



**EMN**  
Europeiska migrationsnätverket



# European Migration Network

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Satisfying Labour Demand through  
Migration

Sweden  
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## **Summary**

### **The assignment**

The European Migration Network (EMN) has been assigned within the framework of its programme of work for 2010 to conduct a comparative study among EU Member States regarding how migration can cover labour shortages within various sectors of the labour market. The Swedish part of this study illustrates the situation in the Swedish labour market based on factual information obtained from the relevant public authorities and ministries. Statistical data has been obtained from Statistics Sweden (SCB) and the Swedish Migration Board.

One consistent challenge presented by the assignment was responding to questions often presented in the specifications for the study concerning how Swedish policy matched a labour shortage with labour immigration. These specifications are broadly based on the expectation that the Member State has fairly strict rules and forms for economic migration. The answer is often different in this Swedish report and explanations for this can be found in the new legislation. With the Swedish model for labour immigration, the employers conduct an assessment of needs. Sweden does not have any quotas or cooperation programmes with countries outside the EU aiming to build up some form of established exchange or matching of labour.

### **Swedish policy on labour immigration**

The Swedish policy on labour immigration changed fundamentally in December 2008 when a statutory amendment entered into force that aimed to make it easier for foreign citizens from outside the EU/EEA to come to Sweden for work. The amended rules and regulations mean that labour demand in the labour market is the driving factor and that human resources are emphasised as an important component of global migration.

Today, it is relatively simple for a person who resides in a country outside the EU/EEA group to move to Sweden for work – provided that he or she has an offer of employment. The work offered must satisfy the requirements for pay according to collective agreements and general insurance conditions. Work and residence permits must be arranged prior to leaving one's country of origin. Family members are entitled to accompany the employee and work permits are offered to accompanying persons when applicable. Foreign citizens basically enjoy the same rights as Swedes when working and living in Sweden.

Support for the reform has been observed on the part of virtually all spheres of interest. Stakeholders from industry as well as other economic stakeholders emphasise that third country nationals improve Sweden's trade relations internationally and also that increased labour immigration will

contribute in the long run to financing the welfare state and improving economic growth. Working conditions for third country nationals must comply with Swedish collective agreements, which has tempered some of the criticism initially advanced by unions.

In relation to Swedish labour market policy – the aim of which is to create a balance between supply and demand as well as high employment – there are no specific tools to regulate labour immigration. However, demands from the labour market for greater specialisation and higher education and training increasingly lead to resources being devoted to further education and training and other forms of skills provision.

### **Approach to implementing labour immigration policy**

When analysing the statistics, which constitute an important information base for this study, it appears that third country citizens constitute a significant proportion of the Swedish labour market. The vast majority of this group were born abroad and have come to Sweden for reasons of asylum or as a result of the immigration of a close relative and are registered in the population registry at the Swedish Tax Agency. Third country nationals in employment increased their share of the entire Swedish labour market by 3% during the period of the study (2004-2009), which means that this group represents more than half of the increase in the number of people employed. In absolute terms, this consequently means that 150,000 people from the ‘third country nationals’ group entered the Swedish labour market during this period.

So far, it cannot be said that there has been any marked increase in labour immigration to Sweden and the number of third country nationals who have come to Sweden to work remains at a relatively low level. However, the statistics show that there has been a certain increase. The number of work permits granted doubled during the period 2004 to 2009 and the most common occupations are within agriculture, the IT sector and the catering sector. Most of the workers come from Asian countries, such as Thailand, India and China. It is likely that increasing numbers of migrants will seek entry to Sweden as labour immigrants as a consequence of the simplified rules and regulations combined with improved information (including the Internet-based web portal set up by the Swedish Institute: [www.workingsweden.se](http://www.workingsweden.se)).

The future need for working people is expected to increase by a net figure of 175,000 up to 2030. As Sweden has a significantly ageing population, it will become necessary for a gross increase of 250,000 by 2030. The sectors in which the need for labour will continue to be high include staff trained within the care and nursing sector and within the areas of technology and engineering.

## **Cooperation with countries outside the EU concerning economic migration**

Traditionally, Sweden has not entered into any bilateral agreements concerning labour immigration.

Information about what it is like to work and live in Sweden is updated through websites for which the Swedish Institute is responsible. These websites also refer to the rights and obligations that ensue from living in Swedish society.

## **Conclusion**

Sweden's population is growing and is simultaneously ageing, which is increasing the dependency ratio. In 2030, when the total population is expected to exceed 10 million, the pyramid will transform into a form resembling a uniform column. For this reason, various measures must be deployed to stimulate participation in the labour market and increased immigration may be one means of resolving certain aspects of this problem. The objective is also to increase employment among persons born abroad and young people and also to broaden participation in work at both ends of the age structure to extend working life for each individual.

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## **Introduction: aim and method**

This study has been conducted within the framework of the European Migration Network's (EMN) programme of work for 2010. The EU Member States 'National Contacts Points' for EMN produce national reports within the framework of this study regarding how migration supplies the national labour market with labour. The aim of the study is to describe the national policy for covering a labour shortage but, above all, to illustrate and reveal the strategies applied to supply the labour market through labour immigration. The study also describes how effective the labour market policy is within these perspectives, and provides a picture of the impact of the recent economic downturn.

The target group for this study primarily comprise politicians and salaried employees whose work involves these issues at a national and EU level. The study should also be of interest to stakeholders within the Swedish labour market, such as employer organisations and trade unions. The study may otherwise be of interest to immigrant organisations as well as stakeholders whose work involves integration into Swedish society.

### **1.1 Method**

The study has been produced on the basis of the joint specifications drawn up by the EMN.<sup>1</sup> This has been done to facilitate comparisons between Member States of the EU. The specifications state which questions the study should answer and similarly the definitions and delimitations, etc. This report is based on a number of previous studies conducted under the auspices of the EMN, such as 'Conditions of Entry and Residence of Third Country Highly-Skilled Workers in the EU' from 2007 and 'Managed Migration and the Labour Market – the Health Sector' from 2006.<sup>2</sup>

The Swedish part of the study has been produced by experts from the Swedish Migration Board in cooperation with the National Contact Points for EMN and also in consultation with experts from the Ministry of Justice. The method used has been to gather available and up-to-date information concerning labour immigration. The study has been based on, among other things, sources of information in the form of official materials, such as acts, Government Bills and Government Communications. Information has also been obtained from internal reports from the Swedish Migration Board as well as material from the websites of the Swedish Migration Board, the Riksdag (Swedish Parliament) and the Swedish Government. Experts in the areas of interest at the Swedish Migration Board have contributed by providing knowledge, written documents, internal reports and summaries, as well as interpretations of the supporting documents. Statistics for the tables

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<sup>1</sup> Specification for EMN Study – Satisfying Labour Demand through Migration, Final version: 22<sup>nd</sup> March 2010. MIGRAPOL, European Migration Network, Doc. 187

<sup>2</sup> See <http://emn.sarenet.es/>

included largely come from Statistics Sweden (SCB), but also to some extent from the Swedish Migration Board and the Swedish Public Employment Service. All of the material and the reports used in this study can be found in this list of sources.

One consistent challenge presented by the assignment was responding to questions often presented in the specifications for the study concerning how Swedish policy matched a labour shortage with labour immigration. The format of the study (i.e. the above specifications) is broadly based on the expectation that the Member State has fairly strict rules and forms for economic migration. In this Swedish report, the answers have had to be adapted to the new legislation. In the Swedish model for labour immigration, the employers conduct an assessment of needs. Sweden does not have any quotas or cooperation programmes with countries outside the EU aiming to build up some form of established exchange or matching of labour.

The statistics sought for this assignment have many variables and the Swedish report presents data concerning virtually all of the tables laid down. However, there is a lack of information, primarily for Tables 2 and 4, relating to the outflow of migrants who have worked in Sweden. Such information has not been registered with either SCB or the Swedish Migration Board.

## **1.2 Definitions**

The statistics are based on classification under the SSK codes that are a generally accepted international classification of occupations and occupational groups. The information contained in this study follows the definitions of the specifications, broken down according to highly skilled (Groups 1-3), skilled (Groups 4-8) and low skilled (Group 9). Table 1 (appendix) has a separate line for 'researchers', but these persons are also included under the 'highly skilled' group, for which reason researchers are thus counted twice. 'Seasonal workers' are not included in the official statistics from SCB as they are normally workers who are present in the country for a period of less than one year and are thus not registered in the population registry.

Since the 1970s, labour immigration to Sweden has been somewhat limited, and has consequently only had a rather minor effect on the statistics.

## **2. Swedish policy on labour immigration**

### **2.1 National vision and policy**

#### **2.1.1 Vision on the future role of migration in combating labour shortages**

One of the major reforms to Swedish immigration policy was conducted in December 2008, when new rules came into legal force for labour immigration to Sweden from a third country. One of the aims of the reform was to introduce a system for labour immigration that was governed by demand in the labour market. The labour shortage within certain occupational groups and sectors in the labour market has also previously been dealt with to some extent through recruitment from countries outside the Union, but then by means of a public authority-based labour market review and almost exclusively by granting temporary permits. The employer's assessment of the need to recruit manpower from a third country is consequently the starting point when processing residence and work permits.

The Swedish policy for labour immigration emphasises the importance of a more open and richer society. In an increasingly global society, migration is viewed as a positive force for both sending and receiving countries and for the migrants themselves. The fact that increased labour immigration may contribute to vitalising the labour market and economy represents an explicit component of government policy.<sup>3</sup> In order to promote mobility across borders and make use of the knowledge and experience of labour immigrants, the perspective has now been changed through labour immigration being attributed a very clear place in the migration policy debate.

Just like most other high-income countries, Sweden is facing an ageing population with a consequential long-term shortage of people of working age. However, it is apparent that increased immigration cannot resolve the challenges brought about by an ageing population on its own. An increase in labour immigration can never fully compensate for the effects of an ageing population, although increased labour immigration may help to alleviate the situation for businesses seeking labour with the right skills, thereby mitigating the effects of 'bottlenecks' in the labour market. The aim of Swedish labour market policy is to make use of all of the resources in the labour market and equip jobseekers with appropriate skills, and also to reduce the thresholds for employing groups that have a weak link to the labour market. The explicit labour immigration policy is therefore only a complement to measures aimed at utilising the labour already here in Sweden.

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<sup>3</sup> New rules for labour immigration, Ministry of Justice, May 2008

### 2.1.2 Labour immigration as a tool?

The description below aims to provide the reader with an understanding of the complexity in how the policy is oriented towards governing both supply and demand in the labour market.

The Swedish labour market model is a collective term for various phenomena related to the labour market, such as active labour market policy, a high level of union organisation and coverage by collective agreements, generous unemployment benefits and the absence of direct government involvement when setting wages. The Swedish labour market model also provides strong statutory employment protection and conditions of work that are regulated by collective agreements. Such protection may constitute impediments for those who are not employed – particularly within marginal groups such as young people, immigrants and low-skilled workers – that makes entry to the labour market more difficult.<sup>4</sup>

The objective of labour market policy is to promote a properly functioning labour market where vacant jobs are filled as rapidly as possible through people being able to easily move from one job to another, or from unemployment to regular work. Some groups of unemployed people find it more difficult than others to find work and are thereby at risk of becoming long-term unemployed. Some of these groups are young people with a lack of education, people born outside Europe, people with disabilities that entail an impaired capacity for work, older unemployed persons (aged between 55 and 64). Various measures have been deployed to support employment, suppress unemployment and stimulate the supply of labour. Initiatives to promote the provision of skills shall be conducted, with a major focus on vocational training, increased initiatives within colleges and universities, various forms of in-work tax credit schemes and regional growth programmes.<sup>5</sup>

Access to specialised and skilled labour represents a key driver for sustainable growth in regions and nations, for which reason the Swedish Government has identified the provision of skills and increased labour supply as an important area for initiatives in Swedish labour market policy. Initiatives to enhance the provision of skills have already been described briefly. An increase supply of labour primarily involves as many people fit for work as possible being employed or seeking work. Measures such as in-work tax credit schemes, changes to unemployment insurance and health insurance are some examples aimed at increasing the drivers for work.

Access to trained labour is often limited within occupations that enjoy long-term growth, regardless of the state of the market. The limited flexibility of the educational system means that the range of education and training is not

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<sup>4</sup> *Globaliseringsrådet* [The Globalisation Council], Per Skedinger, Dec 2008

<sup>5</sup> *Arbetsmarknadsutsikterna hösten 2009* [Labour market prospects, autumn 2009], Swedish Public Employment Service, Ura 2009:2

adapted to the needs of the labour market as regards either dimension or content.

The Swedish policy for labour immigration has no component of matching in relation to occupations where there is a shortage of labour. However, it can be clearly discerned from the statistics that a large group from third countries have professional skills within technology, engineering and computing. Jobs within health and medical care are what are known as 'professions requiring accreditation' and employees within these areas must meet the criteria laid down, such as knowledge of Swedish and approved professional technical tests, which means that it takes time before the profession can be practised.

The Swedish Public Employment Service produces occupational forecasts twice a year.<sup>6</sup> These forecasts show the situation in the labour market and future prospects for almost 200 occupations. The forecasts are based on assessments made by the Swedish Public Employment Service based on interviews with 12,400 private employers, municipal authorities and county councils. A 'shortage index' is then used to quantify recruitment needs, using a weighted average value from 1 to 5. This index identifies the occupations (occupational groups) where there is a shortage of applicants. Before the new legislation on labour immigration was introduced (December 2008), this 'shortage list' comprised a criterion for who could get a work permit in Sweden. The Swedish Migration Board currently uses the shortage list to grant work permits to people who have already entered Sweden with an entry visa referring to a visit with an employer for an interview. If the occupation is on the shortage list, the applicant can obtain a work permit straight away without having to first leave the country to apply from their country of origin. The occupational groups where there are currently shortages are:

- Specialist occupations within technology, engineering and computing;
- Specialist occupations within health and medical care;
- Certain occupations within the construction industry and civil engineering;
- Some occupations within industries that have high qualification requirements;
- Some categories within the teaching profession.

### **2.1.3 Changes in policy and possible effects**

The new rules for labour immigration entered into force at about the same time as the financial crisis. The expectations of the effects of the changed legislation, which were rather high early on, were significantly dampened and the total influx of labour during the first year (2009) remained at almost

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<sup>6</sup> *Arbetsmarknadsutsikterna för år 2008 och 2009* [Labour market prospects for 2008 and 2009], Swedish Public Employment Service

the same level as before. As the new legislation is based on demand-driven labour immigration, no special measures were taken during the economic downturn; the system is self-regulating.

A temporary downturn in the economy has not been considered to constitute a reason for changing the reform recently implemented. One aim of the reform was to ensure that employers could find the skills they needed irrespective of where in the world a person is residing. For this reason, an emphasis has instead been placed on the importance of a migration policy that is sustainable in the long term, placing the predictability of the system at the forefront.

Work is currently underway to implement the Blue Card Directive (Council Directive 2009/50/EC of 25 May 2009 on the conditions of entry and residence of third country nationals for the purposes of highly qualified employment) into Swedish legislation. It is considered that the implementation of this Directive will involve fewer changes as supplements to the current system.

## **2.2 Legislative and institutional framework**

### **2.2.1 Legislation**

Sweden introduced new rules for labour immigration in December 2008.<sup>7</sup> The public authority-based labour market review (the ‘shortage review’) conducted by the Swedish Public Employment Service ceased to apply with effect from 15 December 2008. Since this time, an employer who cannot find the labour required within Sweden or the rest of the EU/EEA or Switzerland has been able to employ labour from a third country provided the conditions for obtaining a work permit have been satisfied.

#### **2.2.1.1 Work permit conditions**

The Swedish Migration Board is the authority that grants work permits for employees and reviews the conditions offered, such as pay, insurance cover and other conditions of employment. Pay and conditions must comply with the levels under Swedish collective agreements or be in line with practice within the occupation/sector. Trade unions are given an opportunity to express their views on the conditions of employment to ensure sound competition, protect employees and prevent wage dumping.

The employer must demonstrate to the Swedish Migration Board that the post has been advertised.<sup>8</sup> The principle of Community preference applies,

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<sup>7</sup> New rules for labour immigration, Government Bill 2007/08:147

<sup>8</sup> When recruiting new employees, the employer must make it possible for people residing in Sweden, other EU/EEA countries and Switzerland to apply for the position. The simplest way of doing this is by advertising the post with the Swedish Public Employment Service for ten days – it will then also be available within EURES (the European Job Mobility

which means that a citizen within the EU/EEA and Switzerland is given priority to apply for the positions. A residence and work permit is granted for the period of employment or for no more than two years at a time. The permit may be extended one or more times. The employee may be granted a permanent residence permit provided that they have had a residence permit for work for an aggregate period of four years during the past five years. Family members such as husbands/wives/cohabitees/registered partners may also be granted residence and work permits. They are then afforded the same rights as the employee.<sup>9</sup> The same also applies to children under the age of 21. A work permit may be revoked if the employee's employment ceases. The person in question then has three months to find a new job before the residence permit is revoked.

Foreign students who are studying at university or college are entitled to work while studying. After the period of study, a work permit may be applied for from within Sweden, provided the person has completed at least 30 higher education credits, or has undergone one term of postgraduate education in Sweden, and has also received an offer of employment that meets the criteria described above.

Asylum seekers whose application has been rejected may apply for a work permit within two weeks after the decision on expulsion has entered into force. The following conditions must also be satisfied:

- A valid passport that applies for the entire term of the permit
- Employment that has lasted for at least six months previously and a continuation that will last for at least a further 12 months
- The employment is with the same employer.
- That it is possible to support oneself with this work
- Otherwise on the same conditions as other work permits

The main rule is that maintenance and work permits must be arranged prior to entry into Sweden. This means that the application must be submitted in the applicant's country of origin or the country where the applicant resides. However, in certain cases the Swedish Migration Board may grant a

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Portal). An employer can announce a vacant position via the *Annonsera Direkt* service on the Swedish Public Employment Service's website, by contacting the Swedish Public Employment Service's Customer Service desk or by contacting their local employment service office. The Swedish Public Employment Service also offers intermediary services to survey the supply of available labour within the EU/EEA and Switzerland. See also [www.arbetsförmedlingen.se](http://www.arbetsförmedlingen.se) and [www.migrationsverket.se](http://www.migrationsverket.se).

<sup>9</sup> The tax agency covering the new district of the home must be notified when you move to Sweden from abroad. The main rule is that you should be *registered in the population registry* where you are residing. Population registration comprises the fundamental register of the population in Sweden. This register contains details of who lives in Sweden and where they live. Where you are registered in the population register is significant as regards many rights and obligations. For example, the right to child allowance and housing allowance is dependent on **being registered** in the population register. Where you pay your tax and vote depends on **where** you are registered in the population register. Marital status and other personal details are also registered in the population register. See also [www.skatteverket.se](http://www.skatteverket.se).

residence and work permit that has been applied for from Sweden. This applies, among other things, to extensions of work permits, students at colleges/universities in Sweden, certain asylum seekers and people visiting an employer.

### **2.2.1.2 Mechanisms for identifying labour shortages**

Swedish legislation does not govern the mechanism for identifying a labour shortage within Sweden and the EU. However, there are exemptions from the requirements for a work permit having to be sought from outside Sweden as regards people coming to Sweden on an entry visa in order to attend an interview with an employer. If the person is then offered work, a work permit can be applied for and decided on from within Sweden provided the occupation is included in the shortage list drawn up by the Swedish Public Employment Service.

### **2.2.1.3 Family reunification**

As mentioned in 2.2.1.1 above, the employee is entitled to take family members with them, such as husband/wife/cohabitee/registered partner. The accompanying person will automatically get a residence permit but can also apply for and be granted a work permit if and when this is required. Children up to the age of 21 are also entitled to accompany the employee. The family members are afforded the same rights as the employee.<sup>10</sup>

### **2.2.1.4 Return**

No special measures are taken for return to the country of origin when a job and similarly a work permit ceases. The rules and regulations anticipate that persons whose residence and work permits cease will also leave Sweden. Swedish legislation focuses more on employees from third countries staying in Sweden.

In this context, it is worth noting that the implementation of the private law sanction directive (Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights) is underway in Sweden. The aim of this Directive is to harmonise the legislation of the Member States as regards the enforcement of intellectual property rights in order to thereby achieve a high, equivalent and uniform level of protection for intellectual property rights in the inner market.

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<sup>10</sup> See footnote 9

## **2.3 Political debate and involvement of other stakeholders**

### **2.3.1 Political and social debate**

Over the past 40 years, Swedish immigration policy has been characterised by major immigration, primarily of relatives and asylum seekers. Labour immigration has only comprised a small part of total immigration. Unemployment among newly arrived immigrant groups in Sweden has been high, for which reason a debate concerning work and integration preceded the new legislation on labour immigration. At the same time, the advantages of a versatile migration policy was emphasised, central to which was the creation of opportunities for people to independently make a better future in Sweden.

The new Labour Immigration Act was received positively by virtually all spheres of interest. One possible explanation for this may be that the inquiry preceding the legislation, which had been appointed on the initiative of a majority of the Riksdag in 2003 as an all-party committee, had presented a unanimous report. The committee started its assignment in 2004 and presented its proposal for a statutory amendment in 2006. The proposal was adopted by the Riksdag in 2008. The rather broad debate conducted concerning the benefit of increased labour immigration is likely to have contributed to the discussion becoming rather unanimous when the rules were introduced. There were no questions regarding whether or not Sweden needed to have new legislation in this area.

It was primarily Swedish industry, but also to some extent the public sector, that sought to expedite the new act. Arguments in favour of greater labour immigration from these spheres of interest have, among other things, been that the increased immigration of foreign labour contributes to funding the welfare state and increased economic growth. The debate has also discussed the need for influxes of professional groups to fill vacancies that arise when the population ages and we have increasingly few who are working and contributing to the economy.

A positive response was also forthcoming from the academic sphere, not least as foreign students now have a statutory possibility to apply for a residence and work permit from within Sweden following their studies – provided they have an offer of employment. Research in recent times has also shown there to be an interest in migration and increased global mobility. A number of studies emphasise the positive opportunities that migration brings, provided international agreements are established to protect migrants and afford them equal rights.

The main criticism of the new system primarily came from union quarters, where certain organisations emphasised the importance of conditions for labour from third countries not being jeopardised. Criticism was also presented concerning inadequate follow-up responsibility and that the new

rules and regulations on labour immigration provide no protection against disreputable employers not living up to the conditions promised. Conditions in the Swedish labour market are regulated by parties to the labour market, and there is no special treatment based on foreign citizenship.

### **2.3.2 Cooperating stakeholders in Sweden and representatives in third countries**

There are currently no contracts or established forms of dialogue for discussions between stakeholders in Sweden who wish to bring in labour with partners or representatives in countries outside the EU. Sweden has chosen not to enter into any bilateral agreements for labour immigration as the Swedish policy is based on labour demand in the labour market. Nor are there any special quotas or regulations as regards requirements for particular education, training or experience on the part of foreign labour. As a direct consequence of this, there is no need for bilateral agreements.

However, Sweden has a Memorandum of Understanding concerning mobility for young people (between the ages of 18 and 30) with Canada, Australia and New Zealand. The aim of this Memorandum is to promote cultural exchange and mutual understanding through young people being able to stay and work in the other country.

International and Swedish employment agencies play an active role in mediating services, the supply of work and information about the labour market in Sweden. These agencies normally have good knowledge of social, cultural and legal issues that may be of great importance to both foreign employees and employers.

With the aim of increasing information for third country nationals who wish to come to Sweden to work, the Swedish Institute was assigned by the Government to produce an Internet-based web portal: [www.workinginsweden.se](http://www.workinginsweden.se) containing both relevant information about the rules for coming here and working and information about the Swedish labour market, including why one should choose Sweden as a destination.

Sweden has also taken an active part in the work involving the EU Mobility Partnership, primarily in a partnership with Moldavia where the Swedish Public Employment Service administers the programme.

### **3. Approach to implementing economic migration policy**

#### **3.1 Implementation of economic migration policy**

The former labour market review (up until 2008) meant that an application for a work permit should normally go to the Swedish National Labour Market Board and then onto the County Labour Board for examination. The review involved establishing whether labour was available in Sweden or from other EU/EEA States. These public authorities could only provide a recommendation if there was a shortage of labour for a particular occupation, and the matter was then considered by the Swedish Migration Board in accordance with the Aliens Act for the issue of a work and residence permit. Union organisations were given an opportunity to comment not only on the conditions of employment, but also on the labour market situation in the sector concerned. The guidelines for this procedure were adopted in 1968 and 1984.

No labour market review was required within the framework of international exchange (which among other things includes moving corporate groups, cultural exchanges, etc.) and, according to the practice that applied at that time, a temporary work permit could be issued for an aggregate period of at most four years.

After that a new model for labour immigration was implemented in Sweden and the assessment of needs is now conducted by the employer instead. With the new legislation, which entered into force in December 2008, Sweden has changed from having a restrictive stance to labour from third countries, which only covered occupations where there was a shortage, to demand-driven labour immigration. Today, it is the employer who determines the need for labour and from where in the world the employer wishes to recruit, provided the applicable rules are observed and offers are made with conditions of employment in line with collective agreements and also provided that employees will be able to support themselves. There are no restrictions as regards occupational categories, as a need may arise within all sectors. It is up to the employer to assess the professional skill and general suitability for the work in question in precisely the same way as for any other recruitment.

An intensive dialogue was conducted between representatives of the employer and employee organisations, both before and after the implementation of the new act, in order to ensure that labour immigrants receive the right pay and correct insurance. An important point of departure for the legislator was to avoid the occurrence of both wage and social dumping, for which reason the Swedish Migration Board, which is responsible for dealing with work permits, examines a number of requisites

that must be satisfied before granting a permit. The following requirements must be satisfied:

- advertising the post within the EU/EEA,
- union views on terms of pay and insurance,
- correct passport documents corresponding with the period of the work,
- that the level of pay is in line with the applicable collective agreement.

A work permit is normally issued *before* departure from the sending country and must be collected from a Swedish mission abroad. A work permit is linked to an occupation and employer for two years and then, in the event of a subsequent extension, only to an occupation for a further two years. Thereafter, the employee can obtain a permanent residence permit. The fact that a work permit initially is linked to an employer makes it possible to verify if agreed conditions are kept. It may however be noted that if an individual who has a work permit would like to change employer during the first term, he/she can apply for a new work permit from Sweden. There is i.e. some degree of flexibility in the system.

Family members are entitled to accompany the employee from day one, and this includes cohabitee/husband/wife as well as children under the age of 21. Accompanying persons can also get a work permit regardless of whether they have an offer of work when leaving their country of origin.

Visiting students who have completed studies for 30 higher education points are entitled to apply for a work and residence permit from within Sweden if the student has received an offer of employment.

A person who has received an entry visa to attend a job interview with an employer in Sweden may under certain conditions (i.e. an exemption from the main rule above) be granted a permit without leaving Sweden. The preconditions are that the employment relates to work where there is great labour demand (the 'shortage list') and that the employer will be caused inconvenience if the alien has to leave Sweden to make an application from his or her country of origin.

Asylum seekers whose asylum application has been rejected through a decision that has entered into final legal force may also be granted a residence permit for work without him or her leaving Sweden. A precondition is that the previous work was for six months with a one-year offer of continued work, pay and conditions in line with collective agreements, and also approved identity documents.

### **3.1.1 Measures for integration in society**

There are no special programmes of measures to integrate or train people who come here through labour immigration. The only exception is those

within ‘occupations requiring accreditation’ (medical and dental care services, etc.) for which special provisions regulate demands for knowledge in the Swedish language and also a relevant level of knowledge for the occupation. Employees must assimilate these skills themselves and this is regulated by the National Board of Health and Welfare, which is the responsible authority. However, labour immigrants who are registered in the population registry in Sweden are, like other immigrants, entitled to free tuition in Swedish for immigrants.

Swedish initiatives for the establishment of newly arrived persons are primarily directed at newly arrived refugees and their relatives and aim to reduce exclusion in Swedish society. As immigration to Sweden primarily occurs for reasons of asylum and close family ties, and the participation of these groups in the labour market is fairly low, more rapid entry and higher participation in the Swedish labour market is a key objective for these initiatives. Measures to integrate these groups may include initiatives within the labour market and education or training. Measures directed at immigrants as a group should only be applied during their early period in Sweden, and the objective is that people born abroad will thereafter be covered by the general welfare system in the same way as anyone else living in Sweden. Language tuition and establishment in the labour market are cornerstones of Swedish integration policy and the responsibility for implementation has been assigned to municipal authorities and the Swedish Public Employment Service. From and including December 2010, the Swedish Public Employment Service will bear the main responsibility for the introduction of newly arrived refugees, other people in need of protection with a residence permit and their relatives. Examples of concrete initiatives to promote integration include an improved introduction programme for newly arrived persons, a survey of skills and their need for further training or education and support for establishment in work.

The EU’s cooperation within the area of integration was laid down in the Stockholm Programme and will be developed through the active exchange of knowledge and experience as well as coordination with other relevant policy areas. It may be worth mentioning that a follow-up of the integration policy within the EU will be conducted within the following areas: employment, education/training, social inclusion and active participation in society (*active citizenship*).

## **3.2 Statistics and trends**

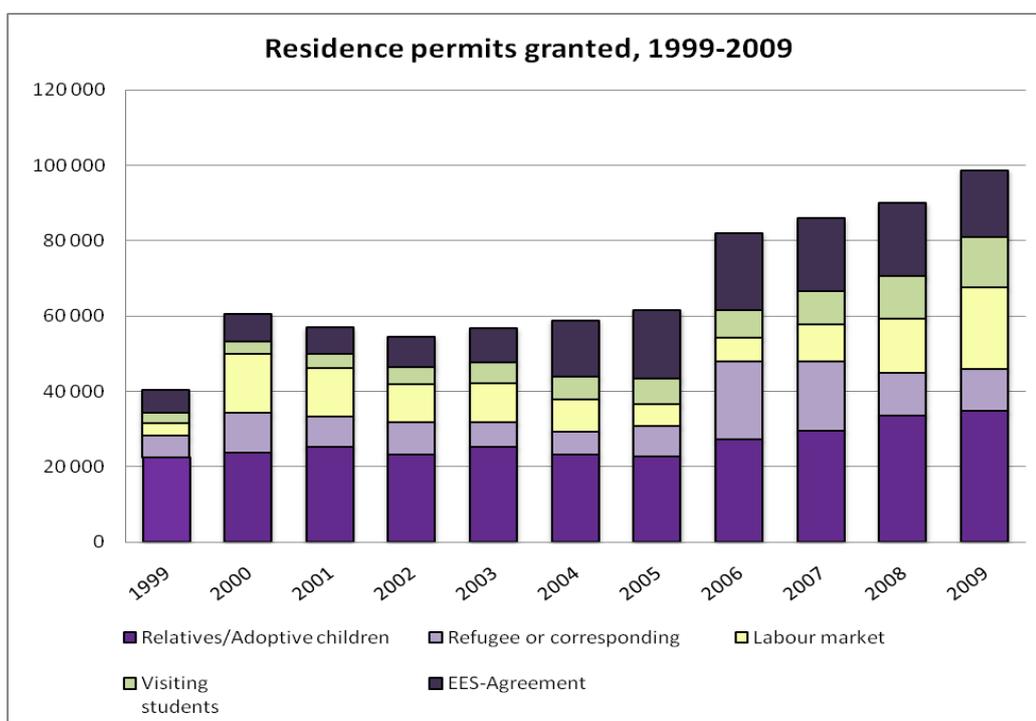
### **3.2.1 Statistics on the labour market and labour immigration**

The statistics contained in Table Appendices 1, 3 and 5 have been produced by Statistics Sweden from extracts from regular labour surveys (AKU) that are conducted several times a year. AKU is a sample survey that measures total labour at any given time broken down by those employed and those unemployed. People included as labour are registered in the population

registry kept by the tax administration authority. People residing in Sweden must be registered in the population registry after their move here if they intend to stay in Sweden for at least one year. This means that those intending to stay for period of less than one year are not included in these statistics.

AKU is a sample survey and the material does not allow any fine subdivisions. Cells in table appendices that contain the mark ‘\*\*\*’ are such that the number of observations is too small to be released. However, they are included in the ‘total’ columns. In all tables, the sample is taken from people between the ages of 15 and 74, with the exception of 2004 when the age range was 16 to 64. The group ‘researchers’ shown in its own row (D) is also included under ‘highly skilled’ (A). They are consequently deducted from the total figure.

Within the category ‘third country nationals’, there are people born abroad who have come to Sweden through immigration for various reasons. However, these statistics do not distinguish the reasons for which a third party national has come to Sweden. However, one may assume, based on the statistics available for immigration, that there are people here who have come to Sweden for asylum reasons and to an even greater extent owing to the immigration due to family ties. Over the past ten years, increasing numbers of foreign citizens have sought protection, settled here, worked or studied in Sweden. In 2009, 98,644 people, including EU citizens, were granted a permit to stay in Sweden, representing an increase of ten per cent compared with the previous year.<sup>11</sup> The diagram below shows the increase over a ten-year period.



<sup>11</sup> Report 2:2010, Migration 2000-2010, Swedish Migration Board

The influx of labour to Sweden is reported in Table Appendices 2 and 4. This material is based on statistics produced by the Swedish Migration

Board based on the number of work permits in a given year. A clear breakdown by occupation group and country was only introduced following the labour immigration reform in December 2008.

This statistical information largely follows the study's specifications. The tables have been produced on an annual basis from 2004 to 2009 and are broken down by citizenship, level of training/education and gender. In the following comments, we have often chosen to present more of a summary analysis spanning several years, categories or groups. Comments are provided in the text below when the findings in the tables provide clear indications or information for a particular year or group.

### **3.2.1.1 Level of occupation**

Comments are made on Table Appendices 1, 3 and 5 under this heading.

An observation was initially made regarding total employment in the Swedish labour market, broken down into citizens from Sweden ('nationals'), EU groups (14+10+2) and third countries. The table below states the percentage share of total labour.

### Proportion of labour (%)

	Nationals	EU groups	Third countries
2004	85	9	6
2005	82	11	7
2006	81	11	8
2007	81	11	8
2008	80	11	9
2009	80	11	9

What is interesting to note in the above table is that the ‘third country nationals’ group increases by 3% as a proportion of labour, from 6% in 2004 to 9% in 2008 and 2009. The EU Group remains relatively constant at 11% and consequently the share of Swedish citizens reduces slightly.

The absolute figures found in Annex 1 show an increase in total labour. The figure for people in work increases from 4,212,700 in 2004 to 4,498,700 in 2009; i.e. by 286,000 or 6.7%. This increase means that third country nationals comprise approximately half (51%), which in absolute terms means almost 150,000 citizens from third countries entered the Swedish labour market during this period. These figures are very interesting and may partly be explained by a successful integration policy combined with the economic upturn that took place during the period 2004 to 2008.

Women are active in the labour market and on average comprise 47% of total manpower. Thus only 3% remains to achieve an equal division between the genders. The profile of the various groups is similar, but differs in the ‘EU 10’ group, where the participation of women is only around 38%. Studies that have also looked at immigration from the ‘EU 10’ group observed that women represented the majority up until 2005. The proportion of men within this immigrant group gradually increased from May 2004 and more men than women came in 2006 and 2007. Most were also younger and of working age (20 to 34 years old).<sup>12</sup> One explanation for this may be that there was an economic upturn during this period.

The division into categories, which is based on ‘highly skilled’, ‘skilled’ and ‘low skilled’, provides an unchanged profile over time for all groups with the exception of those from third countries. Most of the labour from the ‘EU group’ is found within the two upper highly skilled categories and mobility is rather limited over time: 45% among the highly skilled, 50% among the skilled and 5% among low skilled (compared within each group, i.e. not total share of entire labour). However, the ‘EU 10’ group deviates slightly with a higher proportion of highly skilled workers.

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<sup>12</sup> Sieps, Immigrants from the New EU Member States and the Swedish Welfare State, 2008:9

Within the ‘third country nationals’ group, the division between the various categories (i.e. from low to highly skilled occupations) remains relatively constant for the time period in question. Low skilled workers comprise on average 13% of their own group and workers with average skills approximately 55%. It may be observed that the group as a whole is gradually increasing its share of the labour market and in absolute terms the most significant increase is occurring within the occupational group with a low level of education.

The third table appendix provides a list of the ten most common countries of origin for labour from third countries who are working in Sweden. Here it may be noted that Yugoslavia (the former Yugoslavia) has the most citizens in work throughout the entire period. Bosnia lies in second place for the first three years and then Iraq, Iran and Yugoslavia take this position. Chile can be found in sixth place for the first three years and then fifth place. Norway, which is not a member of the EU, has a clear place within this group, but only has a 5% share of the total number of third country nationals (around 20,000 people) and their participation in the labour market is fairly constant. As there has not been a significant change in the number of Norwegian citizens, this has no effect on the increase previously described in this section. The last three countries are Lebanon, Syria and Thailand. Most of the other countries from the ‘third country’ group exclusively comprise people who have come to Sweden for reasons other than labour immigration.

In Table Appendix 5, labour is graded at a more detailed level according to certain selected occupations. There were no significant changes for the period in question. A comparison between the total figures in the labour market for a particular occupational category and the proportion of third country nationals for the entire period provides the following average figures (%):

- Third country nationals are represented within the catering sector in occupations such as cooks (21% on average) and waiting staff (16%)
- There are personal care workers (13%) and medical doctors (14%) within the health service
- The construction sector comprises 16% of third country nationals on average

### **3.2.1.2 Number of labour immigrants**

Table Appendices 2 and 4 report the number of people who came to Sweden to work in 2009 based on statistics from the Swedish Migration Board. Other years are reported in the table below. Labour from third countries has been fairly limited so far and the statistics drawn up mainly focussed on total immigration to Sweden. At the turn of 2008/09, a system was established to survey labour immigration at a more detailed level, which was then reported in the Swedish Migration Board’s annual report.

Seasonal workers constitute the largest group, mainly represented by citizens from Thailand but also from Vietnam and Ukraine. Highly skilled workers are normally employed within the IT, technology or engineering sectors and many people within this group are employed by foreign companies. They often stay in Sweden for less than one year. Although it is not currently possible to report any outflow statistics, an investigation is underway into circular migration that may in the long run provide information on the outflow.<sup>13</sup>

As indicated in 2.2.1.1, asylum seekers who worked in Sweden during the time their applications were being processed but whose asylum applications have subsequently been rejected can apply for a residence permit for work. Almost 400 permits of this type have been granted from when the new Act entered into force in mid December 2008 until December 2009.

**Work and residence permits granted between 2004 and 2009 for third country nationals**

	2004	2005	2006	2007	2008	2009
Employees		3,135	3,567	4,829	7,508	7,615
Seasonal workers		496	70	2,358	3,747	7,259
Other		2,354	2,620	2,672	3,258	3,049
<b>Total</b>	<b>8,652</b>	<b>5,985</b>	<b>6,257</b>	<b>9,859</b>	<b>14,513</b>	<b>17,923</b>

The above table shows the number of work permits granted by the Swedish Migration Board during the period 2004 to 2009. The number of work permits granted almost tripled during this period with the most significant variation and increase noted within the category ‘seasonal workers’.

In total, 8,652 work permits were granted in 2004, most as a result of an offer of employment intended to cover a temporary shortage in the Swedish labour market. A smaller proportion comprised ‘international exchange’, which mainly included researchers, sportsmen and sportswomen and people in management positions within industry. The number of applications reduced compared with the previous year and the primary reason for this was that citizens of new EU Member States were applying via the EEA Agreement. This effect also spilled over into the following year. Only in 2007 did the number of applicants increase, primarily owing to an improvement in the business cycle. Most applications came from citizens of India and China. The number of applications also continued to increase in 2008 as the favourable business cycle held on for at least half of the year.

<sup>13</sup> *Kartläggning av migration och cirkulär migration i Sverige* [Survey of migration and circular migration in Sweden], Official Government Report – SOU 2010:40

4,400 work permits have been issued during the first four months of 2010, representing a slight increase compared with the same period of 2009. A third came from Asia and are highly skilled within IT, technology and engineering.<sup>14</sup>

### 3.2.1.3 Job vacancies

The Swedish Public Employment Service receives newly notified vacancies in the labour market and advertises them. As employers now have more alternative channels through which to find labour, such as employment agencies and recruitment consultants, the former obligation for employers to report vacancies to the Swedish Public Employment Service ceased with effect from 2 July 2007.

The Swedish Public Employment Service's proportion of the total number of vacancies in the labour market during the period 2004 to 2 July 2007 varied between 27% to just over 50% depending on the business cycle (higher proportion during expansionary phases and lower during recessions). These levels also apply to the years up to and including 2009.

Most matching in the labour market is conducted through own contacts or spontaneous applications between a worker and an employer. Statistics from the Swedish Public Employment Service consequently only constitute a small proportion of the total number of vacancies – the level for the last two years was approximately 30% of total supply.<sup>15</sup>

### 3.2.1.4 Future needs – scenario and forecasts<sup>16</sup>

It is estimated that Sweden's population will be just over 10 million in 2030. The population is anticipated to increase by 900,000 during the period 2008 and 2030 and the greater part of this increase (approximately 700,000) will comprise people aged 65 and over. Sweden's population pyramid is increasingly starting to look more like a uniform column with a small point at the top, which suggests that the size of the age groups will become more

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<sup>14</sup> *Månadsrapport* [Monthly Report], April 2010, Swedish Migration Board

<sup>15</sup> Swedish Public Employment Service, *Arbetsmarknadsrapport 2010* [Labour market report for 2010]. See also table below, although this only shows total figures on an annual basis for newly reported jobs notified to the Swedish Public Employment Service and not information broken down by different occupational category as requested in the specifications for this study:

	Number of jobs
2004	353,087
2005	414,296
2006	610,316
2007	828,785
2008	609,641
2009	409,090

<sup>16</sup> Statistics Sweden (SCB), *Arbetskraftsprognos 2009* [Labour forecast for 2009]

or less the same over time. This means that a declining number of people will have to support increasing numbers in society.

SCB has produced a labour forecast that describes two alternative scenarios for the future up until 2030. The number of people of working age (i.e. aged between 20 and 64) is only expected to increase by 40,000. For those of working age, there will primarily be an increase within the age group 20 to 29 years and also among people born abroad. Two assumptions are also made about the proportion of people employed in a main scenario and a zero scenario, which are described in the following text.

*The main scenario* estimates an increase in labour primarily due to an assumption of increased participation among older people. It is also based on the proportion of people born abroad in the labour force increasing from 14% to 19%. The number in the labour force is estimated to increase by about 175,000, of which persons born abroad represent the entire increase (250,000) and persons born in Sweden represent a reduction (75,000). In a *zero scenario* it is assumed that workforce participation will remain at the same level as 2007 and will only be affected by the demographic trend.

**Forecast for population between the ages of 20 and 64 (in thousands)**

	2007	2030 <i>Main scenario</i>	2030 <i>Zero scenario</i>
Population	5,396	5,433	5,433
Labour force	4,538	4,710	4,551
Employed	4,305	4,472	4,302
Hrs/wks worked (in millions)	133.4	138.6	133.2

It is primarily the labour supply in terms of women that differs in the main and zero scenarios. This is based on an assumption that the participation of women in the labour force will approach that of men, both among those born in Sweden and those born abroad.

The demographic basis of the calculations used in the forecast is fairly certain except as regards the impact of migration on population trends. It is assumed that the net migration rate over the next few years will lie at around 30-40,000 people per year and will thereafter reduce to approximately 18,000 per year. As regards labour immigration, Statistics Sweden has made a very cautious assumption about an increase from countries outside Europe.

In a shorter perspective – within a five-year period – it is observed that the utilisation of resources within the labour market and economy will start out from a very low level owing to the financial crisis in 2008. Production within the entire industry sector is expected to be at a lower level than

before the crisis owing to the sluggish international economic recovery. The services sectors, which constitute 65% of the total production of industry and commerce, has not been adversely affected to the same extent and the increase in demand means that the production will increase in coming years. Public production is also estimated to increase within both the government and municipal sector in the next five years. Care services and care of the elderly, resulting from the increasingly elderly population, shall contribute to an increase in spending within municipal production.

Another dimension that also affects the supply of labour in the labour market is the length of working life. It has been observed for some time that the average period of gainful employment for every employed person has reduced in terms of the number hours, but also that individuals are remaining in the labour market for a shorter number of years owing to a longer time in education and earlier retirement. This shorter working life can be seen as an expression of citizens wishing to use some of their increase in prosperity in the form of leisure time and education, a feature highlighted in the long-term investigation.<sup>17</sup> The publicly financed welfare system may thus become unsustainable in time unless new solutions are identified. An increased labour supply in the form of small changes in entry and exit ages would have a major impact. If the pattern of participation in the workforce is brought forward by one year for those between the ages of 20 and 29, and made one year later for those between 55 and 70, the workforce would increase by 115,000 people in 2007 (an increase of 2.7%).

There is expected to be an increase in production within industry and commerce within the next few years with the existing workforce. Unemployment will continue to be high, but there will be an increased use of resources in the labour market as soon as GDP growth increases between 2012 and 2015. The National Institute of Economic Research considers that unemployment will have reduced to 6.3% by 2015 (unemployment currently exceeds 9%).

Employment within the public sector, particularly public services, will increase during the period 2016 and 2020. Employment is expected to reduce within the business world, particularly within industry.<sup>18</sup>

### **3.2.2 Analysis of trends and relevant development**

The statistical basis for this study shows that the figure for registered workers with origins in a third country is fairly high, totalling 412,000 or 9% of the total workforce in 2009. This is explained by an immigration policy where migration has increased continually for various reasons. Today, the proportion of people born abroad represents 14 per cent of the

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<sup>17</sup> *Långtidsutredningen* [Long-term Survey], Official Government Reports – SOU, 2008:105

<sup>18</sup> National Institute of Economic Research

total population. It may be observed in this context that this group principally comprises immigration due to family ties or for reasons of asylum.

The number of third country nationals who have come to Sweden through labour immigration is more limited. The number of people who obtained work permits between 2004 and 2009 increased from approximately 8,000 to 15,000. The time series of the influx, from 2005 up until 2009, suggests a small increase that in most recent years was highest among the category 'seasonal workers'. Almost all of the work permits granted under previous legislation were temporary and the occupations were included on a shortage list, or alternatively involved international exchange.

It is far too early to analyse the effects of the reform introduced in December 2008, but it will probably yield measurable results through a higher influx within the next few years. Leaving aside seasonal workers, the most common occupational category were workers within the computing, telecommunications and electronics sectors. Another prominent occupational group is workers within mass catering and restaurants. The countries providing the greatest influx in recent years have been India, China, Thailand and Vietnam.

Most of the group of former asylum seekers who have been granted work permits have come from Iraq. The most common occupations within this group are cleaners, cooks and restaurant assistants.

Students coming to Sweden primarily come from countries in Asia. Thirty-six thousand foreign students were enrolled at Swedish university colleges during the academic year 2008/09. Many work in parallel with their studies, which requires no special permit. The new rules also afford foreign students the opportunity to apply for a work permit immediately after attending at least one term of studies or obtaining 30 higher education credits. Very few have made use of this so far and statistics show that 395 students obtained a work permit in 2009.

### **3.2.2.1 Occupations or sectors with a shortage of workers**

Today, there is some degree of labour shortage within certain occupations that require good education and training, often combined with professional experience. The main deficit in trained labour is currently considered to be found within technology, engineering and computing and this deficit is expected to increase even more over the next few years. There is also a shortage within care occupations, primarily work that requires longer academic training, and within certain teaching professions. In the short term, retirement on account of age will increase dramatically and companies will find it difficult to find replacements within certain occupations. Other activities will certainly change and new skills will then be required, for

which reason the consequences of retirement on account of age may not always be so decisive.<sup>19</sup>

One of the main reasons as to *why* there is a shortage in certain occupations is the limited flexibility of the educational system. Quite simply, the range of education is not adapted to the needs of the labour market regarding either dimension or content. Proposed *measures* to avoid shortage situations include increasing geographical mobility within Sweden. Another measure is to validate the education, training and skills of jobseekers. This applies not least to the large group of people born abroad who are registered with the Swedish Public Employment Service.<sup>20</sup>

The occupational groups where the prevailing shortage situation looks as though it will become extensive in the long run (according to forecasts up to 2030) are within the health and medical care service, social welfare and also within technology, engineering and manufacturing. Demand within the care sector is primarily for people with upper secondary school education. Demand for workers with more advanced education within the technology and engineering area is estimated to increase dramatically (tenfold). This means that if the current dimensioning of education and choice of studies for young people does not change, the current shortage situation will become worse.<sup>21</sup>

It is estimated that access and demand within the teaching profession and teacher training basically correspond to the total level. However there are great differences in trends between different groups of teacher. For example, it is estimated that there will be major shortage of teachers for pre-schools and after-school recreation centres, whereas there will be a surplus of teachers who are specially oriented to working with compulsory and upper secondary schools.

### **3.2.2.2 Labour immigration – a potential solution?**

As previously described in this report, the Swedish rules for labour immigration have not been adapted to any kind of quota system or definition of ‘shortage’ within certain particular sectors, but are based on a ‘demand-driven’ model where the employer determines whether there is a need to take in labour from a third country.

The rules on labour immigration that applied prior to the implementation of the labour immigration reform on 15 December 2008 were based on an assessment of needs implemented by an authority appointed for the purpose. The occupational groups that could enter and work in Sweden had to be on a

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<sup>19</sup> Swedish Public Employment Service, *Var finns jobben, bedömning för 2010 och en långsiktig utblick* [Where are the jobs? An assessment for 2010 and the long-term prospects], February 2010

<sup>20</sup> SCB, *Arbetsmarknadsutsikterna för år 2008 och 2009* [Labour market prospects for 2008 and 2009]

<sup>21</sup> SCB, *Trender och prognoser 2008* [Trends and forecasts, 2008]

shortage list produced by the Swedish Public Employment Service. The system set limits in several aspects such as in terms of period or labour market review. Temporary work permits could be given to people offered seasonal work, employment within an occupation with a temporary labour shortage or to people who were participating in an international exchange. Work permits had three different periods of validity – 3, 18 or 48 months. Permanent residence permits could be issued in exceptional cases when personnel qualified for a particular job could only be recruited outside the borders of Sweden.

### **3.2.2.3 When do migrants return?**

Today, no information has been collated regarding how many migrants return to their countries of origin. The ongoing Parliamentary Inquiry on Circular Migration<sup>22</sup> will hopefully be able to answer this question to some extent.

### **3.2.2.4 Illegal immigrants working in Sweden**

There is no confirmed information regarding the number of illegal immigrants working in Sweden.

## **3.2.3 Further aspects**

### **3.2.3.1 Mobility within EU and effects on the Swedish labour market**

Sweden was the only country within the EU that did not introduce any form of transitional rules for EU citizens for the ten new countries that became members in May 2004 and who wished to come to Sweden for work as a consequence of the free mobility.<sup>23</sup> The same decision was made when Bulgaria and Romania became members in January 2007. The number of EU citizens who came to Sweden from the EU 10 countries for work had already increased by the start of the 2000s, but increased much more quickly in 2004, 2005 and particularly in 2006 and 2007.

Women comprised the majority of those coming to Sweden for work from the new Member States up to and including 2005. The proportion of men gradually increased from May 2004 and more men than women came from the ten new Member States in 2006 and 2007. Most have been young and of working age (20 to 34 years old).

Despite the number of EU citizens from these ten countries who have come to Sweden having more than doubled during the period 2004 to 2007, this group comprised a fairly small part of total immigration and the proportion

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<sup>22</sup> *Kartläggning av migration och cirkulär migration i Sverige* [Survey of migration and circular migration in Sweden], Official Government Report – SOU 2010:40

<sup>23</sup> Sieps, *Immigrants from the New EU Member States and the Swedish Welfare State*, 2008:9

of the Swedish market. In 2007, this group amounted to 10,000 people, of which almost half were employed in the Swedish labour market and three-quarters were from Poland. EU citizens from the EU 10 countries have been overrepresented within agriculture and the construction sector, but otherwise no direct analyses have been made of the effects of this mobility within EU on the Swedish labour market.

## **4. Cooperation with countries outside the EU regarding labour immigration**

The Swedish labour market model<sup>24</sup> also includes rules and tools concerning the rights of migrants in the labour market. A person who comes to Sweden to work and live for more than one year is automatically registered in the Swedish population registry, which provides both benefits and rights, such as access to medical care, childcare, schools, etc. Information about what it is like to work and live in Sweden as well as the rights and obligations that one has when living in Swedish society are, among other things, updated on websites for which the Swedish Institute is responsible (see also 4.2 below).

### **4.1 Bilateral agreements**

Up until now, Sweden has not seen any need to enter into any bilateral agreements concerning labour immigration. However, Sweden has entered into a Memorandum of Understanding regarding the mobility of young people (between the ages of 18 and 30) with Canada (Swedish International Agreements – SÖ 2007:20), Australia (Swedish International Agreements – SÖ 2001:1) and New Zealand (Swedish International Agreements – SÖ 2001:15) – *working holiday schemes*. The aim of these Memorandums of Understanding is primarily to promote cultural exchange between these countries and give young people the opportunity of gaining a mutual understanding of cultures and the life of the community in the respective country through being able to stay in the other country for a longer period, primarily during holidays. These agreements also enable young people to work during these holidays to improve their travelling funds.

### **4.2 Information about work opportunities and the rights of migrants**

Swedish missions abroad have a general mandate to spread information about Sweden and conduct promotional activities in various ways. One step in improving and providing comprehensive information about Sweden is the new portal about what it is like to work and live Sweden that has been produced by the Swedish Institute on the assignment of the Government (launched in December 2009). This portal is available at [www.workinginsweden.se](http://www.workinginsweden.se) and contains information about national laws and

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<sup>24</sup> The Swedish labour market model is a collective term for various phenomena related to the labour market in Sweden – such as active labour market policy, a high level of union organisation and coverage by collective agreements, generous unemployment and the absence of direct government involvement when setting wages. The Swedish labour market model contains strong statutory employment protection and a pay floor regulated by collective agreements. See also Chapter 2 and *Globaliseringsrådet* [The Globalisation Council], Per Skedinger, Dec 2008.

rules together with facts about living conditions for those staying and living in Sweden.<sup>25</sup> This information is directed at third country nationals and aims to get these people to choose Sweden as a labour destination. This portal also contains links to on-line courses in Swedish for people who wish to improve their chances of employment in the Swedish labour market.

In addition to the information contained on [www.workinginsweden.se](http://www.workinginsweden.se), there is a further network of information for employers. A dialogue is continually being conducted between the Swedish public authorities affected by labour immigration. The collaborating authorities are primarily the Swedish Tax Agency, the Swedish Social Insurance Agency and the Swedish Migration Board. Common information is produced for international employer days to which businesses are invited so that the broadest information possible is provided to fully prepare them for taking on foreign labour. This not only relates to information about what is required to obtain a work permit, which will enable the best entry into Sweden, but also refers to information about the population register, social insurance, tax obligations and other social rights. Most of the information and the introduction programme to Swedish society for employees is found via private channels (social network) or through recruitment agencies.

### **4.3 Countering the brain drain**

The brain drain in sender countries within certain sensitive sectors such as the care sector is a problem that has only had a minor impact on labour immigration to Sweden. The influx of healthcare workers to Sweden from third countries has been very limited up until now.

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<sup>25</sup> For example (and as mentioned previously) a person who comes to Sweden to live and work for more than one year is registered in the population registry, which provides various benefits and rights such as access to medical care, childcare, schools, etc.

## **5. Analysis and conclusions**

Sweden's population is growing and is simultaneously ageing, for which reason the dependency ratio will become increasingly onerous in the future. In 2030, when the total population is expected to exceed ten million, the population pyramid will start to look more like uniform column. For this reason, various measures must be deployed to stimulate labour market participation, and increased immigration may be one means of resolving certain aspects of this problem. Other measures may comprise increasing employment among persons born abroad and young people, and similarly broadening participation in work at both ends of the age structure to extend working life for each individual.

One interesting observation made in this report is the clear increase in employment among the group of third country nationals. The vast majority of this group were born abroad and came to Sweden owing to immigration for reasons of asylum or due to family ties. This group increased their share of the number of people employed by 3% during the period 2004 to 2009, which means that this group represented more than half of the increase. In absolute terms, this consequently means that 150,000 people from the 'third country nationals' group entered the Swedish labour market during this period. The factors behind this increase have not been established through research or other more extensive studies.

Labour immigration has not yet increased to any great extent as a consequence of the simplified rules and regulations. Although a certain increase can be discerned from the statistics, it remains to be seen whether the rules and regulations, together with improved information about the preconditions for working in Sweden, will yield any positive effect.

### **5.1 Factors for success**

Up to now it has been far too early to draw any extensive conclusions about the effects of the new rules and regulations on the Swedish labour market, other than that there has been a slight increase in labour immigration. Just over 17,000 work permits were granted during the first year. The most common occupations are within IT companies, the catering industry and agriculture. Most of the workers are coming from Asian countries, such as India, China and Thailand. Everything suggests that the increasing trend is being maintained, as the number of people moving to Sweden to work also increased during the first five months of 2010.

Although no real evaluation or analysis of the effects has yet been conducted, some findings can be seen that are illustrated in this study. The new Swedish rules and regulations for labour immigration have meant that there are more opportunities for immigration from countries outside the EU. Employers now have better opportunities to recruit staff outside the borders

of Sweden to cover their labour needs. Legislation has also been drawn up with the aim of promoting greater mobility in an increasingly global society.

The simplified rules and regulations may also be deemed to have a positive effect on global companies looking for skills from various countries. Swedish industry has adopted a positive position to this new legislation. Reactions from different Swedish employers are also that the new rules have been dealt with effectively and that the responsible authorities have provided a good service. The union organisations, which have a controlling role to impede the occurrence of wage dumping and poor insurance conditions, have gradually become less negative to this form of immigration.

The continuous dialogue conducted with the parties affected – both public authorities and labour market representatives – facilitates the application of the rules in the future. Measures to improve and simplify application procedures are continuously ongoing and lead-times will be further shortened with the aid of technology, which will benefit both applicants and employers. An initiative to improve the information about what it is like to live and work in Sweden is of great importance for attracting labour from third countries to Sweden. The new website produced by the Swedish Institute ([www.workinginsweden.se](http://www.workinginsweden.se)) is an important instrument, and likewise the links to the relevant authorities provided on the website.

## **5.2 Challenges**

Sweden has commissioned the OECD to carry out an evaluation and to study how the Swedish system for labour immigration works, and it is therefore too early to assess which measures/steps would be needed to take hereafter. Yet, in the below, a presentation on what has been highlighted from a more general point of view.

One of the aims of the labour immigration reform was to introduce a system that is governed by demand for manpower in the labour market and to simplify the rules for employing third country nationals. The rules and regulations have also significantly simplified processing for employers who need to recruit staff from abroad when there is a lack of certain professional skills in Sweden.

The future need for labour in Sweden will primarily be directed at trained workers within healthcare and nursing and also within the technology and engineering sectors. Finding the right professional skills among workers in other parts of the world requires a broad network and adequate knowledge, which many small employees will undoubtedly not have. Certain international recruitment agencies and large international companies will be at an advantage and can more easily match skills and employment. How employers find the competence sought and how jobseekers find a job in

Sweden is still one general problem; i.e., how to better match the supply and demand of labour.

Many countries have a quota system which identifies needs in a certain sector and then reviews the background, education, training and vocational skills of the migrants, who are then entitled to travel to an EU country with residence and work permits in order to seek work from within the country. The Swedish system is based on the person needing to have an offer of employment before he or she applies for an entry permit.

Knowledge of the Swedish language is often a requirement for employment, particularly if the occupation requires higher education or training. There are exceptions, primarily within multinational groups and the IT sector. The requirement for accreditation or special authorisation within certain occupations constitutes a clear restriction for certain occupational categories within the Swedish labour market. This creates impediments to recruitment for the care sector, among others, where there is a great shortage of labour, both at the current time and in the future. The information base for this study shows that needs within the care sector will constantly increase. If Sweden is to cover these needs through increased labour immigration, major initiatives will be required in order to achieve the demands imposed on these occupational groups, such as education in Swedish, or possibly other measures with the same aim.

### **5.3 Need to further consolidate the current legislation on labour immigration**

The new rules and regulations on labour immigration have only been in use for just over a year and, as mentioned under 5.2 above, Sweden has commissioned the OECD to carry out an evaluation and to study how the Swedish system for labour immigration works. It is therefore too early to go into details on what possible changes may be needed, yet some general aspects are presented in the below.

It is considered important to adhere to the principles regarding wage conditions and the rights that apply to all employees in the Swedish labour market – regardless of citizenship. Information about civic rights and obligations can be improved for labour immigrants both before and following arrival in Sweden.

Immigration to Sweden has increased in the past decade and the proportion of people born abroad now constitutes 14% of the entire population. Most of these people have tended to move to Sweden for reasons of asylum or because a close relative lives in Sweden. When reviewing the employment statistics it emerged that third country nationals have increased their entry to the labour market over time. There will most likely be a need to pursue and improve measures taken in the future for integration and adaptation to Swedish society.

Validation of knowledge that people have acquired in other countries is one measure that should be applied to make better use of the skills that newly arrived people command and in order to get them into the labour market as quickly as possible. An early survey of the education, training and vocational skills of asylum seekers should be conducted by the Swedish Migration Board in collaboration with the Swedish Public Employment Service. This survey should form the basis of the 'establishment dialogues' conducted by the Swedish Public Employment Service in a pilot scheme that has been implemented with some newly arrived immigrants who have received a residence permit for Sweden. All persons in this target group will be offered an establishment dialogue from and including 1 December 2010, when the Swedish Public Employment Service will assume the primary responsibility for the introduction programme for newly arrived refugees, other people in need of protection with a residence permit and their relatives.

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## Table Appendices