



REGERINGSKANSLIET

MINISTRY OF JUSTICE
SWEDEN

CHRISTINA SPRINGFELDT
DEPUTY DIRECTOR GENERAL

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1. Introduction

Thank you for the invitation and for this opportunity to present the Swedish legislation on labor migration to you. I hope you will find it inspiring!

Our labour immigration system was reformed three years ago, **one of the most significant reforms** of Swedish migration policy in several decades. We have gone from a 40 years old non-labour immigration policy to the most open and liberal system for economic migration in the OECD. We *did* of course have a system for labour immigration prior to the reform but that was open only to experts, and persons with key positions in industry and to qualified researchers. Those categories were normally granted permanent residence permits. We also issued temporary permits, either as a result of a temporary shortage of labour force or by reason of international exchange. But the numbers were fairly low.

2. Motivation for the reform

Regarding the motivation for the reform, the main reason for the considerable policy change was that **labour shortages in Sweden could not be filled by persons living in Sweden** or in other EU countries, i.e. Swedish employers had difficulties in **finding employees with the right skills**.

POSTAL ADDRESS
SE-103 33 STOCKHOLM
SWEDEN

TELEPHONE
+46 8 405 10 00

E-MAIL: REGISTRATOR@JUSTICE.MINISTRY.SE

VISITORS' ADDRESS
BERIDARBANGATAN 1-3

FAX
+46 8 20 27 34

TELEX
178 20 PREMIER S

Also the future demographic situation played a role when the decision to reform the old legislation was taken.

However, it is important to underline, that labour migration only is **one of several instruments** to tackle labour shortages. The main priority of the Swedish government, is to generally **increase active participation on the labour market**, both among Swedes and third country nationals living in Sweden.

3. General principles behind the legislation

Now a few words about the system. It is based on the notion that it is the individual employer who knows the recruitment needs of his or her business best. And the result is a program which is completely **demand driven**.

Before the reform, **labour market tests** were a central part of the procedure. The Public Employment Service decided whether the qualifications and skills the employer was looking for, were available in Sweden or the EU. If the agency came to the conclusion that the employee could be found inside the EU, the employer was not allowed to recruit staff from countries outside the Union.

Since it is now the employer (and not an agency) who decides if, and when, there is a need to recruit labour, the new rules can **respond to different economic climates**, which of course is one of the great advantages with this legislation.

It shall also be noted that the Swedish system welcomes migrants of **all skill levels, both high and low skilled workers**

And the legislation is **not based on quotas** or bilateral labour migration agreements and the **same conditions and rights apply** to all labour migrants

4. How the legislation works in practice

How does this legislation work in practice? There has to be an **offer of employment, of course. And certain other conditions also have to be met, such as:**

1. **The community preference within the EU.** In practice this means that a vacant position must be posted

in EURES for ten days, so that employees within the European Union can apply for the position.

2. The Swedish Migration Board then examines whether the **employment conditions**, including salary, insurance protection and other terms of employment are equal to the those of Swedish workers (usually as they are established in collective agreements).
3. **Then, trade unions give a consultative opinion** on whether the employment conditions are in line with Swedish standards.

A work permit may then be **granted for the duration of the employment or for a maximum of two years**. If the job contract is prolonged, the migrant can apply for another 2-year extension. During the first two years the permit is linked to one specific work sector and to one specific employer, but during the following two year-period the restriction is limited only to a certain sector.

After four years, the employee may be granted **a permanent residence permit** and can then take up *any* occupation, without restrictions to sectors or employers.

Another important point I would like to mention, is that a worker is **allowed to bring his or her family with him from day one (spouse and children)**. The accompanying spouse then gains full access to the labour market (i.e. without restrictions to employer or sector).

about migrants and their accompanying family members then gain access to more or less the **same rights and obligations as Swedish citizens** (voting rights excluded).

5. Experience from the first 3 years

What are the experiences so far? We have **not seen a huge influx** of labour migrants, as many might have expected with such an open system. The relatively low influx can, at least in part, be due to the fact that the reform entered into force during a global financial crisis..

During these first three years, a total of **approximately 50 000 work permits have been granted**.

Largest groups of professions, except for seasonal workers are:

- computing professionals
- restaurant workers
- architects and engineers

Most frequent countries of origin are:

- India
- China
- Turkey
- Ukraine

If we include the seasonal workers, Thailand is the top country.

A reform as significant and radical as this, must of course be evaluated. The government therefore, in 2009, **commissioned the OECD to conduct a study of the Swedish system.**

The review was published in December last year, the first in a series of similar studies, and it was of course very satisfying that the OECD confirmed that the Swedish system works well.

I would like to point out some of **the findings from the report** which I find particularly interesting:

1. **Openness and effectiveness**

According to the OECD the Swedish system appears to be the most open and liberal among OECD countries. The report also notes that the Swedish system is relatively quick and inexpensive, but Sweden is recommended to enhance electronic applications. And this is something that the Migration Board is already working on to developing further.

2. **No huge influx**

The OECD reports that, despite the open nature of the Swedish system, there has not been a massive inflow of labor migrants to Sweden. Labour migration has increased but remains small compared to the total employment entries. However, for a handful of occupations, such as computing professionals, labour migration provides a significant contribution to employment.

3. The system has **not resulted in lower wages**

According to the OECD there are no indications that the Swedish labour migration system has resulted in lowers wages for

resident workers. Instead, the report shows that wages in general are higher in companies that recruit labour migrants than in comparable companies which do **not** recruit labour migrants. Furthermore, the OECD did **not** see any signs of **brain drain**.

4. Focus on **shortage occupations**

OECD states that Sweden should monitor the number of labour migrants in shortage occupations and also support the labour migration system in meeting demand for labour in such occupations. The report also shows that there are groups of employers (such as small firms and the public sector) which do not use the system very much. There could therefore – according to OECD – be reason to analyze if, by increasing information efforts, Sweden could further facilitate labour immigration from third countries, for example in order to reach small firms.

5. Reinforce **post-arrival verification**

Finally, the OECD emphasizes that the role of unions in the Swedish labour migration system in verifying wages and working conditions of job offers is important. According to the OECD the absence of follow-up on offered wages and conditions could however be a weakness of the system. OECD therefore recommends Sweden to reinforce mechanisms for ensuring that employers comply with the regulations and the offered terms of employment. This is something the Migration board is putting a lot of effort into for the moment.

6. Circular migration

This reform derived from the conviction that migration can be something very positive for all involved – the migrant, Sweden as well as the country of origin. The Swedish policy development is now moving on, and we are currently looking at how the **connection between migration and development can be further facilitated**. To that end, we are looking at ways to promote *circular migration*.

There are many definitions of the term circular migration, but in Sweden it is used to describe how migrants, who have a permanent residence permit in Sweden, can **return and contribute to development** in their country of origin. Circular migration in the Swedish context is not a guest worker program, on the contrary. The government is of the opinion that it should be possible for migrants to leave Sweden for their

country of origin, while still having the possibility to move back to Sweden, without too many obstacles.

This kind of spontaneous movement allows migrants to be active in the development in their countries of origin. When the migrants return home they bring **new skills and knowledge** which can contribute to the country's development. Migrants can also contribute to **increased trade flows and investments** and thereby contribute to the creation of job opportunities and increased tax revenues in their home countries.

This kind of movements can take place when there is an **enabling legislative framework that facilitates mobility**. In order to improve possibilities of circular migration to Sweden, the Government, in 2009, appointed an **independent Parliamentary Committee** to examine the link between circular migration and development. The Committee's task was to identify factors that influence migrants to circulate. The final report was presented a year ago and contains both **proposals for legislative changes and other recommendations, aimed at removing obstacles for mobility and at facilitating increased back-and-forth mobility**, in order to promote positive development effects.

One of the about 20 **recommendations** from committee is that:

- a permanent residence permit should be valid for five years after residency in Sweden has ceased, if the individual in question makes a special request to retain the residency status.

The proposals are **now being examined** by the Ministry.

Having said that, I would like to sum up my presentation by showing a few slides!