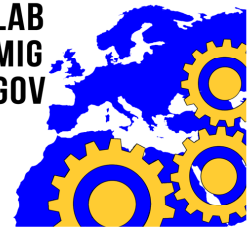


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**“Which labour migration governance for a more dynamic and inclusive Europe?”**

**Labour migration governance in  
contemporary Europe.  
The case of Sweden**

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## INTRODUCTION

This report on the Swedish labour migration policy is based on the following sources: analysis of academic literature, government documents (mainly by the Ministry for Migration and by the Migration Board), and eighteen semi-structured face-to-face interviews (eleven in Swedish language, seven in English) with the Minister for Migration, Tobias Billström, state officers of the Migration Board and of the Departments of Labour Market, Justice, Foreign Affairs, representatives of the trade unions and of employers' organisations, and finally with scholars from the Universities of Stockholm, Malmö, Linköping, Växjö<sup>1</sup>.

The interviews were carried out in the Spring (March-April) and Autumn (September) 2011. Peter Springfeldt, secretary general of several parliamentary committees on migration, has been of great help, introducing me in the network of experts and officers dealing with labour migration.

It has proven remarkably easy to get in touch with the persons selected for the interviews: all have been extremely willing to contribute to this research-project, starting from the young Minister for Migration, Tobias Billström (1973-), who spent forty minutes of his busy day in talking with an unknown foreign researcher.

During the first phase of my field-work, in Spring 2011, I enjoyed the privilege to be guest researcher at the Institute for Future Studies in Stockholm, then headed by Joakim Palme, one of the most influential social scientists in the country, who has given me valuable advices on how to carry on the research.

Eskil Wadensjö, professor of Economics at the Stockholm University, has read carefully the first draft of this report, suggesting some line for further research and recommending recent studies.

From being an emigration country, thanks to a rapid industrialization starting in the 1930s, Sweden turned in the post-war years into an immigration country, due first to labour migration (from Southern and Eastern Europe) and, when this was stopped in the early 1970s, due to the growing flows of asylum seekers and other groups with protection status.

After an *introductory chapter* providing a background on the history of immigration and integration policies, this report focuses on the reform of labour migration policy which was passed in 2008 by the centre-right government headed by Fredrik Reinfeldt, with the support of the Green Party.

The background of the reform was the debate, starting in the early 2000s and still ongoing, on the challenges issued by population decline, labour market failures and pressures for Welfare State sustainability.

The discussion on the need for new rules on labour migration occurred in a time of deep changes in Swedish political culture and power relations, witnessed by the defeat of the Social Democrats (in power since 1994) in the 2006 general election. Thus the need for a reform and the content of it was debated in the context of a more general confrontation on the competitiveness and sustainability – and therefore on the fate – of the Swedish model.

After analysing, in *Chapter 2*, the driving arguments and the key actors pushing for new rules on labour migration – and at the same time the criticisms from the trade unions and from the Left – in *Chapter 3*, I focused on the implementation process of the 2008 law and on the ensuing discussions (at national as well as at

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<sup>1</sup> The references to the interviewees are in bold within the text, in order to distinguish them from the references to the bibliography.

European and international level, particularly with the *ad hoc* report devoted by the OECD to the new Swedish system)<sup>2</sup>. In *Chapter 4*, a survey of current “functional equivalents” (i.e. migrant workers who were not originally admitted for working purposes: the most relevant categories in the case of Sweden being asylum seekers and international students) as well as of possible “functional alternatives” to labour migration (i.e. policy solutions allowing to fill labour shortages through a more effective use of domestic labour force) is carried out.

Finally, in the *Conclusions*, I focus more broadly on Swedish attitudes to labour migration, and to migration in general (with regard to both EU citizens and Third Country Nationals), in the face of globalization and economic crisis.

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<sup>2</sup> It was the Swedish government itself to request that the OECD reviewed its new labour migration policy (OECD 2011: 3).

# 1. FROM EMIGRATION TO IMMIGRATION COUNTRY

## 1.1 Immigration policies and their impact on labour market

During the post-war years, the number of immigrants in Sweden has increased rapidly. In 1940, the proportion of foreign-born persons of the total population of the country amounted to only 1%. The corresponding proportion had increased to nearly 7% in 1970 and to about 11% at the beginning of this millennium (Ekberg 2006:1). Today the proportion is about 14%, that is more than 1.3 million individuals; it is comparable to the United States. Moreover there is a growing group of so-called second generation immigrants (persons born in Sweden with at least one parent born abroad), today nearly 1 million individuals. So today more than 2 million individuals living in Sweden have an immigrant background (Ekberg 2011a:3).

The modern era of immigration can be divided into four distinct stages<sup>3</sup>.

1) War years (just before and after World War II). Before the war, Jews from Nazi Germany sought asylum in Sweden. Although a few were accepted, the majority were rejected due to the fact that the Swedish government strove to avoid conflict with Nazi Germany. During the war, thousands of people from neighbouring countries sought asylum in Sweden as well. At first there was some reluctance to accept these foreigners but quite soon they became even welcomed. These refugees were given work in factories, agriculture, and forestry to replace the tens of thousands of Swedish men who were called up for national defence service. Toward the end of the war, people fled from Estonia and Latvia. Some 30,000 Estonians and 5,000 Latvians remained in Sweden after the war. About 30,000 survivors from Nazi concentration camps were resettled in Sweden between 1945 and 1948. Since labour was in great demand, these refugees did not create any major societal problem (Westin 2006).

2) Late 1940s-early 1970s. The second phase represents the virtually free entry of labour immigrants from Finland and southern Europe at a time when many Western European countries were also seeking workers. In 1946 a commission of inquiry with representatives from trade unions, employers' associations and the National Labour Market Commission was appointed by the government to investigate the possibility of importing workers; trade unions were sceptical, supporting rather an increased mobilization of domestic labour. The outcome of this inquiry was a system of collective labour transfer: on companies' call the Labour Market Board, after checking whether there was any domestic labour force available, got in touch with the labour market agencies in migrants' country of origin, thereby recruiting foreign workers; wages and working conditions were to be equivalent both for immigrants and Swedes. However, the Trade Unions Confederation (LO, *Landsorganisationen*) and the Social Democratic Party (SAP, *Socialdemokratiska Arbetarepartiet*) pressed to restrain foreign workers' freedom: the work permit, yet not firm-specific, was nevertheless valid only for a given industrial sector; foreign workers had to join trade unions and maintain membership throughout their stay (Bucken-Knapp 2009: 51).

In 1947 the National Board of Labour started recruiting workforce in Italy, Hungary and Austria, due to the labour shortage which affected the flourishing Swedish export industry (LO 2006:27-28). During the 1950s a series of liberalising

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<sup>3</sup> This periodization is based mainly on Westin 2006, revised and supplemented on the basis of the other sources cited in the text.

changes were introduced – with the union approval (Frank 2005: 212) – first of all the abolition of visa requirements for citizens of a wide range of European countries and the institutionalisation of a common Nordic labour market in 1954, which maintained some restrictions but nonetheless enabled large-scale migration during the 1950s and 1960s, with Finland as main source country. Many of the inter-Nordic migrants lived in the country of destination for only a short period, moving back and forth several times (Wadensjö 2010: 7-8). All of that helped bring about (from 1955 onwards) free labour immigration from Europe, known at the time as “tourist immigration” (but as well as *laissez-faire* system; Frank 2005: 211): people were allowed to spend three months in Sweden seeking employment (Lundqvist 2004: 3). However, apart from this form of individual migration, it has to be mentioned the recruitment carried out by companies and public authorities (SAP 2008: 353).

Besides Italy, companies also turned to Yugoslavia and Greece for manpower, initiating a substantial migration from these countries (and from Portugal and Turkey as well; Wadensjö). The flow of immigrants peaked in 1970 (Westin 2006).

The employment situation for immigrants in Sweden was favourable up to the mid-1970s, as numerous studies show. The unemployment rate was low and there was full employment for both natives and immigrants. For a long time, employment rates among immigrants even exceeded those of the natives. This was especially the case in the 1960s. Upward occupational mobility among those early immigrants was also about the same as among natives (Ekberg 2011a:7).

However, already in the early 1960s the large number of job-seeking foreign citizens (mostly coming from Southern Europe) caused social tensions; both the rise in the flows and their ethnical composition alarmed the trade unions, due to the feeling of losing control over labour migration (Bucken-Knapp 2009: 53). This concern led to criticism of the liberal system in force, which was abolished between 1966-1967, in spite of the opposition from the National Employers' Association; work permits were required prior to entry. The new regulation provided that the domestic labour reserve (first of all married women) was to be utilised before labour migration could come into question and that the volume of the latter was to be determined on one hand by the current situation of the labour market and on the other hand by the availability of social services (house, healthcare and so on) (Lundqvist 2004: 3). The new requirements were codified in the 1968 Alien Act (OECD 2011: 57). The collective transfer of labour was reintroduced and remained the only feasible route of entry until the early 1970s, when it ended not because of a shift in politicians' attitude, but due to the LO's choice to turn down all applications for work permit. From the outset of the post-war age indeed the trade unions had insisted for the mobilization of the domestic labour force instead of recruiting foreign workers and not incidentally LO stopped the flows until a measure providing an incentive for married women to enter the labour market – i.g. separate taxation for spouses – was introduced by the first Olof Palme government in 1971 (Bucken-Knapp 2009: 54). Since then (early 1970s) to 2008, a part from intra-Nordic migration (and since 1994 from the EEC/EU), Sweden allowed only the following two types of labour migration: 1) short-term jobs (temporary hires, up to 18 months; international exchange, up to 48 months; seasonal workers, up to 3 months) in order to meet shortages which could not be filled in a short time by domestic labour force; 2) high-skilled workers, who were granted a permanent status. The Labour Market Board checked the labour market situation and employer and employee organizations were asked to state an opinion (OECD 2011: 57-58).

3) Early 1970s- early 2000s. When labour recruitment from non-Nordic countries was stopped in 1972, the number of new immigrants dropped considerably. However, refugees and their family members (spouses, minor children, and, in some cases, elderly parents) were still accepted for permanent residence. Indeed, Sweden has been one of the major recipients of refugees in recent decades. The country signed the 1951 UN Convention Relating to the Status of Refugees and the 1967 Protocol. Individuals who managed to escape from the Soviet Union or Warsaw Pact countries during the 1950s and 1960s were readily granted permanent residence. During the 1970s and 1980s, refugees came from Africa (Uganda), Latin America (Chile) and the Middle East (Iran and Iraq). Many of these people were granted asylum on humanitarian grounds. Being not recognized as UN Convention refugees, they did not enjoy the full rights to protection as written in the Convention (Westin 2006).

The UN convention was completed in 1975 by introducing in the Alien Law two more categories of refugees: *de facto* refugees (not covered by Geneva criteria but in fact in a similar position) and war resisters (people leaving a war zone or refusing to do military service in such a zone). What is noteworthy is that those categories were not granted a protection as unreserved as that enjoyed by Geneva refugees; in other words, national interest could be put before the right of asylum, thanks to the so-called "exemption paragraph", which was used for the first time in 1976) (Borevi 2010: 72).

The issue of asylum became politicised since the late 1980s; in the beginning of the decade, the number of asylum seekers had been limited (around 5,000 each year); however, from 1985 and 1988 it increased to 12,000-15,000. The 1989 legislation restricted asylum seekers' chances to enter Sweden, ruling that political asylum applications filed in December 1989 or later would be treated strictly in accordance with the 1951 Geneva Convention; humanitarian grounds for asylum would no longer be used (Geddes 2003: 110-111).

The timing of stricter asylum policy coincided with the collapse of the former Soviet Union and wars in the former Yugoslavia. Sweden received 208.700 asylum seekers between 1989 and 1993: 115,900 (56%) from the former Yugoslavia and 43,000 (21%) from the Middle East. In a first phase, nearly all applications were approved but by 1993 the number of refugees from Bosnia-Herzegovina, Croatia, Macedonia, and Kosovo had increased so much that the government introduced visa requirements for persons coming from that area. However, under the pressure of public opinion, who supported assisting refugees from the Balkans, 50,000 asylum seekers (mainly from Bosnia-Herzegovina) were granted temporary residence without having their individual cases tried (Westin 2006).

4) 2004-2008. After EU enlargement in 2004 Sweden did not apply any transitional rules for migrants coming from the eight new European Union member states; since then the tendency to growing flows from them (to a very high extent from Poland, followed by Baltic States and Hungary) (Gerdes, Wadensjö 2008: 10) has been remarkable. Since 30 April 2006 migrants from EU countries do not need a residence permit to work in Sweden, although they have (with the exception of citizens from Denmark and Finland) to register at the Migration Board, the Swedish authority in charge with immigration issues (Wadensjö 2007: 1; 5-6). In 2006 immigration reached the record level of 94,000 entries, 31,000 more compared to 2005, not least because of the law providing that from 15 November 2005 till 31 March 2006 some categories of rejected asylum seekers (first of all families with



children living illegally in Sweden for a long time) have the right to a second chance. Among the 83,000 foreign-born immigrants in 2006 most came from Iraq (Sweden took more Iraqi refugees than the rest of EU countries combined) (Petersson 2007: 5). About 40% (28.000 persons) of TCN immigration is constituted of family reunifications (Lundkvist 2008: 20).

Since then every year – up to 2009 – saw a new record: in 2007, 99,485 entries (12,340 Swedish return migrants); in 2008, 101,200 (18,000 Swedish return migrants). During the decade 1998-2008 the number of TCN migrants increased by 30.000 units every year. In 2009 102,280 entries, whereas in 2010 a trend reversal was reported: the number fell down to 98,801 persons; the most represented nationalities were (SCB 2011):

- 19.765 Swedish return migrants (20%)
- 6.819 from Somalia (6.9%)
- 4.534 from Iraq (4.6%)
- 4.414 from Poland (4.5%)
- 3.437 from Denmark (3.5%)
- 3.186 from China (3.2%)
- 2.820 from Iran (2.9%)
- 2.775 from Thailand (2.8%)
- 2.300 from Finland (2.3%)
- 2.232 from Turkey (2.3%)

## 1.2 Integration policies

As far as the Swedish policy for immigrants is concerned, five periods as well can be identified in the post-war years<sup>4</sup>.

1. Between 1945 and 1964 there was no public debate on migrants' integration; however, already in the middle 1950s, Sweden did not set up a guest worker program like the German Federal Republic or Switzerland but rather had a policy of permanent immigration which treated these labour migrants as future citizens: after working (and being trade union member) in Sweden one year, foreign workers were entitled to unemployment allowance; also the requirements for family reunification were comparatively liberal (Borevi 2010: 55-56).

2. From 1964 to 1975, when immigration became an issue in Swedish society for the first time, the authorities, under the pressure of trade unions, started providing language courses as well as home language instruction and the foundation of local immigrants' councils was encouraged. Foreign worker status was 'denizenship', with the introduction of notably inclusive measures aiming, particularly after 1968, at extending political and social rights to newcomers. In 1974 – under the first Palme government – a parliamentary committee worked out a strategy for a multicultural country grounded on the pillars of equality (living conditions equivalent to those of Swedish citizens), freedom of choice (whether retaining or not cultural identity) and partnership (cooperation and solidarity between autochthones and newcomers). Interestingly enough, the right to retain cultural identity did not imply the need for *ad*

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<sup>4</sup> This periodization is based on several sources, all of them cited in the text.

*hoc* Welfare measures: the concern was rather to match migrants' needs *within* the frame of the established universalistic Welfare model, although the selective policies implemented already in the 1960s (language courses and so on) went on in the 1970s (Borevi 2010: 63-66).

3. From 1975 to 1985 multiculturalism was converted from principles to policies. In 1975 social citizenship was supplemented with political citizenship (local voting rights were granted after 36 months legal residence); from 1976 it became possible to obtain Swedish citizenship after five years of residence; immigrants' associations were subsidised and from 1977 immigrants' children could be taught their own language. Nevertheless, already by the early 1980s this policy started being questioned as not improving social inclusion of immigrants. A 1984 parliamentary committee, arguing that the prevailing approach was too broad in its recognition of groups rights, denied that immigrant minorities could have the same status as ethnic minorities (Sami, Roma, Tornedal Finns etc.) and supported the thesis that some adaptation from immigrants was needed. Although the State had to be neutral on the issue of assimilation (neither promoting nor supporting it), the point was that immigrants still had the right to retain their culture, but only insofar as it did not clash with core Swedish values (Geddes 2003: 121).

4. By the middle 1980s, when the majority of immigrants was constituted of refugees from developing countries, integration policy had to face new challenges. The government (from 1982 to 1991 a Social Democratic one) developed a dispersal policy for the reception of asylum seekers; until 1985, the authority in charge of the dispersal was the Labour Market Board and the system was seen in a positive way as it maintained a strong connection with the labour market. Then the responsibility was transferred to the Migration Board, which developed an ambitious program of refugee integration focused on language and vocational training, dispersal to a large number of towns with available housing, and municipal responsibility for implementing integration programs (Westin 2006).

From 1985 up to November 2010 Swedish municipalities were required to give some of the immigrants a relevant and individually designed introduction program. All municipalities were obliged to offer immigrants who were subject to what was termed the Allowance Ordinance (refugees and other persons with protection status) and their relatives who had come within two years an introduction program. Nevertheless, some of the municipalities still offered introduction programs to other immigrants as well. Although participation in an introduction program (still in force) was not compulsory, in many municipalities, once participation had been agreed to, the individual was expected to follow the program in order to be entitled to continued welfare payments. The introduction programmes are individually tailored as to encourage all beneficiaries to develop the specific skill needed to access the Swedish labour market or education system. The programmes aim at giving the participants knowledge about Swedish society and the labour market. An essential part is the Swedish language instruction (Swedish for Immigrants, SFI), offered to all immigrants in Sweden, included those not taking part in a program. As far as other activities are concerned, they differed between the municipalities. In some municipalities, language instruction was combined with work experience (Svantesson, Aranki 2006: 5-6).

The decentralized responsibility for introduction programs resulted in a great deal of heterogeneity in the content of introduction programs across municipalities as

well as in the actors implementing them. Despite being seen as an important component of the integration process for newcomers, introduction programs came under heavy critique already after few years since their introduction (Andersson Joonas, Nekby 2009: 3). The main target of criticism was social welfare dependency among refugees – allocated to areas with few available jobs and high unemployment among autochthones – with consequent polemics against their abuse of social policies (in a time of general discontent with Welfare State; Borevi 2010: 83). Furthermore, refugees were not allowed to move elsewhere because otherwise the municipality would lose its subsidy. In the 1990s, the program was revised so to allow greater flexibility and to grant refugees choice upon where they would like to live. However, this has meant a greater pressure on the major cities (Stockholm, Malmö and Göteborg), because of their much more attractive labour markets (Westin 2006).

Between the 1980s and the 1990s the shift from multiculturalism to a more assimilationist approach took place, with a renewed emphasis on Swedish language and culture and on adaptation by immigrants. Such shift took place in a phase in which it was increasingly evident that living and working conditions of immigrants did not keep pace with those of natives (Geddes 2003: 122).

The situation became even worse in the early 1990s, due to the impact of the recession, with increasing unemployment and pressures on Welfare (Quirico, 2007: 91-101) and the springing up of extreme-right groups, with the foundation of the first party with an anti-immigration program, New Democracy, which got parliamentary representation in 1991 with 6.7% of the votes (Quirico 1995).

In 1993 the centre-right government put forward a set of reforms of refugee management, aiming at improving refugees' chances to integrate themselves and at the same time minimizing negative attitudes to immigrants in Swedish society. The new regulation introduced the duty for asylum seekers – under threat of economic sanctions – to support themselves and their families, already when their application was still in process. At the same time, municipalities were to be granted State subsidies in case of successful and rapid refugee introduction program. Finally, the controversial 'ebo' (*eget boende*) reform was passed: instead of living in accommodations provided by the local authorities, asylum seekers waiting for the decision on their application gained the right to fix housing by their own. All the reforms aimed at strengthening refugee self-sufficiency and participation in society (Borevi 2010: 94-97).

In 1996 a minister with specific responsibility for integration policy was established, followed, two years later, by a National Integration Office, with the task of monitoring and improving socio-economic integration of immigrants. Although a greater emphasis was placed on individual rights, the accent on self-sufficiency was maintained. In this shift – cultural and institutional as well – in integration policy, what is to be pointed out is that integration was understood as a *mainstreaming* across social and economic policy of measures helping immigrant participation in society, according to the ideal of active citizenship. The multicultural character of society was acknowledged as unavoidable, yet it called for the maintenance of Swedish cultural and political heritage (Geddes 2003: 122).

5. 2000-. In the beginning of the decade both immigration and integration policy were on the agenda. In 2001 the government appointed an expert committee (chairman: Joakim Palme) with the task to monitor the Welfare State; the committee final report stressed that immigrants had a lower access to labour market and social

policy than autochthones and that they had been much more hit by the recession and by Welfare retrenchment in the 1990s (VV.AA. 2001: 78-80).

The report written in 2006 by a new expert committee appointed by the government pointed to similar conclusions: the renowned Swedish Welfare State proved to be not as universalistic as expected. As employment remained the basic standard in social policies (being most of the allowances income-related), gender and race inequalities deepened to the detriment of those not having a permanent job or even having no access to labour market (De Los Reyes 2006: 10).

In 2008 the centre-right government led by Fredrik Reinfeldt presented the new integration program, to be enforced until 2010 (the year of the next general election) in accordance with a mainstream approach and not with a selective one, and focusing on the following dimensions:

- ◆ An effective management of newcomers (both reception and introduction);
- ◆ An increase in immigrants' access to labour market (both as employees and employers);
- ◆ An improvement in school performances of immigrant childrens;
- ◆ More opportunities for language learning and education for adult immigrants;
- ◆ An effective struggle against discrimination;
- ◆ A struggle against residential segregation;
- ◆ A condision of common values in a society with a growing pluralism (Regeringen 2008: 4).

The strategy aimed to enable newcomers to participate in the labour market as quickly as possible, thanks to a pronounced individualisation of labour market integration (and reintegration) programmes. Given the strong heterogeneity of the target groups of these schemes, however, it is not surprising that several studies have shown a troubled match between the provided measures and the individual starting conditions and needs (Regeringen 2008: 35). The reference is to the Introduction Plan; in 2010 the centre-right government transferred the responsibility for its implementation from municipalities to the Public Employment Service (*Arbetsförmedlingen*), replacing in 2008 the Labour Market Board. Minister for integration Erik Ullenhag referred to it as the main change in integration policy during the last twenty-five years (Persson, A. 2010). The target group is unchanged: a) refugees or other humanitarian immigrants aged between 20 and 64 years (or even anyone older than 18, in case of youth with no parents in Sweden); family members of refugees and other humanitarian migrants in the same age range, provided that the application for a residence permit has been submitted no later than two years after the relative was admitted into a municipality (Arbetsförmedlingen 2011a). The Public Employment Service sums up the Introduction Plan like this:

As an asylum-seeker in Sweden, it can be a good idea to prepare for two outcomes: either a return or a residence permit. If you receive a residence permit you must learn Swedish, find work and support yourself as quickly as possible. The Swedish Employment Service will provide help along the way. [...]We will meet up and, based on the information collected during the mapping, discuss your knowledge, previous employment, ambitions, interests and talents. Based on our conversation, we will draw up a plan for how you can find work or education. This plan will also examine how your possibilities of finding a job or getting an education are affected by where in Sweden you live. We will work

based on your possibilities and wishes and support you along the way, but you must be active in order to find your way to supporting yourself (Arbetsförmedlingen 2011b).

Despite the great emphasis placed by the government on this reform, it has already been criticized for its failure in coping with marginalization of immigrants, especially on labour market. Because of the transfer of responsibility, municipalities have shut down labour market policies targeting immigrants which have not yet been replaced by activities carried on by the Public Employment Service. This has resulted in an increased exclusion of immigrants from the labour market (Johansson, M., Rosenqvist 2011).

## 2. TOWARDS A NEW LABOUR MIGRATION POLICY

### 2.1 The debate on EU and Swedish Model

For a long time since the early 1970s – when it was stopped – labour migration was not at issue; only in the late 1980s there was a little debate on the need of it stimulated by the boom; what followed was a partial opening to immigration of seasonal agricultural workers (from Poland and Baltic States). However, due to the crisis in the early 1990s the issue disappeared from the agenda. Towards the end of the century nevertheless it came out again, mostly because of the awareness of demographic challenges. The debate that followed was quite broad and saw an overall agreement among the political parties on the need of labour migration. Despite this, no change was achieved (Spång).

In the light of the recovery of Swedish economy in the second half of the 1990s, and of the challenges issued by the ‘demographic threat’, the Confederation of Swedish Enterprise (*Svenskt Näringsliv*, SN) initiated in the new millennium a campaign for a less restrictive labour migration policy (Fahimi 2001<sup>5</sup>; Ekenger, Wallen 2002<sup>6</sup>).

In the 2002 election immigration was one of the campaign issues, in a double form: integration policies (the Liberal Party put forward the proposal to introduce language skills tests as a condition for citizenship) and labour migration. The centre-right parties (i.e. the Moderate party, the Liberal party, the Centre party, and the Christian Democrats), together with the Green party and employers’ representative insisted on the need of making it easier for non EU citizens to work in Sweden, whereas the Social Democrats, the Left party and the unions replied that before turning to labour migration domestic unemployment needed to be reduced. Furthermore, the unions complained that labour migration was intended, in the strategy of centre-right parties and employers, to weaken labour law and unions’ influence through the introduction of a kind of guest workers scheme. The confrontation between the opposite sides went on after the election (won by the Social Democrats), and in March 2003 a bipartisan alliance formed in the parliament by the Green party together with the centre-right parties charged the government with the appointment of a committee to examine how managing labour migration (Borevi 2010: 111).

The Committee for labour migration (KAKI, after the Swedish acronym), was appointed in 2004, at a time when EU enlargement stimulated a debate on whether and how immigration from new member states was to be regulated; the Social Democratic prime minister, Göran Persson, sounded the alarm over “social tourism” (xenophobes’ main issue), i.e. the danger that people from new EU countries at least to some extent moved to Sweden with the aim of taking advantage from the generous Swedish Welfare State, and particularly from the generous compensation

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<sup>5</sup> The author of this pamphlet preferred avoiding the term ‘labour migration’ as it recalled the past mass immigration of low skill workers and using instead the concept of ‘recruitment immigration’, i.e. immigration as an individualized process (a single employer recruiting a single foreign worker) (Fahimi 2001: 7). Fahimi’s proposal was to find a middle way between a labour market closed to foreign workers (as the system in force at that time) and a completely unrestricted immigration (Fahimi 2001: 16).

<sup>6</sup> The authors put forward economic arguments in favour of labour migration (declining labour force, pressures put by globalization), yet stressing that recruiting foreign workers could not be seen as a first choice, being the process more demanding and more risky compared to recruiting domestic labour force (Ekenger, Wallen 2002: 15-16).

system for those who are out of work (Wadensjö 2007: 2); an alarm which later on proved to be totally groundless (LO). The ruling party supported a transitional (one year) permit regime, but it did not succeed in achieving a majority in the parliament and Sweden ended up as one of the very few EU countries (together with Great Britain and Ireland) which did not apply any transitional rules. This debate, and its outcome, contributed to a more positive attitude to labour migration (Wadensjö).

At the same time when EU enlargement took place, the “Vaxholm affair” raised the issue of foreign workers’ working conditions and above all of the challenges issued by ‘globalization’ to the Swedish model. In 2004 a Latvian company (*Lavall un Partneri*) was awarded a public tender in Sweden to renovate a school in Vaxholm (near Stockholm). Laval posted workers from Latvia; they were employed to work through a subsidiary of Laval and negotiations began between it and the Swedish building and public works trade union. When these negotiations broke down, Laval signed collective agreements with the Latvian building sector trade union, to which 65 per cent of the posted workers were affiliated. The Swedish trade union then took collective action by means of a blockade of all Laval sites in Sweden and this action was supported by other Swedish trade unions. Laval brought proceedings in the Swedish courts and then the case went to the European Court of Justice (ECJ) (Eurofund 2010; see also Persson, I. 2006).

## **2.2 The Committee on Labour Migration (KAKI) 2004-2006**

The Swedish governmental committees (so called as they are appointed by the government) have been defined as ‘the institutional linchpin in a system of democratic governance whose hallmark is deliberative political practices that involve a mix of civil servants, politicians, academics, experts, and representatives of relevant civil society organizations’ (Trägårdh 2007: 254). The appointment of a committee is a way to temporarily expand the staff of a ministry (usually very small compared to international standards) outside of the regular budget. They are one-issue committees, very common in Swedish politics (also 200-300 at the same time in recent decades) and often engaging experts to assist in the work (Trägårdh 2007: 263-264). Committees are politically independent and have both a political and a technical component. All parties with parliamentary representation are represented as well in the committees. Each one is responsible to a Department (in the case of KAKI it was the Labour Market Department). During its sessions, the committee develops its analysis of the issue and then produces a report which is sent to the government and by it forwarded to authorities, social partners, organizations etc. It is the so called “remiss” system, not formally prescribed by the law but nonetheless a well-grounded praxis. Every single citizen, not only the institutions the report is officially sent to, has the right to send a written comment which will be included in the final report. Once taken into account all these comments (whether official or not), the government writes a bill and then sends it to the parliament, which discusses and decides on it (UD).

The Committee for labour migration (KAKI), appointed in February 2004, proceeded from three basic starting points, as made clear in its provisional report:

- Migration is a social phenomenon that is increasing in volume [...].
- The demographic trend towards an older and older population, and the increasing dependency burden this entails for the working

population, can have adverse structural consequences for the labour market and for our country's economy. [...].

- Labour immigration can help invigorate the Swedish labour market and economy. The regulatory framework must be made more open so as to enable this to happen to a greater extent. At the same time, clear steps must be taken to prevent increased labour immigration generating negative effects in the labour market (KAKI 2005: 19).

The committee published its proposals in October 2006, just a couple of weeks before the installation of the new (centre-right) government. In the whole there was a broad consensus among the political parties about the need of opening up for labour migration and the confrontation was mostly about: how, and: how much (TCO). However, both within the committee and in the debate following the publication of its report, the well-grounded dispute between those arguing that labour migration was the main solution to labour shortage and those instead claiming that the struggle against domestic unemployment should be given priority aroused again, reflecting the opposition: market vs. State as policy guideline (Spång).

In its final report the committee emphasized the reasons why Sweden needs to continue a regulated labour immigration:

1. Regulated labour immigration puts focus on the need for manpower expressed as a labour shortage. Labour immigration shall thus not be able to shut manpower already available in the country out of the labour market.
2. One purpose of regulation is to ensure that wages, insurance coverage and other terms of employment for people who immigrate to work will be equal to the conditions that apply to employees already in the country. In order to guarantee this principle of equal treatment, the relevant trade union must be consulted and the decision on whether a person should be allowed to immigrate to work in our country should rest ultimately with a government agency.
3. Generally speaking, government agencies should facilitate positive impact on the Swedish labour market and economy through regulated labour immigration.
4. Another reason in favour of agency-based examination is that the Swedish welfare system is essentially open to anyone who lives in Sweden. Swedish society shoulders the responsibility for providing public service. This service naturally also applies to people who immigrate to work and their families. Once they are in the population register and accepted as immigrants, they essentially have the same rights and obligations in society as everyone else who lives here (KAKI 2006: 40-41).

In order to fulfil this commitment to a regulated immigration, the committee proposed that the Labour Market Board<sup>7</sup> verified the labour shortage in the concerned occupation prior to approving recruitment of TCN workers (KAKI 2006: 130-131). While accepting many of the committee's recommendations, the centre-

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<sup>7</sup> The Board was replaced in 2008 by the Public Employment Service (*Arbetsförmedlingen*).



right government will later take distance from this particular point (the labour market test).

Under the I and the II Reinfeldt government the ministry of justice is the ministry responsible for refugee and migration policy, voluntary return home and support to return migration as well as cooperation at international level on these issues. The responsible Minister is Minister for Migration and Asylum Policy Tobias Billström (Government Offices of Sweden 2008: 12)<sup>8</sup>. In a document released in 2007 in order to explain the government's position as far as the reform of labour migration was concerned, the Department of Justice made clear from the beginning that the labour market test would not be maintained, that the Migration Board would take over the tasks of the Labour Market Board in relation to work permits and that the special regime for seasonal workers with annual quotas (which the committee had suggested to keep) would be abolished (Justitiedepartementet 2007: 5). The government argued that employer's assessment of the need for recruiting TCN workers should be crucial in the process, although underlining that from employers' point of view it was supposed to be easier to recruit someone from Sweden and not from abroad, when competences can be found inside the country (Justitiedepartementet 2007: 20 and 37); at the same time, work permit would be granted subsequently to an individualised assessment of foreign labour need as opposed to broader sector based assessment (Justitiedepartementet 2007: 19).

## **2.3 The 2008 law on labour migration**

### **2.3.1 Content**

The Government presents the reform which entered into force on 15 December 2008 as one of the most significant in the history of Swedish immigration policy. Minister Billström sums up this turning point by saying:

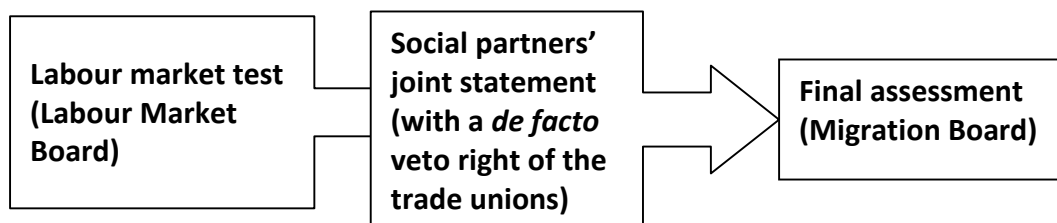
now it is the market to assess its needs, not the minister, or the parliament, or another State authority. Of course politics has to make sure that rules are followed, but the starting point is that the individual employer best knows the recruitment needs of his business. That is why when processing cases involving residence and work permits, decisions are based on employers' own assessment of what kind and how much of labour force he needs, although complying with collective agreements and other requirements (Minister for Migration).

Until December 2008 the Swedish law provided that if a company wanted to employ a foreign person, the company first had to look if this competence was available within the EU; the big change after December 2008 is that the company no longer needs to look within the EU but can choose wherever it wants. This difference between the two laws according to one interviewee could be defined as '*a change of paradigm*' (MV2).

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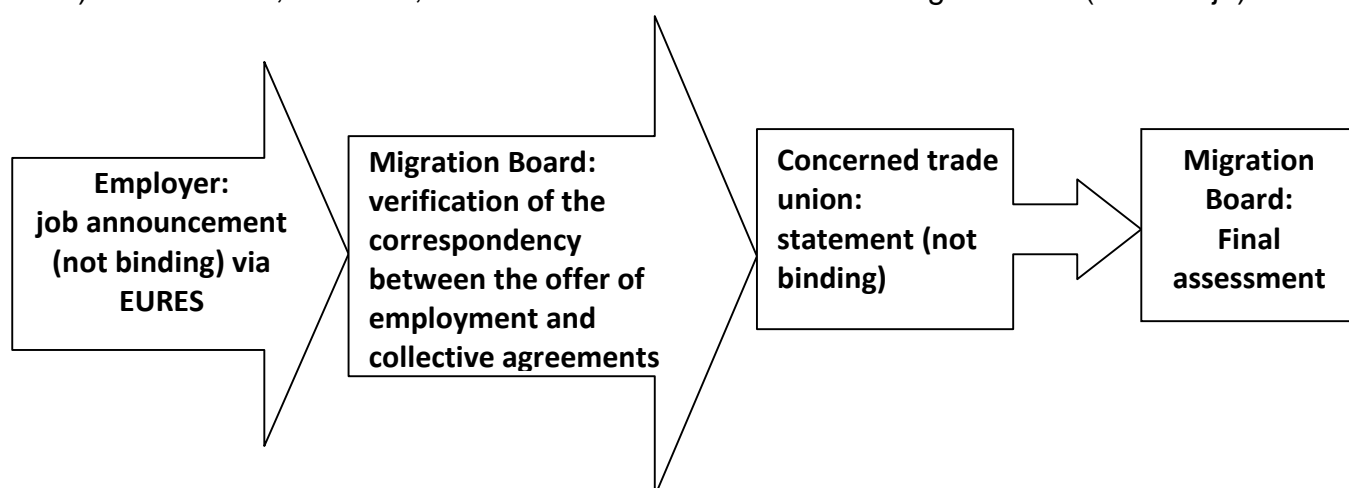
<sup>8</sup> The minister for migration and asylum policy can be placed as it is now within the ministry of justice or within the ministry of employment; before he was within the ministry of foreign affairs. There are some political areas that are more likely to be moved from a ministry to another than others but normally that does not affect policy so much. There are political reasons behind the choice of putting a ministry here or there, especially now, under a coalition government. The ministry for migration however is a ministry with portfolio, i.e. a "full" ministry as well as all ministries. One minister is usually head of the administrative machine (in this case, the minister of justice), when it comes to employ people and other bureaucratic things, but both the ministers have the same political weight (**AMD2**).

In other words, under the previous system when an employer looked for a foreign worker the system worked in the following way:



Those who want to work in Sweden and come from a country that is not a EU member state must have a work permit. In case they plan to work in Sweden for longer than three months they will also need a residence permit. Those wishing to work in Sweden must normally apply for a work permit in their native country or other country outside Sweden where they are resident. They have to apply: either on the Swedish Migration Board's website or at a Swedish mission abroad in the country they are living in. However, in certain cases labour migrants may apply for a work permit in Sweden in case they are: 1) a student at a university or college in Sweden; 2) someone visiting an employer in Sweden; 3) an asylum seeker. People planning to work in Sweden for longer than three months also need a residence permit (Migration Board 2011a).

The Swedish Public Employment Service was previously responsible for checking that the Community preference was respected (posts were to be made available to job applicants in the other EU/EEA countries and Switzerland). Under the new rules, the Swedish Migration Board has taken over this task. Cases relating to residence and work permits are thus all dealt with by a single agency (Government Offices of Sweden 2008: 2). That does not preclude a cooperation with other organizations (e.g. trade unions), but the final decision is up to the Migration Board (JD2). The Government explains that 'in assessing the conditions offered with the employment, the main rule has not been changed, the employer is normally required to give the employee organisations an opportunity to state an opinion on the terms of employment. The statements made by employee organisations are of great importance when making these examinations' (Government Offices of Sweden 2008: 2). That means, however, that the unions' statement is no longer crucial (Wadensjö).



The Labour Market Administration now is out of the picture: this is a huge difference when comparing with former regulation, where a sort of labour market test was required and in case there was no labour shortage in that occupation then the Labour Market Board, after receiving negative opinion from the union, had to reject the application. One interviewee points out that the problem with the old system was that unions normally were negative as to the possibility for foreign workers to get in the Swedish labour market when their own members were unemployed.

The old system could result in a very delicate question of competence: formally the Swedish job seekers could fit the job, but the employer's assessment could be different, and in case of a negative opinion from the union the employer might say that a growth opportunity had gone lost (AMD2).

Instead of the labour market test, under the new law the employers are obliged to advertise the position for ten days in the Eures system (The European Job Mobility Portal), but that is, according to one interviewee, more of a fig leaf, based on Sweden's obligation with the EU. The Labour Market Board was also responsible for checking with the unions that the working conditions were at least in line with the collective agreements. On this point, the representative of the Swedish Confederation for Professional Employees (TCO) stresses:

What changed is that this labour market test was abolished; the unions' role has not changed, there is a perception that it has, as before there was a veto: there was no veto (TCO).

One of the most important tasks that the Swedish Migration Board has is to make sure that there is no salary dumping in Sweden; therefore every application that comes to the Board is forwarded to the relevant labour union, who is given 2 weeks to look through the application and then the union can tell the Migration Board if the salary and the working conditions as a whole are good enough. An officer of the Migration Board acknowledges however that on the first application 'there is very little we can control, it is only when they apply again [for a renewal], then we can go back' (because then there is a "work-path" that can be checked (MV2).

Time limits for work permits have been extended: they can be granted for the duration of the employment and anyway for a maximum of two years; if the person is still working after this, it is possible to extend the permit until an amount to no more than four years. After this time, a permanent residence permit can be granted. The application for an extension of a work permit is processed in Sweden: the applicant will not need to return home to apply. Furthermore, simplified rules have been introduced for visiting students wishing to stay and work in Sweden after the completion of their studies and for obtaining a visa to attend to a job interview (both categories do not need any longer to return home to apply if offered employment). Finally, asylum seekers whose application has been refused through a final decision may be granted a residence permit for work without first having to leave the country; the condition is that the asylum seeker has had a job for at least six months. The position must be permanent or for a period of at least one year from the date of application and must fulfil the general conditions for work permits. The application must reach the Swedish Migration Board within two weeks of the final decision concerning the asylum application. The possibility of being granted residence permits without leaving the country is extended to family members of the applicant (Government Offices of Sweden 2008: 2-3).

One of the most controversial point in the reform is that

For the first two years the residence and work permit is restricted to one named employer and a particular profession. For this reason, you will have to apply for a new work permit if you change employer or profession over the first two years. If the residence and work permit has been extended after two years, it will be restricted to a particular profession. But even here you must apply for a new work permit if you change profession (Migration Board 2011).

What all interviewees make clear is that the rules passed in 2008 do not allow a free immigration: this is still regulated (AMD1) but 'this law makes it easier for people coming to Sweden, that's the point, we want people coming here for working. It is a very open system' (MV2).

What the government has taken away is the labour market test. Nevertheless there are still conditions: collective agreements, but also labour migrants' capability to support themselves, which basically is a limit if one does not work fulltime. To be granted a work permit a person has: 1) to be in possession of a valid passport; 2) to earn one's own living on the job the person has been offered; 3) to work to such an extent that the wage is at least SEK 13.000 per month (about 1.435 euro) (Migration Board 2011).

A union representative makes clear what follows:

The Swedish system, not requiring a certain education and so on, is a very open system. On the other hand, because we say that wages insurance and working conditions must be in line with collective agreements, we put a kind of high productivity threshold. So Sweden is not as open as it might seem, because of the threshold that we put. This threshold in one sense is excluding (someone must be ready to pay you), on the other hand you can also see it as a purely enforcement of not-discrimination, to make sure that these people are not paid worse than comparable Swedish workers. You can also say that this is an enforcement of a basic principle of the labour law (anyone working in the country must have the same wage etc.). Shortly, if you are an economist you see in it a barrier, if you are a lawyer... (TCO)<sup>9</sup>.

### **2.3.2 Driving actors and factors**

All the interviewees agree that the pressures for the reform – as an officer says, 'this employer-driven system, not conditioned by the unions nor by the Employment Agency' (AMD2) - is something that surely has been always wanted by employers. The economic growth before the 2008 crisis made employers more insistent in calling for a reform of labour migration, showing once again the deeply-rooted division between them and the unions (Wadensjö).

Besides the Confederation of Swedish Enterprise also most political parties, starting with the Moderates (the party the minister for migration belongs to), share the idea that in the end it is not question to give a particular job to a Swede who is unemployed or to a TCN, but the question is to give the job to the one who is more fit to do the job, so economic growth will benefit from that and the unemployed Swedes as well, as more jobs will be created. Although this is a political message not easy to sell in all political quarters, the Moderates decided to go along this way, together with the other small coalitions partners. 'It has been very brave somehow as they did

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<sup>9</sup> The interviewee is a labour lawyer and means that from his perspective the threshold is a guarantee.

not take so much impression from the more protectionist forces in society as many sister parties have done in most countries' (AMD2).

However, yet being able to count on its own majority, the centre-right government pursues a bipartisan agreement and in the end got the Green Party's support (MV1). The latter has a cultural more than a socio-economic profile but as far as economy is concerned, the party shows a liberal attitude more close to the centre-right parties than to the Left (LO).

It must be borne in mind however that the initiative of appointing an inquiry committee on labour migration came from a Social Democratic government (JD2).

Several arguments were put forward to support the thesis that a new immigration policy was needed.

Demographic trends and labour shortage. Most interviewees refer to population decline – and its impact on labour market - as the main driving force of the reform. The Swedes are getting older and many people will soon be leaving working life. This development may have negative consequences for labour market and economic growth – and therefore for the sustainability of the Swedish welfare system as well. Despite fluctuations in the world economy, labour shortage is already reported in several occupations and sectors (Minister for Migration). Hence the campaign of Swedish firms aiming at making it easier for labour force (first of all high-skilled workers) to go to Sweden (Ekberg). The debate is very similar to the EU debate: Europe as a whole suffers from a sort of demographic deficit and one of the solutions is a quite drastic increase in TCN labour migration; EU enlargement can not really fill the gap, as the new member states have similar demographic trends (Hansen).

Nevertheless one of the interviewees stresses that the demographic argument has been used less in Sweden than in many other countries, due to two reasons: one is that Swedish demographic situation is somewhat better, and the other is that no one believes that Sweden could be able to fill this kind of gap only by labour migration; Sweden is indeed a cold country, faraway, with a strange language, whereas the UK, Spain, France are in a very different position, when it comes to their possibility to attract labour migrants (TCO).

Changed composition of migration flows to Sweden. The minister emphasizes that after the stop to labour migration immigration to Sweden came to be dominated by asylum seekers. Apart from them - and their relatives - the number of people who have been given the opportunity to move to Sweden in order to create a better future for themselves has been relatively small and limited to high-skilled workers, with no chance in fact to get a permanent residence permit. The new rules change perspective (Minister for Migration).

Also the representative of the Confederation of Swedish Enterprise, yet paying homage to the Swedish tradition of international solidarity, makes a distinction between people who need Sweden (asylum seekers) and people Sweden needs (labour migrants). That's why it is urgent to offer labour migrants an attractive system (SN). Sweden indeed, as the minister points out, has to compete with countries like USA, Canada and the whole EU; to be attractive is a matter of realism (Minister for Migration; see also JD1).

The decision to reform labour migration has been influenced also by the will to convey an image of immigration connected not only to asylum seekers but instead to a more active and positive dimension in terms of contribution to society (both of the

sending and of the destination country), an idea of immigration meant as a process of mutual development (JD2).

Labour market failure. The minister complains about the previous immigration policy as it did not provide all the workers Sweden was in need of; moreover it could take years to find the right person; these difficulties in recruiting people prevented companies from expanding and ultimately from creating more jobs. This is where increased labour immigration can make a difference, although it is not to be seen as the only response to the demographic challenges: rather it constitutes a complement to measures which aim to utilize the labour already in the country (Minister for Migration 2008: 1).

But how comes that a country with a quite high rate of unemployment (7.6% in 2011, despite investments on active labour market policies far higher than the OECD average) (OECD 2011: 36) is at the same time affected by labour shortage? The answer given for this question is one of the main dividing lines in Swedish discourse. Although Hansen points out that there is always a risk for politicians in pushing too much for an opening to immigration when the figures report high unemployment (Hansen), the link between labour market failure – i.e. a not satisfying match between demand and supply, notwithstanding unemployment – and the need for more labour migration is clearly stated in the debate.

Billström's thesis is that the 'right person' is not simply someone with an education, but rather someone with special competences not always available on the domestic labour market (Minister for Migration).

An entrepreneur in the IT sector says:

we have a tremendous labour shortage, in Sweden. If you have a very good software developer who comes here and help to sell products, that generates even more possibilities for work in Sweden, because the company will grow and will need to employ more people. The unemployment in Sweden, they are 100% unskilled labours. Many people say: well, let put me in training and after a couple of years I will start working; our answer is: NO, the type of people we employ here, it takes 10 years to train them to that level (IT company).

This interviewee explains high unemployment among unskilled Swedish workers by fiscal pressure; although there is a tremendous need in Sweden to buy services - many people work tremendously hard and are willing to pay someone for home services - they can not afford to do that, due to the high taxes on labour. And there is no other sector which can absorb this type of unskilled labour. By removing the taxes on services Sweden would sack up unemployment immediately (IT Company).

According to another interviewee, the reform aims not so much at filling a labour shortage in general, but rather at attracting certain groups of workers (seasonal on one hand and high-skilled on the other hand), not available on the domestic labour market (Spång).

Another group of workers the minister draws attention on is social workers: 'Welfare State needs many employees but what may happen is that some municipalities have financial resources enough for the staff but they cannot find people to employ' (Minister for Migration). As far as municipalities are concerned, the minister stresses that those affected by depopulation due to delocalization – to the advantage of big cities – are in need of labour migration; and the new rules make it easier both for private and for public employers to recruit foreign workers (Minister for

Migration). Economic development, as the representative of the Confederation of Swedish Enterprise points out, is diversified from region to region and not always unemployed people are ready to move from big cities to Northern Sweden to take a job; this is one of the reasons why the match between demand and (domestic) supply can not always be achieved (SN).

Reference to the successful past experience of Sweden as immigration country. The Minister for Migration reminds that

Sweden has a tradition of labour immigration. In the decades following the Second World War, immigration made a major contribution to our prosperity (Minister for Migration).

Also the representative of the Confederation of Swedish Enterprise recalls that Sweden was opened until 1970 to a free labour migration (mostly from Southern Europe) and that the system proved to work quite well; in her opinion it is important to keep in mind that such a system had already been achieved in Sweden and with good outcomes (for immigrants as well, as many immigrants' children have grown up in Sweden) (SN).

Export-oriented industry. Another argument made by the entrepreneurial side is that many Swedish companies (not only big size) depends on export: Sweden is high-ranked in the global index of countries operating in several countries; it depends on international trade and 'business and people go hand in hand' (SN). That means that

we have an enormous demand of management and labour that can handle different cultures from the world; Scania, Alfa Lavall, Saab, Volvo, this type of huge brands, they sell globally around the world, but their head offices are here in Sweden and there must be capable management workers who speak the languages and understand the cultures in order to be able to export. In general I think that it is a key for Sweden that we will be able to adapt to different cultures, and this is very good. This is an additional strategy (IT Company).

Consistency with Swedish tradition of openness. Quite steadily, open door migration policies have been supported by centre-right parties and the Green party by referring to liberal values (Spehar, Bucken-Knapp, Hinnfors 2011: 27). Minister Billström believes that facilitating increased opportunities for labour immigration, apart from being of vital importance for Sweden's chances to meet both present and future challenges in the labour market, will contribute to a more culturally diverse and open society (Billström 2008: 1). In the light of the deeply-rooted and cross-party tradition of free trade and openness, it is a paradox that the country remained closed to labour migration for such a long time (Minister for Migration).

Also by some sectors of the union movement it is emphasized that an argument in favour of a more open labour migration policy is individual freedom:

we can see our generation of young Europeans, we are so used to travel wherever we want without any visa or anything, to work wherever we want, to study wherever we want, and many of our members benefit very much from open markets. If persons from other countries can come here and work, and they are not competing through low wages and get an equal treatment, it is difficult to say:

they should not be allowed to come; we are not so fond of the national preference argument (TCO).

## 2.4 Reference to EU and other countries

The criticism to EU immigration policy is general and cross-party among the interviewees. The Minister for Migration emphasizes the role that Swedish immigration policy can play in the European context:

We hope that the Swedish reform is setting an example which others in Europe will follow. Southern European countries' policy is sometimes worrying, when the basic principle is: well, we will let every year foreign workers come and work, paying them very little, with no chance to get a permanent residence permit and to become one day citizens. This is astonishing to me, as in my opinion the system must work in the opposite way: labour migrants must have rights and at the same time they have to pay taxes; they must be integrated, in other words. Employers must accomplish their duties by paying contributions and so on, but on the other hand immigrants, too, must give a contribution to society as a whole; this is very important if a country wants its citizens to accept labour migration. Even Angela Merkel has acknowledged that the guest worker system is no longer feasible (in a speech that was understood as an attack to multiculturalism, but actually it was not like this). [...] In the light of what is going on in North Africa, immigration from those countries will be a big challenge to the EU and that's why we need to think more about this, in the face of the huge demographic challenges facing the continent (Minister for Migration).

Criticisms to EU debate and policy come also from the State officers. One reminds an international conference held in Malmö in 2009 under the Swedish Presidency of the EU, and chaired by Billström: Labour migration and its Development Potential in the age of mobility. The message was that the EU – including the richest countries – does not take labour immigration seriously enough. What in the EU is not understood is that it is impossible to predict what type of immigrants will prove to be useful to society (the reference is to the football player Zlatan Ibrahimovic: when his family moved to Sweden no one could predict what he would have grown up into!); that's why the distinction between high and low skill is quite odd (MV1).

Other comments are: 'I would say that Sweden tries to inspire the EU; this law is quite unique' (MV2); 'I think that the Swedish law on labour migration is the most liberal in the world; therefore I would not say that the EU has inspired Sweden' (AMD1); 'we are an exception, Europe always says: "no" to immigration. Many looked at us with a kind of superiority complex, as if we were naïve people, but in spite of this we have gone incredibly forward; the EU has not been at all a source of inspiration, rather the opposite, we are trying to inspire the EU!' (JD1).

On the side of the trade unions, one representative says that 'Sweden has bigger ambitions than the EU' (LO). Even firmer the opinion of another representative:

We have no quotas, no market test, no point system, the Swedish system does not make distinction, it aims not only to high-skilled workers or seasonal workers. If you look at EU approach, I think it is catastrophic on this point of view. In this sense the Swedish system, not requiring a certain education and so on, is a very



open system. EU has been a non-entity in all this; their proposals are poor quality: they complicate things. They combine bureaucracy on part of the employers with not protecting the workers, whereas the Swedish system is un-bureaucratic for the employers, and, as rules must be followed, protecting for the workers (TCO).

The only two conflicting interpretations with regard to a possible EU influence on the Swedish debate preceding the reform come from both political scientists who have been interviewed and partly from the representative of the Confederation of Swedish Enterprise. The latter, yet denying that the Swedish reform has had any inspiration source in other countries, refers rather to EU freedom of movement as guide principle (SN).

Mikael Spång draws attention on two political components of the reform - besides the economic arguments which have been prevailing - i.e. a liberal shift in immigration policy and the will to reduce the financial burden of asylum seekers on State budget. From this point of view, there has been an EU influence as far the need of introducing a more restrictive asylum policy - and at the same time facilitating a more active migration – is concerned. According to Spång, however, the international debate played a small role, apart from the emphasis on demographic trends and their impact on labour market (Spång).

Peo Hansen is even more clear: on one hand Sweden wants to teach Europe on labour migration, but on the other hand Sweden wants to learn from Europe on asylum policy, because it is more restrictive. 'Sweden aims at europeanizing asylum policy, and to swedify labour migration'. And indeed according to Hansen there are relevant similarities between the EU Blue Card and the Swedish policy (Hansen; see also Hansen 2010: 91-93).

One of the aims with this field-work has been to understand if Sweden had an inspiration source in other countries; what comes out is that Denmark, with its restrictive policy both on labour migration and on asylum seekers, definitely was not a model, Sweden being rather more similar to Canada (Wadensjö). And actually the most frequent reference in public discourse is to the North American country, also because of the good labour market integration of immigrants (Ekberg).

In a recent book significantly entitled *Canadian model – How Immigration leads to job*, after defining the North-American country as a shining example of how much things could go better in Sweden, too, the editors emphasize the similarities between the two countries in terms of Welfare State, economy and population but then focus on the main difference between the Swedish and the Canadian labour migration policy, working the latter with quotas and points, whereas the former has no qualitative threshold. The editors argue that a supply-driven system has proved to be successful both for Canadian economy (immigration is seen as a positive contribution to the destination country) and for immigrants themselves, who have bigger chances to integrate in the host society. Shortly, Canada is a typical social-liberal model for immigration policy, with its more flexible labour market, less social benefits, a stronger civil society and less discrimination compared to many European countries (Hojem, dahl 2011: 15-17).

However, this homage to Canada seems to be isolated in the whole. Most interviewees point out rather to the differences between the Canadian (and the Australian as well) and the Swedish immigration policy to the advantage of the latter, more '*liberal*' (MV2), as the same rules apply to anyone in spite of qualification (AMD2; Ekberg). It is a more open system: a sort of macro-management of labour migration does not make sense (TCO). Moreover in Canada there is a policy

providing that most of the immigrants who will have a stay permit are labour immigrants, not refugees, whereas in Sweden during the last 25 years most of immigrants have been refugees (Ekberg).

Finally, the IT company CEO has a reference country which is somehow unexpected, as it is never mentioned either by politicians or by experts:

US is my model, a melting pot. US are more aggressive, and has so much bigger influence compared with Canada; but I know that they (Canada) are very good in attracting Chinese. US have a much better attitude when it comes to migration when compared to European countries, more open. Sweden has a long way to go, for coming to the same. But I think we are in a very good position, we have a good economy, we have spent money in a lot of things, we have a fantastic industry, well respected, high quality all around the world (IT company).

## **2.5 A not controversial reform?**

It is a shared opinion among the interviewees that although the debate on labour migration has increased, over the past 10 years, there is not so much controversy around the issue. Someone even thinks that it is astonishing that in front of quite a 'bold' initiative, such as the 2008 reform, the labour movement did not take a firmer position (Hansen).

However, the blue-collar trade union, LO, is a strong critic of the reform, putting forward arguments that the white-collar trade union, TCO and SACO (the latter being the Swedish Confederation of Professions) partly agree upon, although it is to be stressed that those most affected by the reform – this is at least the opinion of the LO representative – are LO members. The Social Democratic Party and the Left party were critical as well when the new rules were presented (LO). Yet it is noteworthy that the Social Democratic Party was not united in its opposition. The analysis of the political scientist Mikael Spång is of great help in understanding the dilemma faced by the Social Democrats, i.e. the conflict between the demographic issue and the defence of the Welfare State:

Being the demographic alarmism the starting point of the debate, the Social Democrats, although critical on some points, could not take a completely hostile position on the proposal for a reform of labour migration. If the question had been: how to allow to work in Sweden labour force who, according to companies, was not available in the country, then we would have seen the traditional confrontation Left-Right and the Social Democrats' opposition would have been definitely firmer – and consequently to pass the reform far more difficult. But their position – as well as the unions' one - was actually troubled: on one hand, they had to support the portrait of Sweden as open country (perhaps the most open in the world), on the other hand they had to compete with the Democrats of Sweden [the xenophobic party] in safeguarding the Swedish Welfare State and (Swedish) workers' rights (Spång).

In this light it is noteworthy that the Social Democratic representative interviewed takes her distance from the poor availability of her party fellows when the time had come to discuss possible changes to the existing rules. She makes clear however that nowadays the party as a whole acknowledges that for a EU member State the labour market test is no longer realistic. The Social Democratic politician says that even in case that the domestic labour force can match the demand, a

foreign worker after all can bring with him/her a different perspective, and this is very positive. What the Social Democratic movement (party and union) complains is on one hand that unions' role has been weakened and on the other hand that the new regulation allows social dumping (Yohansson).

This argument after all is consistent with the politics followed since the early 1990s by the Confederation of Swedish Enterprise (then called SAF, *Svensk Arbetsgivareförbundet*), i.e. dismantling the Swedish corporatism (Bergström 1997: 39-40); a strategy to which the Centre-Right government in power since 2006 has contributed by measures aiming at reducing trade unions' economic strength and representativeness. Since 2007 it is less convenient in terms of benefits and more expensive in terms of membership fee to be enrolled in a so-called *a-kassa* (unemployment benefit fund), managed by the trade unions (under the corporative system in force in Sweden). This has caused a downfall in trade union membership and financial resources, proving to be a measure of great significance in reshaping the power relations between labour and capital (Quirico: 2007: 225-226).

Coming back to the migration policy, the political scientist Peo Hansen does not hesitate indeed to say that in fact 'the new policy shuts the labour unions out': the government has tried to make the new labour migration policy look as if it were very beneficial to migrants, but the most crucial issue with this policy is that it totally did away with the old paradigm of the Swedish model – namely that employers and trade unions come to some sort of agreement. The new system is solely based on employers' perception of needs (Hansen).

On this point the Social Democratic representative is very polemic with the prime minister Fredrik Reinfeldt and his party, the Moderates: in the past they followed a strategy of open opposition to unions and labour law, but under Reinfeldt's leadership the party has adopted a new line: at the same time that they avoid conflict with unions and say that have a high regard for labour law, they find other ways for worsening workers' conditions, and one is exactly the new rules for labour migration (Yohansson).

The analysis made by the labour market expert for the Confederation of Swedish Enterprise is quite meaningful, from this point of view; she reminds that under the previous system the unions did not have a right of veto in accordance with law, although they enforced it *de facto*: the union's statement on a offer of employment was more influential than company's, and that was unjustifiable because of the total ignorance from the union of the entrepreneur's needs. Furthermore it was not the local union organization but instead the national one to take position on the offer of employment. Shortly, according to the entrepreneurs' representative it was just 'a matter of power', nothing more (SN).

Nowadays the unions have still a say, but limited to the correspondence between the offer of employment and collective agreements and, as employers are supposed to know how to draft a contract, a rejection is not very frequent (JD1).

According to the blue-collar trade union, the previous system had proved to work quite well and borders were not as close as the centre-right parties described them (LO 2006: 7). The competent authority for labour market defined the need of labour force thanks to lists of shortage sectors and occupations, and the cooperation between social partners (unions and employers), who were given 10 days to state their joint opinion on the single offer of employment, was effective, thanks to their knowledge of local labour markets (LO).

When the centre-right government proposed new rules for labour migration, the trade unions were not so enthusiastic, because they predicted that the system

would be misused, as labour force coming to Sweden can slow down wages; today this is an argument made by the xenophobic Sweden Democrats as well. Trade unions also pointed out the problem with low educated labour force such as berry pickers. LO was and is afraid that if such low educated immigrants enter the labour market, there will be competition for LO members. The economist Jan Ekberg meets this kind of objections by noting that, although studies on recent labour migration are not yet available, there are some research (made by himself, too) on former immigration to Sweden focusing on the question if this immigration (often constituted of low skill workers) dumped the wage for the native population. What researchers have found is that the effect is very small; especially in the 1960s there was a fear in Sweden about dumping but in practice it was very limited. Ekberg reminds that traditionally Swedish political culture aims at equality, therefore if the country has labour migration to low paid jobs one can wonder whether income distribution will be more uneven. But the studies carried out up to now do not show such a result (Ekberg).

Rather, Ekberg draws the attention on another consequence of labour migration, i.e.: can immigration to Sweden in the future make it easier to finance the Welfare system, with an ageing population raising fears around the sustainability of the Welfare State? Despite immigrants having a more favourable age composition than the native population, Ekberg believes that Swedish discourse on this point is not completely correct, because it does not take into account that it is not only the individual worker who comes, but also his family. As a consequence there will be an increase in public expenditure (school system, healthcare and so on). That's why the positive net effect of labour immigration is not as large as many people expect it to be. In the 1950s and 1960s, at a time when the labour market situation was good for immigrants, the employment rate among them was the same as in the native population, but they had favourable age composition, giving net surplus for the public sector. Yet with their families arriving the net effect was not so high. Thus if we look back we can probably see something also about the future, Ekberg says: even if future immigrants had the same employment rate as the *native* population in working age (therefore an "optimistic" scenario), the surplus for the public sector will be about the 1%, i.e. very low. But Ekberg calculated also that if future immigrants will have the same employment rate as *foreign-born* population today in Sweden (a more realistic scenario), the net effect will be negative on the Welfare system, because of the very high unemployment rate between the foreign born population (Ekberg; see also Arvidsson 2011). Moreover, one effect of the deterioration of the employment situation for immigrants is that from the 1980s onwards they have been using the social welfare system to a much larger extent than before, while reducing their contributions to the tax system (Ekberg 2006: 10<sup>10</sup>).

Wadensjö and other economists make clear that the net transfers are positive for labour migrants coming from Western countries but negative for forced migrants coming from non-Western countries; the difference is explained by the lower activity rates of the latter. The conclusion is that only if immigrants become better integrated into the labour market, the net transfers will most likely be positive (Gerdes, Wadensjö 2008: 33).

Fortified by such scientific research the Confederation of Trade Unions argues that a definitely bigger contribution to the financing of Welfare State would be given

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<sup>10</sup> For a detailed analysis of the diverse possible future scenarios, with different working theories in terms of amount and composition of immigrant population, see Ekberg 2011b.

by a better use of the domestic labour force, both native and foreign-born (LO 2006: 8).

### **3. THE IMPLEMENTATION OF THE REFORM**

#### **3.1 Data and evaluations on labour migrants' flows**

Prior to the 2008 reform, the number of labour migrants was very low (with the exception of seasonal workers). After 2008 however labour migrants have increased and are now the second category of inflows after family reunification (the third being free movement migration from EU countries) (OECD 2011: 48). The number of accompanying family members being granted a work permit has increased as well, although it is hard to say how many of them actually have found a job and which kind of employment (OECD 2011: 77).

All interviewees agree that in the first years after the passage of the law the number of foreign job seekers has not at all increased as much as someone was afraid of. The OECD draws from Sweden's new labour migration policy some lessons:

The first lesson is that a shift from a restrictive to one driven exclusively by employer demand with a minimal verification that the demand is legitimate does not necessarily lead to an explosion in labour migration [...]. The second lesson is that the assumption by the Swedish authorities of a natural preference of employers for locally available employees seems to be borne out by the experience since the introduction of the reform (OECD 2011: 132).

Despite the economic crisis, in 2009 there was a light increase in the number of applications to the Migration Board but not at all a mass immigration: this shows that the system is flexible enough to adapt itself to economic ups and downs (SN). Initially 38,000 labour migrants were expected, but in fact they were only 14,000 in 2009 (seasonal workers are not taken into account), a figure in line more or less with the flow reported before the reform. This is due to the impact of the economic crisis; however, it is pointed out that the high percentage of seasonal workers (mostly berry pickers) alters the evaluation of the new rules (JD2). As well as under the previous system, under the new regulation many permits are indeed issued for short periods, either for intra-corporate transfers or for seasonal jobs. Moreover, employers may chose to offer a short-term contract in the first place in order to be able to get rid of workers more easily if they do not fit the job (employment protection is quite strong in Sweden) (OECD 2011: 78-79). In view of these developments, one could assume that even if it is too early to evaluate its impact, the reform seems to have to do mainly with circular migration (Spång).

On the contrary, the trend that minister Billström draws attention on is the fall in berry pickers' number in 2010 (-38%) because of the introduction of wage guarantees: about 7.500 permits, with people coming from Thailand, India, China, Turkey, Ukraine (Minister for Migration).

**Table 1: Work permits granted by categories, 2006-10**

Category	2005	2006	2007	2008	2009	2010	2011 <sup>11</sup>
<b>Work and study</b>							
Study permit	6837	7331	8920	11186	13487	14188	2383
Work permit	5985	6257	9859	14513	21582	21584	13362
of which employee	3135	3567	4829	7508	14905	14001	7461 <sup>12</sup>
of which family reunification					3628	5211	4524
of which researchers	341	377	396	613	933	883	431
of which seasonal workers	496	70	2358	3747 <sup>13</sup>			
of which trainee/Au-pair	609	592	587	653	650	493	247
of which artist	878	1080	1045	1117	637	244	297
of which others	526	571	644	875	829	752	402
<b>TOTAL</b>	<b>12822</b>	<b>13588</b>	<b>18779</b>	<b>25699</b>	<b>35069</b>	<b>35772</b>	<b>15745</b>

Source: Migration Board 2011

The representative of the Confederation of Swedish enterprises emphasizes that among high-skilled workers (data specialists but also engineers) most are from China and India, i.e. the countries Sweden has the highest interest in establishing business relations with (SN).

<sup>11</sup> January-June.

<sup>12</sup> Of which Agricultural, fishery and related labourers 7290 persons 2009 , 4508 persons 2010 and 494 persons 2011 (mostly seasonal workers).

<sup>13</sup> See above.

**Table 2 – Work permits granted in 2011 by main occupational groups<sup>14</sup>**

Agricultural, fishery and related labourers	32821
Computing professionals	2795
Housekeeping and restaurant services workers	1323
Helpers and cleaners	798
Helpers in restaurants	796
Architects, engineers and related professionals	630
Food processing and related trades workers	386
Building frame and related trades workers	362
Physical and engineering science technicians	338
Market gardeners and crop growers	286
Finance and sales associate professionals	262
Artistic, entertainment and sports associate profession	252
Personal care and related workers	250
Business professionals	240
Other personal services workers	229
Shop and stall salespersons and demonstrators	218
Doorkeepers, newspaper and package deliverers and relat	177
Other specialist managers	149
Machinery mechanics and fitters	148
Managers of small enterprises	140
Stores and transport clerks	119
Forestry and related workers	110
Building finishers and related trades workers	107
Crop and animal producers	106

Source: Migration Board

**Table 3 – Work permits granted in 2011 by most represented citizenships (Migration Board 2011)**

THAILAND	2842
INDIA	2292
CHINA	1180
TURKEY	758
UKRAINE	572
SYRIA	570
IRAQ	556
IRAN	497
PAKISTAN	492
BANGLADESH	415

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<sup>14</sup> Only occupational groups reporting more than 100 granted permits have been included.



## **3.2 Recruitment of TCN workers**

### **3.2.1 Targets**

In Sweden there is no special program for the recruitment of high-skilled workers; proposals have been put forward in order to make it easier for international students to stay and work in the country for a while, but besides this the system is open to all groups, and according to the minister for low skill workers things go better than before. On the other hand, high-skilled workers have to follow the same rules as all others: it is the employer who decides about how many people and what kind of competencies he needs (Minister for Migration; MV1; JD2). This openness to low skill workers is definitely unusual in an international perspective, as well as the lack of a binding list of sectors affected by labour shortage: as an officer of the labour market administration stresses, it is impossible to predict from the beginning which employments will stimulate economic growth (AMD1).

Actually there is a Sweden's labour shortage official list which is published twice a year and it is based on statistics predicting the country's future labour needs. People looking for a job on the list not only have more chances of finding an employment in Sweden, but they can apply for a work and residence permit from within Sweden without returning to their home country first (SN; <http://www.sweden.se/eng/Home/Work/Get-a-job/Labor-shortage-list/>). An officer of the Labour Market Department makes clear however that this list does not compromise at all the employer-driven character of the new Swedish labour migration policy: it is intended only as a way to facilitate those looking for certain jobs (AMD2).

Some of the interviewees believe that despite the official rhetoric the reform aims at bringing in Sweden particular groups of labour migrants, but here the analysis diverge. According to Ekberg, the current debate is about how Sweden can recruit high-skilled immigrants. From the 1950s to the 1970s most of the immigrants had low education and got low paid jobs in Sweden, but in the future Sweden hopes that foreign labour force who gets well paid jobs (such as engineers) will increase. Companies want 'to import' specialists (especially IT specialists) from India and Asia in general. But according to Ekberg there is one problem here: due to the even income distribution in Sweden, high qualified people would be better paid in other countries. Combined with high income taxes, that can make it difficult to Sweden to attract foreign specialists (Ekberg).

On the other side, Hansen points out that the new law is supposed to bring in a lot of high-skilled workers – 'that's always the argument from politicians: we don't have these people in the country, and we need them in order to sustain growth etc'. But Hansen's idea is that the figures show that most of labour migrants are not in this category (Hansen; see also UD).

What the OCSE has found is that labour migrants are overrepresented in shortage occupations, but the average permit duration for high-skilled workers on the shortage list is definitely shorter than for low and medium skill jobs not included on the list (OECD 2011: 109-110).

The entry of labour migrants for elementary occupations in which there is a surplus is a possible point of concern, since there may be a risk of migrants substituting for less educated natives or prior immigrants in these jobs. Some of these occupations are taken up by rejected asylum seekers. On the other hand, if these occupations are in business where Swedish workers are unlikely to be employed – especially ethnic restaurants or business [...] – then labour migration

into surplus elementary occupations may reflect the evolution and expansion of ethnic enterprises. The question then becomes whether expansion in the future will continue to be biased in favour of low skilled jobs, a trend which is at odd with that of economy as a whole (OECD 2011: 113).

### **3.2.2 Channels**

At the moment there is no deep knowledge about how the recruitment is carried on; the reason is that it is up to the market: the role of the State has been reduced to lowest terms. This is a big difference when compared to the system in force during the 1960s, when Sweden had recruitment agencies in some foreign countries (e.g. Italy) (Wadensjö).

If there is no striking problem, it is more or less automatic that the Migration Board grants work permit. Recruitment channels are diverse: sometimes for instance companies (especially big companies) benefit from their local contacts. This is something the State should think about, an officer of the Labour Market Department says; i.e. how to make it easier for demand and supply to match each other: should the State be more active (AMD1)? Two interviewees take into account the possibility of introducing for instance bilateral agreements (AMD1, UD), but in the whole this channel does not seem to achieve widespread consensus, mainly because of spontaneous migration as basic principle of the Swedish system (IT company; SN; MV1). The only bilateral agreements are, besides those regarding tax system – and the portability of social rights like pensions (Wadensjö), international students exchange programs, with Canada, South Korea, Australia and New Zealand, but they do not require any work permit (JD2). For the recruitment of berry pickers (coming mostly from Thailand) there is a well-established cooperation between Swedish companies and the sending country (JD2), without any State intervention (UD). However, employment agencies play an important role in the recruitment system in general, and particularly when berry pickers are concerned. In 2009 and 2010 berry pickers from China, Thailand and Vietnam paid a great deal of money for working in Sweden to some of these agencies, which promised they would earn a lot, but it was not so (Andersson Joona, Wadensjö 2011: 14).

State authorities do not do very much, it is the employer who has to do all. The Swedish Institute gets money from the State to finance web-site (*Work in Sweden*), in order to facilitate people who could think to move to Sweden to work. But the Public Employment Service has no specific task in trying to get migrants outside the EU to move to Sweden (AMD2).

To employ a TCN may be less expensive – although the job contract must be in line with collective agreements – but on the other side it is more demanding in terms of bureaucracy, language, and so on. For instance, it is not possible to meet the worker before recruiting him/her. There are many unknown factors, when employing a TCN (AMD1). This is one of the starting point of the reform after all.

For recruiting foreign workers, the easiest way is to advertise the job with the Public Employment Service for a period of ten days. This will also provide access to EURES (Migration Board 2011c). Once accomplished that, the employer has to look for the right person; “how” – whether to rely on local contacts or instead on head-hunters - depends on employer’s network. But there is no public channel supporting employers in this task (SN).

The biggest group among the labour migrants is IT engineers, almost 40-50%; they are mostly intra-company transfer personnel; that means that when for instance Ericsson – which has employers in India – needs 500 engineers quickly, the

company just calls them from there, there is no need 'to recruit' them (MV2; see also JD2). As far as not intra-company transfer personnel is concerned, big companies, which have production units all over the world, launch campaign for the recruitment of engineers and IT technicians, going to other countries but also cooperating with Universities in China, sometimes in cooperation with the Swedish Institute sometimes on their own. Ericsson has its Eric-clubs in China, intended to attract people and make them interested in Sweden. But engineers are recruited in Serbia, too. In other sectors there are temporary agencies both in Sweden and abroad that the employers can turn to if they don't have their own connections (AMD2)<sup>15</sup>.

Local authorities as well launch campaign in order to recruit foreign doctors in specific countries. When the doctors arrive in Sweden, e.g. from Poland, the local authorities pay education in Swedish for them and then they can enter the labour market (Ekberg; according to another interviewee, the applicant must learn Swedish already when in his/her own country; SN). However, despite the emphasis put by the Minister for Migration as well as by some experts on the public sector (particularly the health sector) as potential big recruiter of labour migrants, a limited number of work permits have been issued to municipalities, county councils and hospitals (OECD 2011: 91). According to the Swedish Medical Association (*Sveriges Läkareförbund*), the reason why few TCN doctors are recruited is that the certification process of foreign education and job experiences makes it shorter and easier recruiting instead doctors from EU countries (Petersson 2012: 14-15).

Campaigns are launched as well for recruiting engineers, but again with no public coordination. At the same time the Migration Board sees a growing part of applications regarding restaurants, or cleaning services, and in this case it is more difficult to find out how those workers are recruited, maybe through connections. However, the Board does not ask, as it is not its job and companies do not make clear how and where they recruit; in the application form, there is no space for this (MV2).

Where recruitment is carried on is however an unclear point as far as the implementation of the new system is concerned. Although the law provides that TCN workers have to apply from their own country (with the exceptions pointed out in Chapter 2), the interviewees' knowledge/perception about how the match between demand and supply is in fact achieved varies quite a lot: both in Sweden and in sending countries (JD1; JD2); only in Sweden (TCO; UD); usually in Sweden (LO); depending on sector (Wadensjö). Actually only 7% of the job applicants have been recruited in Sweden between 2009 and 2011; rejection rates are definitely higher for in-country applications (among rejected asylum seekers trying to switch track, 1.059 out of 1.787 were granted work permits; among people with visa, applying under shortage list, 150 out of 292) (OECD 2011: 83-84).

### **3.2.3 Recognition of foreign education and job experiences**

When it comes to labour migrants, the recognition of foreign education and experiences is not so relevant: compared with many other countries, in Sweden there are fewer professions that are protected by this kind of requirement, in the health sector mainly (TCO). When an organization wants to hire a doctor from Iraq for

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<sup>15</sup> This is not the case of the IT company interviewed; the ceo explains that they only recruit - from Sweden - through contact networks, people they know (IT company).

instance, what the Migration Board does is to wait that the Social Department has check doctor's education before granting the work permit (MV2).

The validation system is used also with engineers for example; the point here is convincing Swedish employers that the person has the qualification to do that job. The High education system (*Högskoleverket*) is in charge with this certification, but usually it is not enough, the job applicant (not so much engineers, as many companies work by English, rather doctors and nurses) needs some specialized Swedish.

And then it comes the difficult part: getting the first experience in the Swedish labour market; usually people (for example, an engineer from Iraq) work in a company for a short period, thus companies can see if that is the right person and report on that. When their skills have been evaluated not by an authority, but by a real employer, in a real work situation, then they can go on (TCO).

That to get the first job is a threshold is confirmed by the IT company ceo: 'if you are a software engineer and you look for a job in Sweden, of course it is more difficult to convince someone here that your level is comparable' (although then he adds that 'as we only recruit through contacts, the certification does not matter, because we have guaranties about that person') (IT company).

In the whole, the certification of foreign education and experiences is one of the problematic areas of the Swedish labour migration policy (OECD 2011: 126): high qualified immigrants need a special permission from Swedish authorities in order to enter the Swedish labour market but the time taken to give that kind of permit is very long. Ekberg was expert in 2011 in an investigation about how long high qualified immigrants have to wait since they send their application to Swedish authorities: sometimes several years. This is a problem for the Swedish labour market (Ekberg).

The validation system is very heterogeneous: different authorities (Swedish National Agency for Higher Education, The National Board of Health and Welfare and others) dealing with different kind of validation for different jobs in different sectors. As an officer of the Labour Market Department explains, this is an area where constant research is going on. New attempts are made for making the system more transparent as it gives a confusing impression, due to the lack of coordination. 'There are a lot of problems, but we are aware of that. Also the Department of Integration (under the ministry of employment) is in charge with it, because 'people come here due to different reasons and then it takes such a long time for getting their exams validated' (AMD2).

What is pointed out furthermore is that the Swedish validation system has worked quite a lot on refugees' education and now it should be developed so to be effective in validating labour migrants' competences as well (SN). But it is to be noticed that if few asylum seekers find a job it is also because of the poor efficiency of this system (LO).

### **3.3 Migrants' social rights**

The new rules on labour migration have not modified the provisions related to immigrants' status in the tax system and in the Welfare State (UD). Whether labour migrants pay taxes or not depends on how long they are about to stay in Sweden for (posted workers sometimes do not pay taxes); and there are bilateral agreements for

instance with USA about which State between the sending and the destination country gets pension contributions (JD2).

To be covered by or be eligible for a social insurance benefit a person, as a rule, must either be resident in Sweden or work in the country. If a person lives in Sweden for a period of more than a year s/he is normally insured for residence-based benefits. Examples of residence-based benefits are child allowance and housing allowance. People working in Sweden are insured for employment-based benefits (Försäkringskassan 2011). They are primarily the following: pregnancy benefit; parental benefit according to sickness benefit level or basic level<sup>16</sup>; temporary parental benefit; income-based old age pension; sickness benefit; rehabilitation and rehabilitation allowance; occupational injury allowance, income-related sickness compensation or activity compensation; survivor's pension (Nordic Social Insurance Portal 2011).

A labour migrant who gets a permit that is one year or longer is entitled to all the same benefits as a person with a permanent permit. One of the requirements of the new law is that foreign workers have to be totally covered with insurance, otherwise the Migration Board rejects their application. And indeed this (the lack of insurance) is one of the most common reasons why the Board refuses the permit (MV2).

Labour migrants have the same social rights as Swedes, and relatives get as well a work permit but unlike the labour migrant, who are bound to the same employer and the same job for two years, relatives are not subjected to this restriction (JD1). Many of Swedish social rights are work-based, there are very few residence-based, but much of social insurance is income related, that's why if someone has a child during the first year in Sweden s/he will get less (TCO; Spång). Before enjoying social benefits in every respect one has to have worked in Sweden for some time (Wadensjö); for instance, entitlement to unemployment insurance applies to all those working in Sweden or who live in Sweden and work cross-border in another EU or EES country. But as with other insurances, entitlement to benefit is conditional on fulfilment of certain conditions; one is the work requirement: prior to becoming unemployed, a person must have worked for at least six months and at least 80 hours in every calendar month, or for at least 480 hours over six consecutive calendar months and for at least 50 hours in each of these months (PTK 2012). Furthermore, there are social insurance benefits integrating the public ones for those covered by collective agreements; in this case as well the qualification period to be entitled to these benefits may be unfavourable to labour migrants (Wadensjö).

In short everyone who has income from the Swedish labour market pays taxes and immigrants have mostly from the beginning the same rights to social Welfare system as natives. Those who do not enter the labour market do not get social allowances but instead social assistance (Ekberg).

The union representative believes that the problem – not due to the new regulation but perhaps worsened by it – is that more and more often employers recruit through agencies hiring workers in another country, in order to pay no taxes and to exploit cheap labour force.

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<sup>16</sup> The Nordic Insurance Portal explains that there are three kinds of compensation levels for the parental benefit: 1) *sjukpenninggrundande inkomst*, income qualifying for sickness cash benefit; 2) in case the person concerned has had a low or no income, benefit at the basic level is paid instead (these first two levels are paid for 390 days); 3) the lowest level, applying to the remaining 90 days (Nordic Social Insurance Portal 2011).

Those formally employed by a foreign company (although in fact working for a Swedish employer) have indeed a lower wage compared to workers covered by Swedish collective agreements and are not entitled to social benefits; they have difficulties in supporting themselves (LO).

### 3.4 Self-employment

The OECD defines the Swedish policy for foreign self-employed one of the most open in the world (OECD 2011: 70). Nevertheless, although immigrants are overrepresented in this group, there is a persistent income gap between immigrants and natives (Andersson, Wadensjö 2004). For this category the rules have not been changed the same way as for foreign employees: although it is part of the reform to make it easier for immigrants to start up their own activity, it is still quite complicated (UD). There are around 200 persons going to Sweden every year with this aim, and the biggest problem for them is that the handling time is almost one year. An officer of the Migration Board says that 'it is not a very functional part of the migration law'. Now there is a debate on the need to change the law with regards to this (MV2).

To be granted a residence permit – which is needed when one plans to work for a period longer than three months to start up or run own business or become a part owner of a company in Sweden - one has to prove that:

- s/he owns at least 50% of the company, that s/he runs the business and has the ultimate responsibility for it;
- the company is expected to achieve satisfactory profits and be able to support the applicant and his/her family during the two-year probationary period;
- s/he has solid experience in the sector and in running own business;
- s/he has enough money to support her/himself and her/his family for the first two years;
- s/he has Swedish and/or English language skills (Migrationsverket 2011).

Also when it comes to foreign citizens wishing to start an activity in Sweden it is the Migration Board which processes the applications but the figures are definitely low (AMD1). To work out a business plan such as required by law is quite demanding. Many do not get the permit, the system is not flexible enough (JD2); bureaucracy complicates things (SN). For instance, a good knowledge of language is required, but in the reality it is not always of help. No doubt it supports integration, but it should not be a condition from the beginning. The committee on labour migration, KAKI (see Chapter 3), has questioned Migration Board's competence in this field. It should be an independent actor, appointed by the government, to process the applications. According to an officer, the authorities with the charge to support Swedish companies should widen their task so to include foreign entrepreneurs (UD).

Besides bureaucracy, a problem which is stressed is that, being quite easy for those having some money to move to Sweden and start their own business, the system is open to misuse from those aiming not at establishing a serious business but only at getting access to the EU market, buying companies and then speculating on them (AMD2).

Another example of misuse is when a worker is asked by his/her employer to start up a distinct company as supplier of the latter; in fact it is a form of employment,

but without the obligation to follow collective agreements. Construction industry and transports are the sectors most affected by this problem (LO).

### 3.5 Open problems

#### 3.5.1 *'Irresponsible employers': a recurring scandal*

Within a general satisfaction about the implementation of the reform, the Minister for Migration admits however that there are some problems – which nonetheless were put on the bill – but nonetheless he appears to be confident in the administration's will and capability to solve them: 'by the new regulation it is possible to oppose workers' rights violations' (Minister for Migration). The IT company ceo complains that employers who misuse rules get disproportionate attention around that.

90% of berry industry is fantastic, but then there are some small companies that are more criminal oriented. And people read about that in the newspapers and think: if this is the new migration law then it is bad. But you don't read about our company, bringing in high-skilled software engineers, you don't read about Volvo, bringing in Chinese experts (IT company).

Despite these statements, the poor correspondence between the conditions promised to foreign workers in the offer of employment and the ones applied in fact are not only a union polemic but as well a problem which officers, researchers and media are well aware of – and now OECD as well. Here the dividing line is whether flaws are related to the implementation of the reform (as the minister and the IT company ceo think) or rather to the law itself.

The Migration Board admits that there is no certainty about how the job will actually be carried on once the foreign worker has moved to Sweden. 'It is said that this law is very liberal, and this is good; the problem is that, being liberal for everyone, is liberal also for those having bad intentions' (MV2). At this moment it is very difficult for the Migration Board to have an in-depth look at an application so to assess whether it is a fake. The Board expressed its disappointment to the government about these difficulties in the middle of September 2011 (MV2).

The opinion of the TCO representative is on the contrary that it is not rules themselves which make the problem, but rather difficulties in their implementation, and here the Migration authority and the government are not doing their job. The problem is that when the employer applies for a work permit, s/he states that the working conditions correspond to collective agreements etc., but then in the end s/he is not paying that money, and the employee does not have the proper insurance. This happens in different sectors, restaurants and building industry first of all, but sometimes also in jobs covered by the white-collar union.

When the offer of employment is not correct, obviously the union denies its approval but there are cases when the union invites the company to fulfil the conditions by signing a collective agreement: it is the easiest and cheapest way to be in line with rules, and there are several examples of companies doing this. This is one problem – people not getting what promised. And then there is a

tempt to misuse the rules, i.e. people coming here not to work, but due to other reasons. For example, when a kiosk looks for ten people, it is obviously a fake (TCO).

The rejection rate of permit applications was low (less than 11%) in an international perspective over the period 2009-2011, but nonetheless it doubled compared to the average rejection rate (5-6%) reported in the two years preceding the reform. Not credible applications come mostly from small business and organizations (sometimes run by immigrants<sup>17</sup>) (OECD 2011: 117-118).

Hansen points out that what has been discovered is that the new policy has given rise to a big business of selling work permits:

People are recruited and then the employer says: well, this is the real salary I will give you, and it is extremely low, and you also have to pay 40.000 crowns (more than 4.000 euros) to get your permit, otherwise I will not give it to you. If they don't have the money, they go into the irregular labour market (Hansen).

Unlike what many interviewees state – i.e. that the union seldom denies its approval to an offer of employment – the LO representative says that this is quite a frequent case, especially in the restaurant and building sector, where there was exploitation already before the reform, but under the new rules the situation is even worse (LO). On the contrary, the representative of the Confederation of Swedish Enterprise tells that those sectors have been affected for a long time by workers' rights violations – to the detriment of the domestic labour force, too – and black economy, due both to the disproportionately high tax pressure (SN).

The point is that the offer of employment is not legally binding: this is one of the main criticisms from the union (LO). Bound to the same employer for two years and with no legal instruments on his/her side, the worker can not do so much when the employer offers e.g. 16 Swedish crowns/h in the job contract and then pays 10 crowns only. Another way to bypass collective agreements is to hire a foreign worker (a berry picker for instance) through a foreign company (e.g. in Thailand), on the working conditions in force in that country although the worker is granted a Swedish work permit (posted workers). The Committee on Labour Migration, KAKI, was well aware of both dangers and recommended controls, especially fiscal ones, but no much attention seems to have been paid to this part of its work (UD).

The work permit duration has been extended, and this is a positive development, from the unions' point of view: the employer can plan his/her business in a long-term perspective, the immigrant feels safer and Sweden becomes more attractive as labour market. The problem is that for some time the residence and work permit is restricted to one named employer and a particular profession<sup>18</sup>. This obligation brings with it both an advantage and a disadvantage: it is not easy for irresponsible employers hiring foreign workers and then subcontracting them; at the same time, even if the worker is not satisfied with his/her working conditions, s/he can not change (LO).

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<sup>17</sup> On the propensity to hire co-nationals from both native and immigrant employers see (Andersson Joona, Wadensjö 2007).

<sup>18</sup> This seems to be one of the less known points in the reform: the LO representative thinks that foreign workers are bound to the same employer only in one year (LO), whereas the IT company ceo believes that labour migrants are not bounded at all to a same employer, not even for a while (IT company).



## Seasonal workers

In public discourse polemics focus mainly on berry pickers working on summer in Northern Sweden. The OECD points out that under the new system identification of seasonal workers is complicated: they are granted the same work permit as any other labour migrant. The companies recruiting seasonal workers were in 2009 and 2010 fewer than 50; in both years 75% of this group of workers were sponsored by five employers only (OECD 2011: 82).

The IT company ceo sums up the question like that:

We have a tremendous asset in our forests: berries, but the Swedes are not interested in going and picking them for commercial use, it is a work too hard! So there are people from other countries who are willing to do that, mainly from Thailand, they do it tremendously well, and 90% of berry industry is fantastic, but then there are some small companies that are more criminal oriented (IT company).

On his part minister Billström talks about 'secondary problems' – and anyway put on the bill – related to berry pickers within a new system which is working altogether very well. What happened before was that those workers moved to Sweden (not with a work permit but with a visa) and did their job for some months, then returning home without paying any tax. In 2010 a new regulation came into force; the minister mentions the introduction of collective agreements for berry pickers (Minister for Migration), but it is not exactly so: they have got rather the guarantee of some basic rights (SN), included a guaranteed minimum wage (LO). This change was subsequent to a poor berry-picking season in 2010, when many workers were laid off and found themselves with no means to return home (OECD 2011: 83).

That's why prior to the berry picking season of 2011, the Migration Board established new requirements for those who want to pick berries in Sweden. In order to be granted a work permit, they must be offered conditions of employment that are on a par with Swedish collective agreements or – the specification is due to the lack of collective agreements in the sector – 'whatever is customary within the occupation or industry'. Berry pickers are expected to earn at least 13.000 Swedish crowns (approximately 1.450 euro) a month. Furthermore, the employer must prove that: s/he can pay the salary stated in the offer of employment and, in case s/he has previously hired berry pickers, that s/he has paid their wages from the year before. Finally, the employer must give the trade union organisations concerned the opportunity to comment on the conditions in the offer of employment (Migration Board 2011). Despite these requirements, what is supposed to happen, as the liberal newspaper *Dagens Nyheter* warns, is that berry pickers are forced to sign two distinct contracts: one in line with law requirements, and another one by which they give up completely the official wage, probably without understanding what they are giving their consent about (Smedslund 2010). Moreover, the media report that companies in the sector have started recruiting workers from Bulgaria and Romania instead of people from Asia just to get out of the new rules (Wadensjö).

The union has always had difficulties in organizing berry pickers: they are often self-employed formally (although in fact they are employees), therefore they can not be represented by the union (LO); they stay in Sweden for a short time, earn some money and then return home and are very scared by the danger to lose their job in case they denounce violations of their rights (AMD1).

However, one of the officers interviewed believes that

there is a genuine concern that the reform is not destroyed by people coming here and abused and so on. The government takes the problem very seriously, although all those things take time. That's why the government introduced a new regulation that would better insure that berry pickers coming here really be paid. Last year there were 4.000 Thai berry pickers and a lot of difficulties. This year thanks to stricter rules it seems that in general the berry pickers are satisfied, they really earn the money; may be they do not work under the same conditions in force for the other workers, but nevertheless most of them receive good money (AMD2).

### Posted workers

On 18 December 2008, the ECJ passed the verdict on the Laval case, ruling that the right to industrial action can sometimes be justified under EU law to protect against social dumping but at the same time the Court also pointed out that 'the exercise of that right may be subject to certain restrictions'. The ECJ noted that industrial action aimed at obtaining terms and conditions which went beyond the minimum established by law made it less attractive for companies to carry out their business in the Member State and therefore constituted a restriction on the freedom to provide services, guaranteed under the Treaty. In Sweden, there was no statutory minimum wage nor were collective agreements universally applicable. Consequently industrial action to impose terms could not be justified under EU law. The court also held that failure to take account of the collective agreement reached between the employer and the Latvian trade union amounted to discrimination against both organisations (Eurofund 2010).

The Swedish laws on working conditions apply to everybody who is posted in Sweden; the obligation that foreign employers have to follow Swedish laws is based on regulations in the EU Directive on posting. There is also a Swedish law which is based on the EU Directive; it was altered in 2010 subsequently to the verdict in the European Union Court of Justice. Since then the union organisations may only take industrial action against foreign employers under certain conditions and must hand in a copy of the conditions applying in their collective agreements to the Swedish Work Environment Authority (Swedish Work Environment 2011).

### How to safeguard labour migrants' rights

When it comes to the shortcomings either in the implementation of the reform or/and in the regulation itself, the government, the bureaucracy and the unions rebound responsibilities each other (Spång). The minister states that those not following rules are under the competence of police and/or social insurance, not a problem related to immigration (Minister). On the other hand, the white-collar trade union TCO invites the government, 'in order to care the reform, to save the reform, to make sure that we don't get a backlash', to take all this seriously (TCO).

The proposals put forward by the Social Democrats and the unions in order to improve the implementation of the reform are the following:

1. The offer of employment ought to be legally binding. Until it is perfect legal to write one thing in the offer of employment and then another thing in the employment contract, what follows is that the individual can not base his

rights on the offer of employment, and that is abused by the system. The TCO representative tells that the minister for migration was interviewed and faced with these cases and said: 'well, whether a company pays taxes, that's a problem for the Tax authority; whether a wage is paid at a correct level, that's an issue for social partners'. But the fact is that when the point is whether labour migration rules are followed or not, then it is an issue for the Migration authority, because it is about whether the employer fulfils the promise which was the basis for granting the work permit. 'So the minister cannot escape from his responsibilities, in this respect, just saying that is a problem for other people' (TCO).

2. An employer who in the past was responsible for workers' rights violations should not be allowed to hire labour migrants (SAP).
3. The Tax Agency should check if the employer's contributions do correspond to the wage s/he promised (this would be a very easy thing, if the Tax Agency and the Migration Board just exchanged information by computer) (TCO).
4. Controls would be easier if labour migrants moved to Sweden only after being granted the work permit; with visa it is the opposite, and this increases the danger that the worker, once in Sweden, becomes more willing to accept not satisfactory working conditions just to stay in the country (LO).
5. The Migration Board is not competent in the field of labour market, hence its difficulties in preventing workers' rights violations; the responsibility for controlling that the actual working conditions are in line with collective agreements should be transferred to another authority, as it was in the previous system (LO).
6. Labour market test (and the cooperation between social partners) should be restored in order to avoid that labour migration is absorbed by sectors with bad working conditions (which make it difficult to recruit domestic labour force) (Larsson 2010).

According to both the blue-collar trade union and the Social Democratic representative, these recommendations are not accepted because of a political strategy intended to redefine the balance between capital and labour to the detriment of the latter. The unions concerned with the tourist and restaurant sector complain that the presence of a cheap foreign labour force makes it difficult collective bargaining because responsible companies have to compete with employers who underpay workers; and that implies as well that a free competition is undermined (SAP; LO).

Nevertheless, it is not only the unions and the Left who express their concern over the shortcomings of the new labour migration policy. A public officer expects in the long run difficulties when it comes to monitoring working conditions (i.e. whether the employer follows what he has promised in the offer of employment or not). In Sweden it is most a union activity to accomplish this task and it is not easy for unions to monitor in sectors/areas where they do not have members or with workers they don't speak the language of and/or who are scared or prevented to get in touch with unions: a remark made also by the OECD (OECD 2011: 126). Thus may be in the long run a public monitoring will be needed. In the service sector for instance the rate of unionization is going down and this may mean that in the future the public authority will be forced to be more inquisitive compared to today (AMD2).

However, in the face of these controversies in December 2011 the Board has introduced tighter rules for granting work permits in certain industries:

The goal is to prevent people from being exploited on the Swedish labour market as much as possible within current legislation. The new rules mean that businesses in the cleaning, hotel and restaurant, service, construction, staffing, trading, agriculture and forestry, and automobile repair industries, as well as all newly-started operations, must show in connection with a work permit application that wages can be guaranteed for the time that an offer of employment is valid. Businesses in these industries that previously employed people from outside the EU must show documentation of wages paid. In the event the employee is hired by a foreign business (outside the EU) conducting operations in Sweden, the company must have a branch office registered in Sweden. Furthermore, the company must show that the employee has received information on the conditions of the employment offered. (Migration Board 2011d).

The new controls have gone into effect on January 16, 2012.

### **3.5.2 Public authorities: new tasks, old instruments?**

At the same time when unions and left parties complain that the new rules on labour migration have weakened workers' position on the labour market, what is mostly criticized by the employers is Migration Board's ineffectiveness and particularly its handling time:

The Justice Department gave us a mission: you have to make sure that the applications are handled as soon as possible; our director tells us that when it comes to process electronic applications, he gives my team 4 weeks. But nowadays it takes almost 4 months. Why? We have doubled the amount of applications, but we do not have doubled the people working here: when we started here we were almost 40 working with work permits, now we are 60-65. So we are growing but not yet enough (MV2).

The IT company ceo points out that it takes years for a structural change: most of the companies does not know about the opportunities offered by the reform; the big companies know, but among medium and small companies only few are informed whereas many think it is only for bringing in berry pickers<sup>19</sup>. According to this interviewee, the reform has not been marketed enough and on one hand this is good, because the system, on the governmental side, is not yet ready to implement it:

the Migration Board is actually nor organized to cope with that and they don't have the money to do that. Right now we are going to employ a woman from California, it is supposed to take 2 weeks, it has been taking 3 months. They are not ready at all. And I have sent my criticisms to Tobias Billström [the minister], because we have six cases with big problems. You get through, but it take too many resources from our side; the Migration Board has a few checks to do, but we, as employers, take the responsibility. Because of that it should be very fast, and that was the meaning from the political decision, but it doesn't work that way yet (IT company).

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<sup>19</sup> However, the number of firms recruiting labour migrants doubled from 2008 to 2010 (from 2.196 to 4.987); on the other hand, most of the permits are issued to a small number of companies, mainly IT companies (OECD 2011: 90).

The minister actually acknowledges that the handling time is a problematic area, in the face of companies saying: 'we need labour force NOW, not after that bureaucracy has taken its time, and that may mean months' (Minister for Migration). The waiting time for recruiting a foreign worker is lower than in most other countries, nevertheless it adds a month for Swedish firms to the hiring time, compared with hiring on the domestic labour market (OECD 2011: 121).

What the Migration Board is doing is to modernize its IT system, to work more and more by it, making it easier to apply for a work permit by Internet<sup>20</sup>. The Board is also thinking about how to increase abroad the knowledge of the Swedish labour migration policy (MV1). Furthermore, in autumn 2011 the Board has started a certification system, which would make it easier for companies the Board – and the unions – trust (big companies like Ericsson mostly) to get a decision within a week. This certifications system is both qualitative and quantitative: a company can be part of it if it has more than 50 applications per year, if it fulfils all the requirements in the law and has a good relationship with the union. When all of this is met, the Migration Board issues a certificate that means that the applications will be given a priority line. This system is expected to make the application process faster (MV2).

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<sup>20</sup> About four out of ten applicants apply on line. The amount of the application fee, which can be paid either by the employer or by the employee (usually the latter) is 2.000 Swedish crowns (about 220 EUR) while for a permit extension is 1.000 Swedish crowns (about 110 euros) (OECD 2011: 64). In an international perspective, the Swedish fee is low, but when it comes to seasonal workers – who have to pay the same amount – it is in the upper range (OECD 2011: 125).

## 4. FUNCTIONAL EQUIVALENT AND ALTERNATIVES

### 4.1. Asylum seekers

#### 4.1.1 *The ability to switch track*

Before the reform, the need to keep labour migration and humanitarian migration separated was constantly emphasized; but then the possibility to change track came in thanks to the 2008 reform<sup>21</sup>. The background of this shift is that in Sweden asylum seekers have the right to work, which is rare in an international perspective. The starting point is that a person staying in Sweden as asylum seeker is allowed to work from the first day: if then s/he is granted asylum (or however the right to stay, on other humanitarian grounds), s/he will be better integrated in society.

There was a number of cases that newspapers pointed about: asylum seekers got a job, they were working and were quite nice persons taking part in the community in the small cities, but then their asylum application was denied and they were supposed to be sent home<sup>22</sup>. And they had a job and everything. By the change of track it was open a kind of possibility in these cases. But there is a condition: this possibility to change track only exists if one applies for a work permit in the 2 weeks following the final decision on one's application (TCO).

It is well-known that those applying in Sweden for asylum are not always in actual need of it, but they are rather attracted by Swedish generosity which 'has no equivalent in other countries'. Due to the fact that some asylum seekers are economic migrants the asylum system has been hosting people who simply want a better life. Now, it can be expected that some of them instead will take advantage of the labour migration track (JD1). The IT company ceo says: 'We should give every person who comes here the freedom to look for a job from day one. We would have much less problems today. And we would have much less unemployment' (IT company).

In order to be granted a work permit, the applicant must prove that:

- s/he has a passport that covers the whole period of validity of the permit;
- s/he has been employed for at least six months as an asylum seeker and that the employment will continue for at least a further 12 months from the date of application;
- s/he has had the same employer;
- s/he has earned at least SEK 13,000 per month;
- s/he can earn her/his own living (Migration Board 2011).

The Migration Board acknowledges that there are not so many asylum seekers who have turned into labour migrants; the current system (post-2008) is very bureaucratic and makes it more difficult for asylum seekers to get a work permit. They are required to have had a job in the six months prior to the application, so that the Migration Board has six months of history; that's why the applicant is asked to show tax reports, insurance etc. Unfortunately many asylum seekers are being

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<sup>21</sup> See Chapter 2, p. 16

<sup>22</sup> According to the representative of the Confederation of Swedish Enterprises, 'such a sight – people expelled after working in Sweden – was not in line with country's traditions' (SN).

exploited by their employers, so they can not show the correct amount of money: they have been used for example full time in restaurants, and they only get paid half time salary, and they will not get a work permit (MV2). The high rejection rate (40% from 2009 to May 2011) for asylum seekers trying to change track is due to: working conditions (wage, work hours) not in line with the requirements; delay in applying; too short work history (less than 6 months) (OECD 2011: 84).

In September 2011 the Migration Board made the argument that it is unacceptable that asylum seekers have to wait for the final decision on their application before applying for a work permit; according to the proposal put forward by the Board, they should be allowed to apply on both tracks at the same time (Persson, A. 2011b). The Migration Board believes this would be a better system than the current one; better for the applicants and for Sweden. But the Board acknowledges that it is quite a controversial suggestion (MV2). And indeed the proposal has been criticized both by the trade unions and by the Confederation of Swedish Enterprises, arguing that refugee and labour migration are two completely different channels of immigration and are to be kept separate; all those moving to Sweden are welcome in the Swedish labour market, but the point is that refugee policy can not be evaluated merely in economic terms (Sörman, Ågren, Ekström, Lindqvist, Arrius, Nordmark 2011).

However, whereas the government is positive on the possibility to switch track, many voluntary organizations are critical about it; their argument is that the overlapping between the two categories risks to compromise asylum seekers' rights (Spång); a fear shared by the Social Democrats (Yohansson). Hansen reminds that

there was for a long time a firm commitment in Swedish politics: we should never mix asylum with labour migration policy, there should be a wall separating them, otherwise the understanding will be that some of the seekers will be granted asylum due to their education (doctors etc.), and the other will not because there is no need for them. And I think that the reform really changed that, without a principle debate. Of course we have to be pragmatic, if you see an Iraqi engineer with no ground for being granted the asylum then, even if your effort is to make asylum policy work, you are not so keen to snob the labour migration opportunity. However, it would be interesting to see how much information they get on the possibility to change track, whether in their own language and so on (Hansen).

And indeed if few asylum seekers have succeeded in changing track, it is also due also to the lack of information (AMD2).

#### **4.1.2 Regularisations and Swedish political culture**

The problem of irregular migrants has not grown as much as in other countries, but it is discussed in Sweden as well: it is a moral and a political issue (AMD1). Irregulars are a varied category, but among those who get a refusal to their application for asylum many in the end increase the ranks of the black labour market; another group is constituted of people going to Sweden with a visa or as tourists and then not leaving the country although they have no permit (Wadensjö).

Almost all the interviewees agree that it was not and it is not in the intention to use the reform as a kind of hidden regularisation. The 'proof' is that one must apply within 2 weeks after the final decision, and that means it is not a regularisation. If it had been a longer period, or if the possibility had been extended to anyone getting

negative decision in the last two years, then it could have been a sort of regularisation. However, now there is a discussion about an extension of these narrow limits (TCO).

Besides technicalities, the main reason why the new rules on labour migration (included the possibility to change track) can not be considered as a sort of regularisation is of cultural kind: regularisations are not in line with Swedish political culture: they send the wrong signal (AMD1; AMD2). Sweden is not about to follow the Spanish example: people are welcome in Sweden when they have a job; it is not acceptable that someone moves to Sweden without work permit, relying on a future regularisation: it means to have no rights. Moreover, regularisations help brain waste: the reference is to the many high-skilled irregulars who work as taxi-drivers, waiters and so on just to stay in Sweden (UD).

A pressure in Swedish discourse for a kind of regularisation came in 2005 in relation to people staying in Sweden after receiving a refusal to their application for asylum (and after the police did not succeed in expelling them); then the (Social Democratic) government provided that they (mainly family with children) could have a second chance (see Chapter 1, par. 5) (JD1). But it was supposed to be one-off thing (TCO). And indeed when Billström came into office he blamed the inflows of Iraqis refugees solely on that 'amnesty', because it sent the wrong signal, by legalising all those people who were living in Sweden illegally (Hansen).

The new rules help people to stay and work in Sweden legally from the beginning, that's why there is no need of regularisation *ex-post*. As far as illegal migrants living in Sweden, what they can do is to return home – or, easier, to move temporarily to a country different from Sweden and there to apply to Swedish authorities for a work permit (in case s/he gets a offer of employment of course) (JD2).

A dissenting voice is Hansen's: employment of irregular migrants is a larger phenomenon in Sweden than what people think; it is true that the Swedish labour market has always been perceived as less adjusted to irregular work, but if the government starts to stimulate – like the current government is doing – the service sector (thanks for instance to the tax relief for cleaning in private homes), that will be a stimulus to recruitment but also to dishonest activities. The political scientist, who was active in a pro-irregular migrants group, tells that in Sweden if you are irregular you are invisible. Hansen believes that turning the reform of labour migration into a kind of hidden regularisation of asylum seekers was an intent; furthermore he makes clear that at the same time when the government aims at bringing in more labour migrants, it wants to make sure that the policy of expulsion of irregulars rounds up (Hansen). And indeed in September 2011 the centre-right parties in power reached an agreement, once again, with the Green party for making family reunification easier for Somali people (whose ID are not recognized by Swedish authorities) and for allowing irregular immigrants' children going to school; nevertheless in exchange for these improvements the Green party has accepted to support government's policy of deporting illegal immigrants even to countries such Iraq (Persson, A. 2011a).

In the whole there is hardly any asylum debate in Sweden at the moment. Even when Sweden took more Iraqis refugees than the entire Western world together, there was really no large-scale negative reaction in the public opinion. No election campaign has been built around asylum, simply because politicians calculate that there is no so much to build on. Not even the Democrats of Sweden: they pick on Muslims, not asylum seekers (Hansen).



### 4.1.3 Asylum seekers and the labour market

For some groups among the asylum seekers (e.g. those coming from Somalia) it may be not easy to find a job, in Sweden. For doctors and engineers from Iraq it is somewhat better (TCO).

Ekberg questioned the thesis, sometimes put forward in the public debate, that if Sweden had high-skilled labour immigrants, it would be positive for economic growth and that will make it easier for refugees, too, to enter the labour market. According to this economist, it is difficult to study the impact of immigration on economic growth: it can go in opposite directions. Even if Sweden had well qualified immigrants who could enter the labour market, the possible positive effect on economic growth would not be so large to have a positive impact on refugees, too. And if on the contrary the country had immigration of very low educated people, that could slow down economic growth and it could become more difficult for refugees to enter the labour market (Ekberg).

A sector which employs several asylum seekers and refugees is the home service industry, which is expanding in Sweden subsequently to retrenchments in public expenditures, privatization of public services, flexibilization of labour force and tax deductions (Gavanas 2010: 10). The latter were introduced in 2007 with the aim on one side to stimulate the sector, on the other side to reduce the black labour market (Wadensjö). The founder of the first company of this kind in the country explains:

Many people coming from other countries are very good in doing this kind of service<sup>23</sup>; sometimes we say that immigrants are better workers than Swedes, they have different attitudes to home services. Many immigrants are very service-minded and they are doing a really good job (Household service company).

Then she makes clear what inspired her in 1996, when she started up the company:

Social Democrats' line has always been that social services, included health care, day care etc. must be provided by public authorities and financed through taxes. But public finances are not enough to provide all kinds of services which people need. Swedish population is getting older and older and most of public resources unavoidably go to elderly care and health care (and on the other side to child care); the other services must be paid by private persons. Fifteen years ago there was an emerging market for private Welfare services but many people, because of the tax system, bought services on the black market. My idea on the contrary was to use exactly the same system as we had in our country for car fringe benefits. But instead of a car you can get a service. And if you can get it from your employer and it is tax-reduced then it is affordable. But the demand for these services was too big for being limited to a company policy. So in 2007 the government decided to introduce a tax deduction of 50% (RUT, *Rengöring, Underhåll och Tvätt*): private persons pay a share and the rest is financed directly by the State. It was my mission, to make possible not only for wealthy people but also for ordinary people to hire home services (Home service company).

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<sup>23</sup> The company provides household services and family services (for both children and the elderly) (Hemfrid 2011).

This company recruits all kind of people; many of them (80%) are refugees with a stay permit and often the job with this company is their first step in the Swedish labour market. 90% are women. The company does not have to send the offer of employment to the Migration Board, because job applicants mostly come from domestic unemployment and are not labour migrants from other countries (Home service company).

A recent research however focuses on the reverse of the home service sector: the interchangeability of formal and informal labour. A company may offer to its customers regular work carried out by named workers, officially registered, but then the work is done by someone else, possibly an irregular migrant, in a shorter time than fixed (and for a lower wage, paid off the books). In other words, companies (sometime big) working in the formal sector may turn to intermediaries (subcontractors) who hire workers on the black labour market. Furthermore, migrants' lack of language skills and lack of needed ID documentation can be easily exploited in this sector: home services may be one of the few accesses to labour market to some migrants, regardless of their education (Gavanas 2010: 27-31<sup>24</sup>).

As Ekberg points out, Sweden had a period (from the mid-1980s up to the mid-1990s and also later on) when Swedish authorities placed out immigrants in different areas, in order to avoid ethnic enclaves. The result was that authorities spread out many refugees in areas where there was plenty of dwellings but because many of the native had move out from the area due to the lack of job. Studies show that this has been negative for the refugees and their access to labour market. Today, politicians acknowledge that such a system is not sustainable and that authorities have to find areas where refugees have good chance to get a job. On this respect the debate has changed. But still many refugees are placed in municipalities where there is a low chance to get a job; the reason is that many municipalities do want refugees because of the fee they receive from the government. If a refugee is unemployed in many years in that area, the municipality is compensated by the government (Ekberg).

However, the founder of the home service company (which has offices in the principal Swedish towns), explains that they have a constant need for staff: they have been growing without stop since the introduction of RUT in 2007. Workers are usually recruited through advertisements on "Metro" (a free newspaper with a world-wide circulation), as the people the company is looking for can not afford an ordinary newspaper but they read "Metro". Besides this channel, the company turns to the Public Employment Service.

## 4.2 International students

The student flow to Sweden increased steadily until 2010; the introduction of tuition fees for TCNs students in 2011<sup>25</sup> has been followed by a sharp decline in the number of applications (from 96.000 to 28.000, in Master programmes, with 8.100 admitted applicants compared to 19.100 in 2010) (OECD 2011: 74).

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<sup>24</sup> 'Despite the international reputation and self congratulatory images of Swedish society and labour market relations as particularly egalitarian, exploitative working conditions are reported by migrant domestic workers in Sweden' (Gavanas 2010: 46, see also 47-57).

<sup>25</sup> Up to then, Sweden was one of the very few countries which did not charge any type of fee; all students, regardless of their nationality were, funded by Swedish taxpayers. See <http://www.studyinsweden.se/Home/News-archive/2010/Tuition-fees-from-2011/>

In the period 2009-2011 (up to May) 1.100 students tried to change status turning into labour migrants; the conditions they have to fulfil are: to accumulate the equivalent of six months of credits; to find a job before obtaining their degree. The OECD emphasizes that this goes in an opposite direction compared to many other countries, where students are usually granted some months after graduation to find a job. Another problem in view of making it easier for international students to stay in Sweden as labour migrants is that nationality influences the kind of employment they get. Students from OECD countries, China, India and Iran find skilled jobs quite easily, whereas students from countries like Bangladesh usually enter low skill jobs. International students' overrepresentation in low skill jobs is the reason why the OECD recommends to monitor this entry route (OECD 2011: 85-86).

### 4.3 Alternatives to labour migration?

All interviewees agree that labour migration has never been really described as a miracle cure; rather, it is a widespread opinion that Sweden needs to take more people into employment, in order to face the future, and the main way is to mobilize the domestic workforce. The country has high employment rates, compared to many other countries (elderly people work more and women as well) but there are still some groups, e.g. immigrant women, with a lower degree of employment. There is a potential which is to be exploited (TCO)<sup>26</sup>. However, sometimes labour migration is described as the only way to prevent population decline because '*it would make things easier*' (AMD1). A significant example is the IT company ceo:

The principle behind this law was to bring in people from other cultures that we have a need of; and if you put more Swedish engineers or more Swedish women in the labour market you are not supposed to be more able to sell to China, because we need Chinese people. We have a shortage of engineers in Sweden, and we need more women to choose that path, and that cannot be solved through immigration, this is an attitude that must be changed. But this is not at all an alternative to labour immigration, it is an additional thing we have to do (IT company).

On the other side, the Trade Unions Confederation believes that labour migration is only a limited answer to the problem of labour shortage: the latter is interpreted by the union as skill shortage, whereas by employers as shortage of cheap labour force. What LO recommends is in the first place to take advantage from the competences available in the country, and in the long term to improve them. That means to invest in education (LO).

Ekberg agrees that one answer to the labour market failure in Sweden is the education system; many people get a University degree but then they have difficulty in entering the labour market, whereas some other groups (i.e. doctors) have it very easy and today indeed there is a shortage of them (that's why companies go to foreign countries to recruit them). Ekberg stresses however that the reason why the unemployment rate is high especially for young people (one of the highest in Europe) is, together with the education system, that the wage for those who are new on the labour market is very high. The difference in wage level for people in their 30-40 years compared to people in their 20 has decreased in the last 30 years in

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<sup>26</sup> The OECD evaluation is different is: as in Sweden labour force participation is very high (even among women and older people), when coping with population decline the country can rely on domestic labour reserve less than most other OECD countries (OECD 2011: 37).

Sweden. Furthermore, in Sweden young people go through the education system without any experience in the labour market (there is no apprentice system) and when they complete their education this lack of experience, in combination with high wage for people entering the labour market, becomes a problem (Ekberg)<sup>27</sup>.

Apart from making it easier for young people to enter the labour market, other solutions put forward in the debate in order to fill the labour shortage are: to raise the pension age<sup>28</sup> (Wadensjö); to contain passive dependence on social security system thanks to activation policies (what the current government is carrying on) (JD1); to turn many part-time jobs in full-time jobs and in the whole to increase the female employment rate and the foreign born people's as well (Yohansson; MV1). In some area (Småland for instance) immigrants have a good labour market, in some other area it is the opposite. It has always been like that, already in the 1950s, and both refugees and labour migrants are affected by this lack of balance. One reasons may be that in those areas with a good labour market situation there is still a big manufacturing sector, that's why there are many jobs immigrants can get. But there is also another point: in those areas the local authorities which receive refugees work very close to the labour market, whereas in other areas the local system for receiving refugees works for itself, there is no strong link to the labour market (e.g. Malmö and Landskrona, with very high unemployment rates) (Ekberg)<sup>29</sup>. With this background, it should be easier to understand the transfer of the responsibility for refugees reception from municipalities to the Public Employment Service (see Chapter 1): according to all the interviewees, it is a clear sign of the activation policy carried on by the centre-right government – although the so-called *arbetslinje* (work strategy) is a cornerstone of the Swedish political system as a whole and first of all of the Social Democratic party.

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<sup>27</sup> The government however is working on measures combining theoretical studies with more practical activities (AMD2).

<sup>28</sup> The current government has made a political statement that means that Sweden should try to prolong the right to stay on employment from 67 to 69, not as a compulsory measure but as a possibility (AMD2).

<sup>29</sup> On migrants labour market outcomes in Sweden see also Segendorf, Teljosuo 2011: 34-49.

## CONCLUSIONS.

### MIGRATION AND THE SWEDISH MODEL IN THE XXI CENTURY

In September 2010 the party of the Sweden Democrats, founded in 1988 (by former far-right activists; Lodenius, Wingborg 2010: 28) won 20 seats in the Swedish Parliament thanks to 5.7% of votes. The party guidelines focus on: cohesion, security, Welfare State. The first point in the party program however is a 'responsible immigration policy', which should put financial aids to countries in need of help before 'mass immigration'. The party presses for a policy aiming at: limiting the possibility for asylum seekers and their relatives to enter Sweden at a number in line with the figures reported in the neighbouring countries (the reference is first of all to Denmark); strengthening migrants' obligation to adapt themselves to Swedish culture; stopping every support for the preservation of migrants' own culture; rising language requirements for citizenship (Sverigedemokraterna 2011).

All the interviewees acknowledges that the Sweden Democrats' achievement in 2010 shows that a critical attitude to immigration is present in the Swedish society as well. On the whole, Swedish people are more positive to immigration now than some years ago, but at the same time the number of people very much against immigration, yet limited, also has increased (TCO)<sup>30</sup>.

Regardless of the steady increase in the Sweden Democrats' representation in local administrations throughout the 2000s, the centre-right parties have kept their distance from anti-immigration attitudes (Spehar, Bucken-Knapp, Hinnfors 2011: 2-3); on the contrary, they have promoted the 2008 reform, which is seen by many interviewees as a kind of antidote to the spreading of xenophobia in Sweden, too, after Denmark. The liberalisation of labour migration has an even greater value because of the contribution it gives to a better image of immigration (AMD1). Those moving to Sweden thanks to the new law have already got a job, they pay taxes, shortly they are not a burden (UD).

According to Hansen, however,

the Sweden Democrats claim to be nationalist, but as soon as one scratches the surface Sweden very quickly turns into Western Europe, Northern Europe, Christian Europe and so on. They have no problem with white migration, they would definitely much rather have migration from EU countries than from outside the OECD area (Hansen).

A widespread opinion is indeed that the attitude in Swedish society to immigration from EU countries is in the whole positive. There are many craftsmen from Poland, for instance, working in small company (often as self-employed) and their work is much in demand; furthermore they can not have a dumping effect on Swedish wages because they have to follow collective agreements (UD).

Even the Swedish trade unions were against limiting the access of workers from the new EU countries: Sweden is open in general to labour migration as long as it is not meant as social dumping. If a person moves to Sweden and works in an already established company, then Swedish labour law applies, so there is no social dumping. The problem Sweden had, with the Laval case (see Chapter 2), was about

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<sup>30</sup> For a collection of all the hackneyed stereotypes about immigrants and the damages they have caused (with the aid of Swedish politicians) to a country which 'once upon a time was a happy land, where people left in peace and felt safe', see Caesar 2011.

posting: with trading services Sweden could not have any transition measures against. A trade union representative says:

Labour migration in the classic sense (person moving from country A to country B and working for an employer established in country B) is a better option compared to irregular migration (the bottom of labour market) or posting and intra-corporate transfer: if one looks at IT companies, of course it is better for engineers to come here and to work at the same conditions as the Swedish staff; but some company says: no, they are not coming here as labour migrants, they work in our office in Mumbai, and now they come temporarily, it is a business trip. From a trade union perspective, from a labour law perspective, we should promote the good version of labour migration, the legally uncomplicated version. The other option, irregular migration, intra-corporate transfer, posting, all that makes so that people have less rights and there is a risk of social dumping (TCO).

However, the figures for migrants from EU countries have been definitely lower compared to alarmist expectations. Those coming for instance from Poland and Ukraine are perceived not as a problem but rather as people going to Sweden to earn some money and then returning home to their families; Spång thinks that this has helped Swedish society to be accustomed to circular migration (Spång). Thanks to the economic development of their own countries, there are indeed few workers from Eastern Europe who decide to stay in Sweden and moreover many prefer to go to Norway, a country offering better chances of employment<sup>31</sup> (SN).

There is no serious argument in public discourse on a replacement of TCNs by EU citizens, both because of EU countries facing the same demographic challenges as Sweden and of Swedish economy needing competencies from countries like China and India.

The controversial issue in Sweden is not labour migration, but instead integration of refugees and their families into labour market – and society as a whole (Minister for Migration; Wadensjö). This is in line with what two interviewees point out:

Sweden is very conservative, in general; not so positive to immigration. Of course in the big cities there is more tolerance than in the countryside. Immigration from North Europe is probably more positive seen, but there are more negative attitudes if the person comes from Iraq, Afghanistan... If you have wrong surname is more difficult to get a good job, in Sweden (IT company)

I often receive e-mails from people saying that they do not like immigrants from outside Europe; the attitude is more negative. What is interesting about these e-mail (and letters as well) is that they come from areas in Sweden with bad labour market situation for immigrants (Malmö, Landskrona), never from areas with good labour market situation. Here at my University we have made experiments; for instance when a vacancy was announced, we sent an application with an African or Middle-East name and another with a Swedish name, but with the same competences. The former applicant had less chance to be called for an interview (Ekberg; see also Danielsson 2010: 43-51).

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<sup>31</sup> Swedes, too, moves to Norway for improving their chances to get a good job (AMD2).

Furthermore, there are large differences in employment situation between immigrants born in Europe and born outside Europe<sup>32</sup>. Over the period 1991-2002 the employment rate was low especially for immigrants born outside Europe. During the crisis in the early 1990s the employment situation worsened even more for them. When the Swedish economy recovered after some years immigrants' employment situation improved compared to natives, but in the first half of the 2000s there was no further improvements (Ekberg 2006: 4). In the period 2008-2010 the unemployment rate increased for all groups of workers, but especially for people born outside Europe, reaching by the first half of 2010 almost 20% for men and more than 23% for women. Shortly, TCN immigrants were those hardest hit by the economic crisis (Ekberg 2011c: 154).

Despite these figures, some Swedish workers (especially in the building and transport sector) blame migrants for stealing jobs from the native population, as the Social Democratic representative interviewed admits, but they are not so many. Rather, many workers claim a different regulation of labour migration, instead of a policy aiming at weakening the unions and changing the balance between labour market actors. The main fear of the Social Democratic movement (party and union) is in other words that the Swedish model, being based on strong social partners and a labour market regulated not so much by labour law but rather by collective agreements, comes to be threatened by the inflow into labour market of jobs which get out of collective agreements (Yohansson).

To this argument supporters of reform reply that immigration to Sweden contributes to increased economic growth, for instance thanks to increased Swedish foreign trade, as it has been showed by the project 'Kosmopolit' (MV1), started in 2007 by Minister for Trade Ewa Björling in order 'to make use of the unique skills of people born abroad to increase Swedish trade with the rest of the world'. A study showed for instance that an increase in the number of people born abroad by some 12,000 individuals would lead to an increase in exports by as much as 7 billion Swedish crowns: entrepreneurs who were born abroad have good knowledge of the culture of their former home countries. They are in an excellent position to conduct cross-border trade and can also help pave the way for other Swedish companies (Government Offices of Sweden 2011).

The impact of the financial-economic crisis started in 2008 and worsened in 2011 on Swedish attitudes to labour migration – and consequently on the liberalisation of it – is of course a question which can not be ignored. What all the interviewees describe as remarkable is that despite the world-wide economic crisis the figures for labour migrants have proved to be constant in 2009 and 2010 – i.e. not as high as it could be expected, but definitely higher than the figures which would have been observed in the absence of the reform (AMD1).

The overall conclusion among most of the interviewees is that the reform has stood the test of economic crisis, and that means that Sweden, unlike countries working with quota systems and so on, has no need to be worried about economic situations as the system is self-regulating (MV1). At the same time when a harsh financial crisis hit the world, Sweden passed the liberalisation of labour migration: this reflects very positively the Swedish politicians' reject of populist instincts. The country however is very little affected by the international economic crisis (TCO). And indeed the analysis of the minister for migration is that the Swedish economy has gone

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<sup>32</sup> However, the employment rate for people coming from the new EU member states are considerably lower than for native population (Gerdes, Wadensjö 2008: 18).

through some ups and downs in these last years, but in the whole it has hold quite well (Minister).

In June 2011 *The Economist* praised Swedish economy for its soundness, reminding some astonishing data (annual growth as high as 6.4% in the first quarter of the year<sup>33</sup>; unemployment falling fast; budget in surplus; public debt heading to below 40% of GDP) and wondering: how did the Swedes succeed in doing it? The answers were: an export-oriented industry; being outside the euro; the 'prudent pro-market policies' of Fredrik Reinfeldt's coalition. Sweden learned a lot from its bubble in the early 1990s: budgetary rules and bank supervision were strengthened without dismantling the generous Swedish social model (although the government has reduced some welfare benefits, by this 'reinforcing the work ethic', as the finance minister, Anders Borg, explains). The results, according to the *Economist*, have been spectacular and have been noticed abroad, too, particularly by David Cameron. The conclusion of the magazine is that 'To many on Europe's left, Social Democratic Sweden was once a statist paradise. Now it is the right that looks north for inspiration' (*Economist* 2011). Nevertheless, a following analysis of Swedish economic performance points out that yet enjoying a very strong recovery through mid-2011, Sweden is now being hit by the ongoing global economic slowdown. The pace of job creation is set to slow and the decline in unemployment to pause. Private consumption (one of the main driving factors of growth) is expected to moderate. However, as soon as world trade recovers (possibly from mid-2012), Sweden's economic momentum is projected to pick up (OECD 2011b).

And in Sweden there is even someone who goes so far as to say that 'it will be very positive for Sweden, if there is a big crisis out there. Because Sweden will be even more attractive' (IT company).

The Trade Unions Confederation is well aware that labour migration can stimulate economic growth, and this, in view of the demographic challenges facing Sweden – and Europe as a whole – is definitely positive; furthermore the Confederation is proud to have 20% members with a foreign background: 'we have assimilated global mobility'. The point is not foreign workers' positive contribution to national economy and cultural diversity, which is not under discussion, but rather the impact of labour migration on the Swedish labour market (LO).

In the light of these concerns from the trade union movement, it is noteworthy the current emphasis on circular migration in Swedish public discourse.

The Minister for Migration believes indeed that a step further is needed, and that's why the government – once again with the support of the Green Party – appointed in 2009 a committee on circular migration (CIMU), with representatives of all political parties (not the Sweden Democrats, being the committee appointed before the last general election). In its intermediate report, the committee analysed the concept of circular migration (the minister reminds that in Brussels there are diverse understandings of it), and then (April 2011) it released a report with recommendations about how to facilitate mobility of people planning to work in Sweden for a while and then to return home or to move to another country (Minister for Migration). The main proposals by CIMU were:

- Allowing migrants with a permanent resident permit to leave Sweden up to five years (under the current system the period is one year) while holding their permits.

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<sup>33</sup> 4.6% in the third quarter, compared to 2.6% of Germany and 0.5% of Great Britain (TT 2011).



- Granting a time-limited work permit longer than the four-years period now in force (after which a foreign worker is allowed to apply for permanent residency), under special conditions (people who wish to work in Sweden but who do not plan to settle in the country).
- Introducing the ability of fulfilling the total qualification period of four years for a time-limited residence permit within an eight years period (instead of the current five).
- Relaxing the requirements for rejected asylum seekers wishing to change track (from at least six months employment to three months and through two employments; extension of the deadline from two to four weeks after receiving the final decision on application for asylum).
- Appointing an independent economic authority to verify whether the business plan of TCN entrepreneurs wishing to start their own activity in Sweden is reliable.
- Granting students who have completed their education a six-month residence permit allowing them to look for a job.
- Allowing migrants who have been granted an unemployment insurance to benefit from it for three months while looking for job abroad (CIMU 2011: 32-37).

Although some experts believe that there is no contradiction between support from centre-right parties and the Green party for circular migration and the current labour migration policy allowing TCN migrants to get a permanent residence permit in Sweden (Spehar, Bucken-Knapp, Hinnfors 2011: 14), Hansen's reflections over the ambiguity of the concept of circular migration seem to be well-founded:

Circular migration becomes the password, and it is an euphemism for treating labour migrants not as people, but as pure labour really: we want these people coming here for working and when we don't need them anymore we will send them out. We make no commitment to integrate them, we don't want any cost, they stay a few months, two years and then... I think that the new labour migration law is better compared to several other equivalent countries, but as far as the question of permanent residence is concerned, there is no strong guarantee that there is a citizenship path. Billström has made clear that the government no longer subscribe to the old doctrine of migration for permanent residence, we now subscribe to the modern doctrine of temporary, circular migration. Today, with Europe affected by the crisis, no one would commit to the social incorporation of migrants, whether irregular or regular (Hansen).

In the end, neither the xenophobic party gaining representation in the parliament nor the ongoing recession are likely at the moment (January 2011) to threaten the open door labour migration policy formulated by the centre-right coalition. The open question in the Swedish public debate is rather whether and how the government will be able to improve the implementation of the reform, getting rid of unnecessary red tape but in the first place safeguarding in a more effective way employees' rights. This is in fact the reason why it is too early to assess whether the new Swedish labour migration policy, yet valuable for its open-door line, can be proposed as a model (although this was the intention when the law was passed in 2008): up to now, as a matter of fact, it has not been able to guarantee in a satisfactory way migrant worker rights in several industrial sectors.

It is to be stressed on the other hand that the tighter regulations introduced by the Migration Board and in force since January 2012 show the government's will to agree with at least some of the recommendations made both by domestic and international organizations on this point.

It is reasonable to expect nonetheless that the degree of this commitment to improve the policy will depend also on the understanding of labour migration, i.e. whether it is meant in a traditional sense (and as such claiming measures promoting immigrants' social and economic inclusion) or instead more as circular migration, which – despite all the emphasis on it as a key factor in international cooperation, to the advantage of the destination as well as of the sending countries<sup>34</sup> – reminds closely the old “guest workers” system.

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<sup>34</sup> The controversial impact of circular migration on sending countries is an issue of debate also in Sweden. Research shows that whereas the emigration of high-skilled workers may have a positive effect on large sending countries, in the case of small and poor countries negative effects seem to prevail (Lundborg 2010: 33).

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## Annex: List of interviewees

NAME	POSITION	ORGANIZATION	IDENTIFICATION CODE	MONTH AND PLACE OF THE INTERVIEW
Tobias BILLSTRÖM	Minister for Migration	Ministry of Justice	Minister for Migration	April 4, 2011; Stockholm
Monika WENDLEBY	Government Officer	Migration Board ( <i>Migrationsverket</i> )	MV1	March 29, 2011; Stockholm
Anonymous	Government Officer	Migration Board ( <i>Migrationsverket</i> )	MV2	September 23, 2011; Stockholm
Anonymous	Government Officer	Justice Department ( <i>Justitiedepartementet</i> )	JD1	April 4, 2011; Stockholm
Malin BERGMARK	Government Officer	Justice Department ( <i>Justitiedepartementet</i> )	JD2	April 5, 2011; Stockholm
Anna SANTESSON	Government Officer	Labour Market Department ( <i>Arbetsmarknadsdepartementet</i> )	AMD1	April 5, 2011; Stockholm
Anonymous	Government Officer	Labour Market Department ( <i>Arbetsmarknadsdepartementet</i> )	AMD2	September 27, 2011; Stockholm
Peter SPRINGFELDT	Government Officer	Foreign Office Department ( <i>Utrikesdepartementet</i> )	UD	April 5, 2011; Stockholm
Ylva JOHANSSON	Vice-chairman of the Swedish Parliament's Labour Market Committee	Swedish Social Democratic Party ( <i>Socialdemokratiska Arbetarepartiet</i> )	SAP	April 6, 2011; Stockholm
Monika ARVIDSSON	Expert of migration issues	Swedish Trade Unions Confederation ( <i>Landsorganisationen</i> )	LO	April 8, 2011; Stockholm
Samuel ENGBLOM	Labour lawyer	Swedish Confederation for Professional Employees ( <i>Tjänstemännens centralorganisation</i> )	TCO	September 22, 2011; Stockholm
Karin EKENGER	Expert of Labour Market	Confederation of Swedish Enterprises ( <i>Svenskt Näringsliv</i> )	SN	April 1, 2011; Stockholm
Christer WALLBERG	Chief Executive Officer	Tacton	IT company	September 27, 2011; Stockholm
Monica LINDSTEDT	President of Board of directors	Hemfrid	Home service company	September 28, 2011; Stockholm
Jan EKBERG	Senior Professor	Linnaeus University	Ekberg	September 26, 2011; Växjö
Peo HANSEN	Associate Professor	Linköping University	Hansen	September 23, 2011; Norrköping
Mikael SP NG	Associate Professor	Malmö University	Spång	March 31, 2011; Malmö
Eskil WADENSJÖ	Senior Professor	Stockholm University	Wadensjö	April 4, 2011; Stockholm