217.) (Figure 5). For most of the 20<sup>th</sup> century, state-sponsored family policies in Switzerland have been limited to family allowances introduced in all cantons during the 1950s and 1960s (Kuebler, 2007, 219.) (Figure 5). But while family allowances could be reconciled with a traditional one-earner family model, attempts at welfare schemes which could facilitate a more balanced participation of women on the labour market repeatedly failed. While a constitutional article providing for a public paid maternity leave was accepted in 1945, it only materialized in actual legislation 60 years later (Häusermann, 2010). In 1964, the government rejected the introduction of maternity paid leave in health insurance provisions (Kuebler, 2007, 219.), and another attempt supported by the women's movement was voted down in a referendum in 1984.

In 1964, a trade unionist cited in the *Gazette de Lausanne* criticised “daycare centres, school meals and other measures allowing women to escape their primary duties and integrate in economic processes” (*Gazette de Lausanne*, 1964). Trade unions were also opposed to the expansion of part-time work, which they thought was not an appropriate measure to reduce the



demand for foreign workers, and could constitute unfair competition (Journal de Genève, 1965). In a study of foreign labour in Switzerland, Hagmann (1966: 123) was more optimistic on the prospect of an increase in female labour force participation, mostly through the channel of part-time work, but it would have to face the opposition of trade unions seeing part-time as a form of unfair competition, and employers worried about problems of organisation. Regarding an increase in state intervention to fund paid maternity leave, the strength of employers and right-wing parties constituted a stumbling block, as they consistently opposed funding welfare schemes to help women reconcile work and family. As late as 1997, the President of the Swiss Employers' Union, the main employer body, declared in an interview that

“We do not have money to fund equality between men and women. [...] Nobody voted for women to have children! It is a private affair and everybody needs to take their own responsibility for it. Maternity is not a risk that can be insured like unemployment: you can prepare for it, you can do it when you can afford it. It's always what we have said with my wife (...) She made the choice of staying at home. But we have waited to have enough money to have our first child. For instance, we waited to buy a car. [asked whether current policies require a choice between maternity and paid employment] Some psychologists say that the presence of the mother with the children is actually a good thing” (*Le Nouveau Quotidien*, 19.6.1997, p. 7, my translation).

Hence, state intervention to promote the reconciliation of family and working life was not considered a policy priority as in Sweden, because it would challenge deeply entrenched traditional gender roles, but also entail a significant expansion of the state that dominant right-wing parties (particularly christian-democrats and liberals) and employers were not ready to accept until recently (Kuebler, 2007, 225.).

## **5. Conclusion**

In this article, I have compared Switzerland and Sweden to show how the interaction between left power and gender norms led to different strategies to expand the labour force. In this context, guest worker programs emerged as an expedient complement to the conservative Swiss welfare regime, as it allowed to expand the labour supply at a relatively low cost, without expanding welfare programs – and therefore taxation – and without challenging deeply entrenched gender norms. This took place in a context of weak power resources of the left both in the parliamentary and corporatist arena, and the delayed extension of suffrage to women. In Sweden, guest worker programs were seen as a challenge to the Swedish social welfare model, and the expansion of female employment via employment-friendly welfare programs was fostered by a more favourable set of power relationships. Female employment had already been higher, strong trade unions and social democrats in power were favourable to an expansion of state intervention.

A number of limits and options for further research can be outlined. First, it could be argued that female and (mostly male) migrant employment are not completely interchangeable, and that the available labour supply strategies could be dictated by different sectoral setups of the economy. Indeed, the largest receiver of foreign labour in Switzerland in the 1950s and 1960s were construction and metallurgy, two sectors with a very pronounced male gender bias. In contrast, the take-off in female employment in Sweden from the 1960s onwards was underpinned by the expansion of public health and social services, where the gender balance tips towards women. In this context, it is unclear whether these developments are a consequence of different labour supply strategies – because the labour supply can also strongly shape the patterns of expansion of economic sectors (Wright and Dwyer, 2003), or a cause, assuming that the sectoral demand for employment in the economy is exogenous. Further research should seek to address this potential issue of reverse causality (see also Oesch 2013).

The second question is the external validity of the findings presented here based on two countries. If Switzerland may be the clearest case of labour expansion via guest worker programs, these also played an important role in other Bismarckian countries such as France (Weil, 1995), Germany (Herbert, 2001) or the Netherlands (Penninx and Roosblad, 2000). In contrast, other Nordic countries, particularly Denmark and Finland, have also witnessed a much smaller scale of labour migration. However, as already mentioned the Swiss case also displayed strong liberal features and generally high rates of labour force participation for both men and women. Hence, a broader set of countries should be analysed to establish the scope conditions of the mechanisms outlined here. Typically, other Continental countries displayed lower employment rates, while both Sweden and Switzerland both achieved high employment levels through different routes. The temporal focus should also be specified, as there seems to have been a significant convergence in level of both immigration and female employment from the 1990s onwards. The important mechanism underpinning female employment in Switzerland has been part-time work (Afonso and Visser 2014), while immigration to Sweden in recent decades has mainly taken place via the channel of asylum.

Drawing on the present analysis, an important future research agenda will consist in examining the different ways whereby immigration can pursue social policy goals by other means in both sending and receiving countries. While I have focussed on the labour supply function of social policy, in some countries migrant workers deliver private services (childcare; elderly care) that are not adequately provided by the state (Sciortino, 2004; van Hooren, 2012). In sending countries, remittances sent by emigrants can act as an insurance mechanism equivalent to social spending, potentially dampening demand for “conventional” social policies (Doyle,

2015). Hence, immigration constitutes a promising focus to explore how social policy goals can be pursued by other means.

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## **Notes**

1. OECD Labour Force Statistics.
2. While the average age of retirement in OECD countries was 68.2 years in 1970, it had declined to 63 in 2004, before starting another increase after that.
3. In this sense, it can also be argued that facilitating female employment also implies choices in terms of industrial development. Getting more women into the workforce fosters the (public) services sector, while (male) migrants fosters private industry.
4. While this research design may be considered indeterminate because it assesses the impact of two independent variables in two cases, I am primarily interested in the interactions between these two independent variables. Moreover, using process tracing moreover allows to compensate to some extent for this problem. Ideally, a four country comparison could be carried out to obtain variation in the two independent variables. France could be a case of progressive gender norms with a weak labour movement, and Austria could be a case with a strong labour movement and conservative gender norms.
5. While it is difficult to find data on attitudes going far back in time, data from the World Value Survey in 1996 point to the differences between Switzerland and Sweden: Swedish respondents were significantly more likely to disagree with the idea that jobs should be reserved for men when jobs are scarce (90.5% opposed ) than Swiss respondents (54.6% opposed). We can assume that this percentage was much higher in previous decades.
6. <https://www.economist.com/news/business/21737078-america-rises-ranking-germany-falls-and-metoo-movement-makes-its-mark-south>
7. The 2 indexes are simple average of 3 indicators (union density; social democratic vote share; left cabinet posts) for left-wing strength, and 2 indicators (share of women in parliament; share of women in the workforce) for gender norms. Data comes from the CPDS dataset (Armingeon et al. 2015) and (Hagmann 1966: 67) for the share of women in workforce
8. Yalcin (2010: 403) argues that the emphasis on women in the 1950s was just a rethorical strategy, and that LO had no real interest in expanding the labour force: labour shortages meant rising wages.
9. In Sweden, both data on foreign-born (who may have been naturalised) and foreign citizens is available, while only the latter is in Switzerland. Given that high naturalisation rates in Sweden make for significant discrepancies, I provide both measures.
10. Note reproduced in Yalcin 2010: 156, based on LO-archive, Socialpolitiska enheten, volym Arbetstillståndsfrågor Cirkulär nr. 19/1972, 12.2.1972

11. The increase in Switzerland in 1991 is due to a different way of counting participation, lowering the threshold in hours worked from 6 to 1 hour per week. The Swiss data before this date are not completely comparable to the Swedish data.

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