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Sweden: Selected Migration Policies

Annex F to “Dutch labour market shortages and potential labour supply from
Africa and the Middle East” (SEO Report No. 2019-24)

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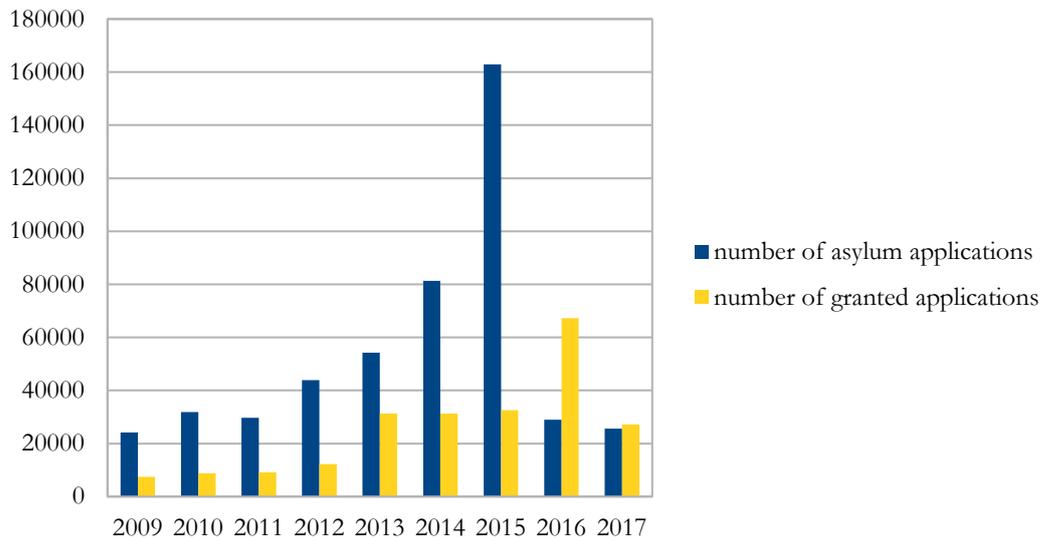
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1 Introduction

This case study focuses on lessons learned from two recent Swedish migration policies: (1) the 2008 migration policy reform, including the facilitation of the transition of asylum seekers to labour migrants; (2) the so-called 'fast track programmes' for integration of refugees in the Swedish labour market.

Sweden is known for its open migration policy. A key feature of this is the lack of a labour market test.¹ In addition, Sweden has granted a relatively large share of asylum applications in recent years. As Figure 1.1 shows, Sweden received a record high number of 163,000 asylum applications in 2015, around half of which were granted (some in 2016). A large share of these were Syrian refugees. In fact, on a per capita basis, Sweden accepted the highest number of Syrian refugees from all EU countries in 2015.

Figure 1.1: Asylum applications in Sweden peaked in 2015, driven by Syrian refugees



Source: Swedish Migration Board

¹ Rijken and De Lange (2018).

2 Migration policy reform (2008)

2.1 Aim and key characteristics

The aim of Sweden's 2008 migration policy reform was to deal with demographic challenges and the corresponding shortages of labour faced by Sweden. The demographic challenges in Sweden are similar to the Netherlands. The reform aimed to make it easier for employers to hire labour from outside Europe and thereby offset labour shortages and maintain labour supply (NAO, 2016). The reform was designed to facilitate global recruitment of labour and to give employers better possibilities to employ persons with the right skills (DELMI, 2015). It was implemented by the then-current non-socialist Alliance government, together with the Green Party.

The 2008 migration reform can be characterised by three features. These are:

1. It is driven by employers' demand. Thus, individual employers decide whether they need workers and from where.
2. There are no labour market tests and skill preferences applied.
3. The system is open to all sectors of the labour market.

The Swedish Public Employment Service no longer assesses the need for labour at the sectoral level before permission for labour immigration is granted. Instead, the needs of specific employers are guiding. The potential migrant worker applies for the work permit. For a successful application, (s)he needs to receive an offer of employment.

To ensure that migrant workers do not replace domestic workers, the terms of employment offered must be similar to those enjoyed by domestic workers. The worker must be offered a wage, insurance, and other terms of employment that are not worse than those laid down in the relevant collective agreements, or provided for by custom in the occupation or industry.²

2.2 Results

The results of the 2008 migration reform were assessed by three different institutions:

- The OECD in 2011
- The Migration Studies Delegation (DELMI) in 2015
- National Audit Office (NAO) in 2016.

In addition, some studies and publications, such as Rijken and De Lange (2018) analyse and assess certain aspects of the 2008 migration reform.

OECD evaluation

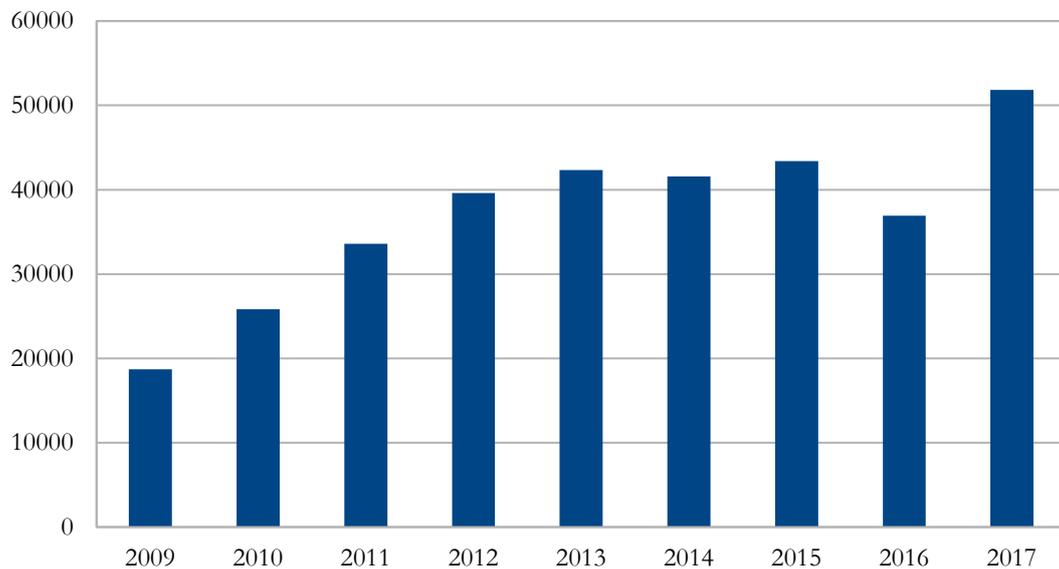
The OECD evaluated the reform already two years after its implementation and formulated three main conclusions:

² Rijken and De Lange (2018).

1. The system is straightforward, fast and cheap for employers. Although it led to growing waiting periods for permits.
2. About one half of the labour immigrants came to occupations other than shortage occupations.
3. Labour immigrants' conditions needed to be monitored.

Consequently, the migration system in Sweden has developed further in order to shorten waiting periods for permits and prevent misuse by employers offering fake employment and exploiting labour migrants.

Figure 2.1: The number of work permits increased in Sweden in the period 2009-2017



Source: Swedish Migration Board

DELM I evaluation

According to the DELMI findings, the 2008 migration reform led to an initial increase in the numbers of labour migrants in occupations where it was not previously possible to obtain a work permit, such as cleaning services and assistance with food preparation. In addition, they found many indications that labour migrants often worked on worse terms than formally offered. These terms were also worse than those offered to workers established in Sweden for a longer time.

The DELMI study found that there were mainly three groups of labour migrants that were attracted. These included (1) berry pickers from Thailand; (2) ICT specialists from India, and (3) specialised cooks from China. The berry pickers was the largest group, representing about 20% of all labour migrants. However, as noted by DELMI, many highly qualified specialists stayed in Sweden for only a short period. The same was the case for berry pickers, given the seasonality of the work.

The evaluation also noted that the 2008 migration reform had been used to promote Sweden both nationally and internationally, and earned it a reputation of being ‘the most open country in the world’.

NAO evaluation

The Swedish National Audit Office carried out an audit of the system in 2016. By this time, employers and employees were considered to have been allowed sufficient time to become acquainted with the regulations that had been implemented in 2008. The findings were published in 2016 in a report called “An effective labour immigration system?”

The audit was based on analysis of the following sources of data and information:

- Registration data from the period 2009–2015.
- Policy documents and files of the Swedish Migration Agency.
- Interviews with Swedish Migration Agency officials and representatives of other concerned agencies, labour market organisations and companies.

The NAO report had four main findings:

- Most labour migrants worked in only a few industries and occupations, where they represented a significant share.
- Employers’ ability to recruit labour in third countries is limited, as indicated by the fact that processing times for several types of applications were found to be unreasonably long. This could be because they are not used to recruit labour in third countries.
- The long processing times are caused partially by extension of controls introduced to prevent a misuse of the system.
- There were problems with misuse of the system (e.g., labour offers not intended to lead to work and wages that were below the maintenance requirement). This was found to hold especially for low-skilled occupations.

Rijken and De Lange

Rijken and De Lange (2018) describe a coordinated approach of public authorities and trade unions in Sweden to prevent further exploitation of seasonal migrant berry pickers from third countries, as a result of the 2008 migration reform.

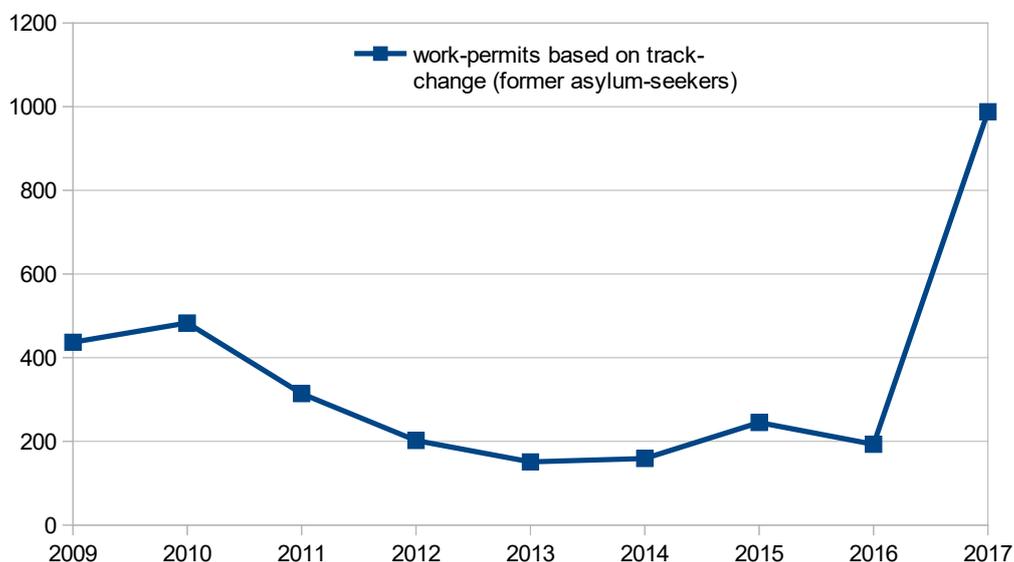
2.3 Facilitating the transition of asylum seekers to labour migrants

As part of the 2008 migration reform, efforts were made to facilitate the transition of asylum seekers to labour migrants. This measure was aimed at former asylum seekers who were not granted asylum, but were able to find employment and worked during their asylum procedure. Such former asylum seekers are allowed to apply for a work permit and become labour migrants.

According to the legal framework of this transition measure, applicants must satisfy two conditions. First, they must have been employed for four months prior to the application. Second, they must have a contract valid for at least one more year at the time of the application.

The number of work permits issued to former asylum seekers increased by around five times in 2017 (Figure 2.2). However, this increase was from a very low base, and the number of asylum seekers who made the transition to labour migrants has remained low. This conclusion was shared by both the DEMI and NAO evaluations.

Figure 2.2 Work permits issued to former asylum seekers increased five-fold in 2017



Source: Swedish Migration Board

2.4 Lessons learned

The Swedish experience suggests that an open migration policy does not necessarily result in the hiring of migrants to fill the most serious shortages in the labour market. Sweden has experimented with giving employers the choice of where to recruit their employees from, without any labour market test or any specific constraints with regard to countries of origin, sectors, or skills. While the Swedish experience may not necessarily be applicable to other countries, the experience at least illustrates that, even in the absence of legal barriers to migration, employers may not always want to recruit migrants for medium-skilled or high-skilled ‘shortage occupations’.

Rather, the migration reform was mostly used by Swedish employers to employ temporary and seasonal low-skilled workers such as cleaners, restaurant staff, and berry pickers. This could reflect that these are occupations where it was not previously possible to obtain a work permit, and where it may also be easier to employ people on worse terms than formally offered.

A possible explanation could be related to migrants’ (actual or perceived) low quality of education, or lack of relevant skills. One possibility is that the educational requirements for many occupations in Sweden are such that labour migrants (are believed to) often lack the proper qualifications. This could be one reason why it is rare for employers to look for employees from outside the EU.

The 2008 reform has led to a slight increase in the number of labour migrants. In addition, the policies that facilitated the transition from asylum seekers to labour migrants, which was a part of the 2008 migration reform, did not lead to a significant inflow of labour migrants who entered the country originally as asylum seekers. An increase in the number of the latter in 2017 appeared to be an incidental occurrence and could be explained by delays in the processing of the large number of applications received earlier.

The 2008 migration reform could provide useful lessons for the Netherlands. It suggests that abolishing work permits all together does not necessarily lead to a sudden large demand from employers to hire labour migrants for filling 'shortage occupations'. More targeted policies, like the Dutch policy for 'knowledge migrants' ('kennismigrantenregeling') could be more successful in this regard.

3 ‘Fast track programmes’ for integration of refugees in the Swedish labour market (2015)

3.1 Aim and key characteristics

Since 2015, Sweden has used so-called ‘fast-track programmes’ for attracting migrants into labour shortage occupations. The aim of these fast-track programmes is to “help employers find the opportunity to obtain people with the right skills, while newly arrived immigrants get to work in their profession.”³

The aim of the fast track programmes is to:

- **Integrate asylum seekers** with a residence permit in the labour market in two years, thus shorten time from arrival to work.
- **Use skills in the right way** – the goal is not only for newly arrived asylum seekers to find jobs, but also to find the right jobs.
- **Support ‘shortage sectors’** that face of shortages of labour for specific occupations or skills.

Examples of labour shortage occupations identified for Sweden are: **teachers, doctors, nurses, social scientists/social workers, restaurant chefs, electrical and mechanical engineers.** These shortages generally appear to exist at all education levels (university, vocational, secondary) and the list of shortage sectors is growing, according to the Swedish Public Employment Service (SPES).⁴

The Swedish Public Employment Service developed the fast track programmes in cooperation with employers’ organisations, trade unions and education institutions.⁵

Tripartite talks were held in the following industries: pharmacies, tourism, health and medical care, local government, industry, health and social care, transport, painting, timber and graphics companies, real estate, energy and electronics, building, forestry and agriculture. More fast tracks are being prepared in cooperation with social partners and relevant government agencies.

The fast track programmes consist of several complementary components. These are:

- Swedish language training that start as early as at the asylum centres.
- Early assessment of the experience, skills and motivation of newly arrived asylum seekers.

³ Minister for Employment and Integration Ylva Johansson, as quoted by: <https://www.government.se/articles/2015/12/fast-track---a-quicker-introduction-of-newly-arrived-immigrants/>

⁴ See for a list in English: https://skills Panorama.cedefop.europa.eu/en/analytical_highlights/sweden-mismatch-priority-occupations

⁵ As Minister for Employment and Integration Ylva Johansson expressed it, “it is the social partners who have the expertise to assess what is required in a profession”:
<https://www.government.se/articles/2015/12/fast-track---a-quicker-introduction-of-newly-arrived-immigrants/>

- Validation and assessment of education and professional skills according to industry-specific requirements.
- Vocational and study guidance.
- Fast track and employment matching.
- Swedish language training that is relevant for the professional area.
- Supplementary educational initiatives as necessary.
- Language training/supplementary courses will be combined with a work placement or job.
- Language support, supervisors and mentors at the workplaces.

3.2 Lessons learned

Demand for the fast track programmes is currently higher than supply. The programmes thus far have served only a small fraction of asylum seekers with a residence permit who arrived in 2015 and 2016. During interviews it became clear that potential demand for the fact track programmes is higher than current capacities.

At first sight, the programmes appear to have a success rate of 1/3 or higher. According to the SPES, one third of participants who took part in the fast track programmes had a job or were in education 3 months after they finished the fast programme in 2017. In the first quarter of 2018, this figure rose to 41%.⁶ However, only 6% of the participants were in non-subsidised jobs. It is therefore difficult to assess the effectiveness of the programmes themselves, apart from their subsidy component.

Labour unions in Sweden are critical of the fast track programmes. Their argument is that the integration of asylum migrants in labour market is subsidised and occurs at the expense of Swedish employees.

There is no official evaluation of the fast track programmes yet. However, some institutions in Sweden indicated their intention to carry out such an evaluation.

⁶ By comparison, studies for the Netherlands suggest that about 25% of refugees have a job two years after their settlement in The Netherlands (Maliepaard 2017).

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List of persons interviewed:

- Olof Åslund, Director-General at IFAU and Professor at Uppsala University
- Oscar Berger, Secretary Ministry of Justice
Emil Plisch, Ministry of Employment
- Lisa Pelling, Chief analyst, Arena Ide (NGO)
- Branka Likic-Brboric, Associate professor, Linköping University
- Anders Neergaard, Director at REMESO, Linköping University
- Micheline van Riemsdijk, Senior researcher, Uppsala University
- Susanne Riekkola, Migration Board