

WHO GETS IN AND WHY?

The Swedish Experience with Demand Driven Labour Migration – Some Preliminary Results

Abstract

In 2008, the Swedish government liberalised the labour migration policy to a demand driven model without labour market tests. This article analyses the effects of the policy change on the labour migration inflow. The migrants consist of three major categories including those moving to: skilled jobs as computer specialists and engineers, low-skilled jobs in the private service sector and seasonal work in the berry picking industry. The article shows that the new model has produced a labour migration inflow that is better explained by the access of employers and migrants to transnational networks rather than actual demand for labour

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1 Introduction

In the midst of the ongoing financial crisis in 2008, the Swedish government decided to liberalise the labour migration policy for persons outside European Union (EU) to a demand driven model that is one of the industrialised world's most liberal (OECD 2011). The reform meant that the labour market test was abolished and the selection of labour migration was handed over to individual employers. The aim of the reform was to facilitate recruitment of labour from third countries, i.e. non-EU member countries. (Bill 2007/2008: 147). In the bill, there was no explicit explanation as to why it is important to facilitate labour migration, but the government elaborated on the topic in their information material. In the short term, it is supposed to ease labour shortage in specific occupations and sectors and in the long term be one of the responses to the demographic challenges of an ageing population (Government Offices of Sweden 2008). This message is still communicated by the government. One recent example is the statement by the migration minister Tobias Billström at the 2013 UN Commission on population and development where he said that "the main driving-force for the Swedish reform was the recognition that there are labour shortages in Sweden that will not be filled solely by people living in Sweden or in other EEA countries".¹ The Swedish policy direction goes against the general response in European countries following the economic crisis in 2008 that made it more difficult to immigrate as a labour migrant (Koehler *et al.* 2010; Kuptsch 2012). It also contrasts a longer European trend towards a more selective labour migration policy where states have

tried to attract high-skilled workers and restrict low-skilled workers to temporary migration programmes with less access to rights (Ruhs 2011; De Somer 2012). In addition, it also contradicts several of the dominant theories on how countries are designing their migration policy where Nordic welfare states are supposed to limit labour migration to high-skilled workers (Meyers 2000; Menz 2008).

Sweden is clearly a deviant case in their choice of policy and therefore a particularly interesting case to study. The principal aim of the paper is to analyse the effects of the new policy on the labour migration inflow and offer some explanations why we see these effects. In the article I discuss about these effects as policy outcomes. Thus, the specific focus of this article is to answer: What are the policy outcomes of the new demand driven labour migration model? How can the policy outcomes be explained?

Several sources of information are used to answer the questions. Statistical information about labour migration flows was collected from the Migration Board.² Reports and research about the Swedish labour migration policy and its effects are analysed. To complement the written material about the subject, 14 interviews were conducted with key stakeholders, such as civil servants, researchers, trade unions and employer organisations. The interviews were conducted by Karin Magnusson in October 2012 and are listed after the references. Any direct reference to the interviews in the text is marked in parentheses using abbreviations.

The paper begins by situating the research in the debate about migration and the state in general and more specifically about the role of the state when selecting labour migrants. Then, the

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Swedish labour migration model is described. As a next step, the migration inflow is described and analysed in relation to the current and future labour market needs. I conclude by analysing the policy outcomes.

2 The role of the state in migration theory

I have chosen to frame the article in the academic debate about the role of the state in migration theory. Prominent scholars such as Hollifield (2008) and Massey (1999) have noted that migration theory has been very little interested in the role of the state in determining migration movements and migration patterns. Government restrictions are mainly dealt with as distortions of the rational market in economic theories of migration (Castles & Miller 2009). But borders and migration policy regulations must be taken into account to understand migration patterns and the fact that few persons migrate despite economic disparities and immigrant networks (Zolberg 1981, 1989). The right of a state to control entry and exit of persons from its territory is an undisputed principle in international law (Shaw 1997). The state should, thus, have a very strong power to influence migration flows.

Research and theories about the role of the state in migration theory deal with two separate, but interlinked, research questions. The first is about policy output, i.e. the formulation of migration policies. The second is about policy outcomes, i.e. the results of these policies (Hollifield 1986). Some researchers mix the two in one general question of a “control gap” paradox, originally developed by Cornelius & Tsuda (2004: 3). They argued that the gap between the goals of national immigration policy and the actual results of the policies is wide and growing wider. However, the control gap paradox is contested. For example, Bonjour (2011) makes strong arguments in her study on Dutch family migration policy that the state has the capacity to regulate migration flows and stocks. Zolberg (1981) even argued that the independent effects of state policies for controlling entry and exit can be measured. Research specifically on labour migration has shown that state policies have an effect on immigration trends and employer labour utilisation strategies (Bach 2010; Regine 2011). At the same time, there are many examples why migration policies tend to fail and produce different immigration flows than are expected and wanted (Castles 2004). Policy gaps can be caused by either unintended consequences or inadequate implementation of policy. The policy itself can be flawed or unable to counteract the macro-structural forces that facilitate migration. Differentials in wage levels and job availability between countries propel migrants across borders, regardless of the strategy of nation states. Migrant social networks also tend to spur further migration. In addition, transnational labour brokers and migrant smugglers facilitate access across borders and to the labour markets of the receiving countries. A migration industry has developed helping migrants with illegal and legal services. There has also been an expansion of rights for migrants (Hollifield 2008). Migration theories are, in general, very convincing in their arguments that it is difficult for states to control migration. This is especially true for theories on a meso-level that emphasise the importance of networks and social capital in structuring patterns of migration (Faist 2000). Networks create linkages between sender and recipient countries that reduce the risks when moving from one country to another and sustain patterns of migration over time through “cumulative causation” (Massey 1990). Some conceptualise these kinds of migration networks as systems linking the sending and receiving areas (Zlotnik 1992).

3 Selecting labour migrants

To simplify, states often choose to go with one of the two main models for managing labour migration, namely, supply driven model or demand driven model. Hybrid models are becoming more common, but most policies take their departure from one of them (Papadimitriou & Sumption 2011; Chaloff & Lemaitre 2009). In a supply driven model, the state admits migrants according to the skills and human capital of the individual, such as education level, work experience, language skills and age. Canada and Australia are usually mentioned as the prime examples of this kind of model, even if they combine it with demand driven temporary migration. In a demand driven model, it is the employers who choose what kind of migrants are needed. The new Swedish law is probably the purest example of this latter model.

There are expected pros and cons in both a supply driven and a demand driven labour migration model (Papadimitriou & Sumption 2011). The advantage of a supply driven model is that it creates clear and transparent rules on what kind of migrants a country wishes to attract, i.e. the type and level of human capital. The model also gives a clear signal to the public that immigration is regulated and controlled. The aim is to attract highly educated and flexible migrants who take care of medium and long term labour market needs. The downside is that labour migrants come to the country without work, and there is no guarantee that the persons’ knowledge and skills are wanted by employers. In a demand driven model, the migrant has a job upon arrival and the country can avoid initial periods of unemployment. The downside is that the work permit is tied to a specific employer that increases the risk of employers manipulating the system and hire migrants with lower wages and worse employment conditions. Also, the work permit is often temporary in a demand driven system, which can lead to irregular situations if the immigrants lose their jobs. What kind of unintended effects a labour migration model produces depend to a large extent on how flexible the labour market is (Boswell & Geddes 2011). In Sweden where there are high minimum wages and relatively generous employment benefits, there is less scope for immigrants to push down wages or displace native workers. However, employers may have incentives to bypass these costs by hiring immigrants with worse salaries and employment conditions than what is allowed.

The expected advantages and disadvantages of a demand driven model were also reflected in the debate ahead of the 2008 decision in parliament. The most controversial issue was the abolition of the labour market test (Murhem & Dahlkvist 2011). The unions criticised the proposal, arguing that it is unreasonable to give employers such a large influence based on distrust that employers would only recruit labour to sectors and occupations with labour shortages. The largest business federation, Confederation of Swedish Enterprises, supported the abolition of the labour market test, but was critical that the work permit would be tied to a specific employer. There was also criticism from trade unions about the possibility of getting work permits from inside Sweden that, according to them, could create a parallel labour migration system where asylum and labour migration flows become mixed up.

4 Selecting labour migrants: the Swedish labour migration model

The 2008 law was a clear breach of an almost 40-year long period of state controlled labour migration. The biggest change was that the

Table 1. Work permits granted during 2005–2012*

	2005	2006	2007	2008	2009	2010	2011	2012
Total labour migration	3 631	3 637	7 187	11 255	14 905	14 001	15 158	17 011
Seasonal/agriculture	496	70	2 358	3 747	7 200	4 508	2 821	5 708
Excluding agricultural	3 135	3 567	4 829	7 508	7 705	9 493	12 337	11 303

Source: Migration Board

* The numbers do not exactly corresponds to Table 2; the datasource is different.

Table 2. Work permits from 1 January 2009 to 31 December 2012

	2009	2010	2011	2012	2009–2012
Seasonal workers	7 200	4 508	2 821	5 708	20 237
High-skilled jobs	5 345	6 015	7 404	7 576	26 340
Low-skilled jobs	1 929	3 088	4 497	3 259	12 773
Total labour migration	14 474	13 611	14 722	16 543	59 350

Source: Migration Board

so-called labour market test was abolished. Now it is the employers, not state agencies and unions, who decide the need for labour and from which part of the world they wish to recruit. There are no restrictions with regard to skills, occupational categories or sectors and there are no quantitative restrictions in the form of quotas. The reform also meant that the specific rules on seasonal work were abolished. The only condition to get a work permit is an offer of employment with a wage one can live on³ and that the level of pay is in line with applicable collective agreements and general insurance conditions.⁴ The trade union concerned is given the opportunity to express its views on the terms in the employment contracts but does not have a veto.

Work and residence permits must normally be arranged prior to leaving one's country of origin. In certain cases, a residence and work permit may be granted from Sweden. The precondition is that the application is done during the visa-free period (90 days) or before the entry visa expires and the employment relates to work where there is a labour demand.⁵ Visiting students who have completed studies for one semester are entitled to apply for a work and residence permit from within Sweden. Asylum seekers whose asylum application has been rejected may also be granted a permit if they have worked for six months with a one-year offer of continued work.

A residence and work permit can be granted for no more than two years and can be extended up to a maximum of four years. A permanent residence permit is granted if he or she has worked for an aggregate period of four years during the past five years. The permit is linked to an occupation and employer for two years and then, in the event of a subsequent extension, to an occupation for a further two years. There is some degree of flexibility in the system. If an individual would like to change employer during the first term, he/she can apply for a new work permit from Sweden. If a person is losing her job, she has three months to find a new one before the residence permit is revoked.

The principle of Community preference applies.⁶ In practice, this obligation is fulfilled if the employer advertises in the European Job Mobility Portal (EURES) for 10 days, but there are no serious checks if an employer has made the job offer public within the European Union/European Economic Area. The announcement is just a formality, and an employer can choose to recruit from outside EU even if there are available unemployed workers within Sweden and EU (Quirico 2012).

A labour migrant basically enjoys the same rights as other residents when working and living in Sweden. Family members are entitled to accompany the employee from day one and they get a work permit regardless of whether they have a job offer when leaving their country of origin.

5 Labour migration to Sweden from non-EU countries⁷

This section studies the policy outcomes of the new demand driven labour migration model by analysing the statistical evidence of the labour migration flows to Sweden after the 2008 law. As can be seen from Table 1, labour migration to Sweden has increased after the new law came into force. But it is important to note that the number of migrant workers also increased rapidly in the years that preceded the law.

Looking at the labour migration after the new rules were introduced, the number of third country nationals coming to Sweden has ranged between 13,600 and 16,600. The majority, close to 80 per cent, are male. After a downturn in 2010, the numbers increased again in 2011 and 2012, despite the fact that the economic recession took a turn for the worse in 2012. If we exclude the seasonal workers, the picture is somewhat different. From this perspective, Sweden experienced a growth of labour migration up until 2011, and a slight decline of about 1,000 persons in 2012. A distinct break in the trend as a result of the new opportunities is not visible; however, it is quite clear that the numbers have stabilised on a higher level than before, especially if seasonal workers are excluded.

By looking at the *area of work* categories in Table 3 we get a good overview of the general pattern of labour migration, characterised by migration to both low- and high-skilled jobs. In Table 2, the categories have been compiled into three major categories: skilled, low skilled and seasonal.⁸ While the number of high-skilled workers have increased during the entire period, from 5,300 in 2009 to 7,600 in 2012, the low-skilled workers increased from 1,900 in 2009 to 4,900 in 2011, and then fell to about 3,300 in 2012.

The special rules for students and asylum seekers have allowed for about 3,100 foreign students to receive work permits until the

Table 3. Work permits granted by area of work and occupational group, 2009–2012, and current balance of workers in occupational groups

	2009	2010	2011	2012	
Total, of which	14 481	13 612	14 722	16 543	
Refused asylum seekers	425	465	303	188	
Students	405	453	1 053	1 203	
Total, excluding Agricultural, fishery and related labourers**	7 281	9 104	11 901	10 835	
Area of work					
Elementary occupations	7 859	5 712	4 784	7 166	
Professionals	3 232	3 257	4 052	4 539	
Service workers and shop sales workers	1 032	1 512	2 037	1 392	
Craft and related trades workers	576	959	1 322	1 126	
Technicians and associate professionals	1 023	1 142	1 117	1 311	
Skilled agricultural and fishery workers	300	391	536	376	
Legislators, senior officials and managers	206	264	375	219	
Plant and machine operators and assemblers	128	172	253	186	
Clerks	110	200	244	223	
Armed forces	8	2	2	5	
Occupational group (most common)					Shortage/Surplus
Agricultural, fishery and related labourers	7 200	4 508	2 821	5 708	shortage
Computing professionals	2 202	2 208	2 795	3 259	shortage
Housekeeping and restaurant services workers	769	1 049	1 323	861	surplus
Helpers in restaurants	257	548	796	570	surplus
Architects, engineers and related professionals	541	525	630	558	shortage
Helpers and cleaners	295	487	798	553	surplus
Physical and engineering science technicians	481	332	338	412	shortage
Building frame and related trades workers	191	226	362	329	shortage
Personal care and related workers	132	210	250	257	surplus
Food processing and related trades workers	130	330	386	251	surplus
Business professionals	170	205	240	236	no forecast
Doorkeepers, newspaper and package deliverers and related	67	100	177	192	surplus

Source: Migration Board and for estimations of occupational shortage/surplus, Employment Service (2012b)

**Agricultural, fishery and related labourers are almost all seasonal workers picking berries. Their number changes a lot between different years. Excluding them can give a better picture of labour migration in general

end of 2012. The number more than doubled in 2011 when over 1,000 students were granted a work permit. During the same time period, close to 1,400 former asylum seekers was granted work permit.

In terms of the labour market as a whole, labour immigration remains marginal except in a few occupations such as computer professionals and berry pickers (see Table 3). Computer professionals have been the second largest group during the entire period with a steady increase since 2009. Berry pickers, who account for nearly all of the agricultural, fishery and related workers, have been the largest group and their number has fluctuated a lot, from 7,200 in 2009 to 2,800 in 2011. Other occupations that have attracted many migrants are low-skilled jobs in the service sector, such as housekeeping and restaurant services workers, helpers in restaurants and helpers and cleaners.

In Table 3, the inflow of labour migrants is compared with the estimated demand from the Employment Service (2012b). We find that many of the migrants came to work in occupations with demand for labour. This especially applies to computing professionals, but also engineers and technicians. At the same time, many labour migrants are in occupations where there is a big surplus of available workers. This is, for example, true for cleaners and restaurants workers. Since 2009 up until 2012, about 12,800 persons were granted work permits in low-skilled jobs in sectors and occupations without any obvious need for migrant workers, which represents about 22 per cent of the work permits.⁹ This can add to the mismatch between demand and supply in the Swedish labour market, where the major issue is that the group with low educational background is growing while the number of low-skilled jobs is shrinking (The Employment Service 2012a). At the same time, there are several occupations in need of workers, both in the short and long run, where there is very limited labour migration from third countries. The most obvious examples are high-skilled occupations within health care, such as nurses and doctors, where there are expected short- and long-term labour shortages (Statistics Sweden 2012; Employment Service 2010).

To conclude, the labour migration inflow to Sweden is dominated by a few areas of work (elementary occupations and professionals) and occupations (agricultural workers and computing professionals) that are in large part characterised by labour shortages. At the same time, many come to work in low-skilled occupations with current and future labour surplus.

6 Explaining labour migration to Sweden

Through the introduction of the new law, individuals from countries outside EU got, in principle, the same opportunities to obtain work in Sweden as people within EU. But possibilities do not always transfer into reality. The Swedish policy does not include any component that matches potential labour migrants with Swedish employers. There are no recruitment offices for labour migration set up by authorities outside of Sweden and no special programmes for the recruitment of high-skilled workers. Moreover, the state has not entered into any bilateral agreements and Sweden is one of the few developed countries that do not cooperate with the International Organization for Migration (IOM) when it comes to labour migration issues (IOM 2012). There is little room for such arrangements in a system based on individual employers' labour demand. The hands-off approach does probably explain why some groups of employers recruit remarkably few labour migrants from third countries.

A demand driven labour migration system, such as the Swedish, assumes that the employment match between employers and the employee happens without any previous meeting between the two counterparts. In this context, access to labour market information for both employers and prospective migrants is the key if international migration is to play a role in responding to labour and skills shortages. The web portal workinginsweden.se, which is considered as good practice by the OECD (2012), has been set up to advertise the possibilities for work and communicate the rules to potential labour migrants. It contains information in seven languages about the regulations and procedures of obtaining a work permit together with facts about living conditions in Sweden. The portal has a link to EURES, which is automatically updated with job ads from the Employment Service. The problem is that those job advertisements are not aimed at third country nationals. Most advertisements are published in Swedish with a Swedish audience in mind (interview with PES 1). Even if an employer finds a potential employee, there is still an issue of asymmetric information (Katz & Stark 1987). Employers have a hard time to know the productivity level of a potential employee when labour markets are in two different countries. As a result, few employers without established networks recruit migrant workers (Employment Service 2012c). One option could be to use recruitment agencies. However, Swedish and international recruitment companies do not seem to be very active in this market (Joona & Wadensjö 2011).

According to the informants, waiting times is another issue that hinders employers from hiring workers from third countries, even though Sweden treats applications for work permits quickly and charges relatively low fees compared with other countries (OECD 2011). This is particularly true for companies looking to recruit workers in occupations with high international competition, such as information technology (IT). The waiting times for work permits are also troublesome for employers wanting to recruit third country workers to fill temporary needs in the labour market.

Another large obstacle is that many professions do not have a labour market that is truly international, as training, accreditation, ethics and standards continue to be managed at the national level (Iredale 2001). This is one major reason for the health care sector to only employ a handful of nurses and doctors from third countries every year. Receiving the validation for these professions is a long and complicated procedure, which can take years even for workers from EU countries (interview with PES 2). Validation also requires knowledge in the Swedish language. A demand driven system, like the Swedish one, is ill suited for recruiting third country workers in occupations where third country workers are not instantly job-ready. To be able to recruit doctors and nurses, the employer needs to set up extensive programmes for pre-departure training to get them job-ready before a work permit can be granted. Given this, it is easier to recruit within Europe, especially since there has been some harmonisation of rules (Petersson 2012).

A potential obstacle that is surprisingly mentioned little in the interviews with the stakeholders is the language issue. Even in an international sector such as the IT-businesses, Swedish language skills seem very important. According to the IT and telecom companies' survey for member companies, 70 per cent of the employers require good Swedish language skills when recruiting. Insufficient language skills have also been an obstacle for recruitment of international students at Swedish universities since most of them do not speak Swedish (interview with IT). Chaloff & Lemaitre (2009) even argue that countries with few native speakers outside their borders are unsuitable for a demand driven labour migration system as language

Table 4. Overview of the main recruitment channels for the three main labour migration flows

Type of work	Small and medium sized employers	Large employers
Skilled	Informal/personal contacts	Intra-company transfers, informal/personal contacts
Low-skilled	Social network, brokers/agents	
Seasonal	Foreign staffing companies, often involving the same workers every year	

barriers makes it difficult to hire someone directly into a job. For such countries, they propose a supply driven system with significant investments in language teaching for new arrivals.

This section has shown that there are several obstacles to recruit foreign workers in a demand driven labour migration model like the Swedish one. In fact, some labour shortages may only be met if the state intervenes in the matching process between foreign workers and Swedish employees and/or by complementing the model with supply driven elements.

7 Analysis of the three main flows of labour migrants

As earlier research has noted, there is a need for more information about how the recruitment of labour migrants occurs, who is staying or returning and the conditions in the labour market for different categories of labour migrants in Sweden (Joonas & Wadensjö 2011). This paper contributes to lowering the knowledge gap by studying the three dominating labour migration flows in more detail.

7.1 High skilled

The overwhelming majority of the high-skilled migrants are IT professionals from India and China who are recruited by large, multinational companies in sectors that have a great demand for skilled workers (Employment Service 2012c). Occupations in the IT industry do not have professional accreditation requirements, and therefore the potential for international mobility and transferability of skills is great. Also, the technical basis of the occupations makes issues of cultural and social aspects less important (Iredale 2001). There are some indications that the work permits for high-skilled workers in shortage occupations are disproportionately for short-term stays (OECD 2011). In skilled occupations, for example IT, it is common with short work permits covering temporary needs, such as temporary development projects, education of staff from subsidiary corporations or to facilitate the communication with the organisation's units in other parts of the world (Oxford Research 2009). A majority of the work permits seems to be intra-corporate transfers, made within the company or from subsidiaries (Joonas & Wadensjö 2011; Quirico 2012). Intra-corporate transfers are easily facilitated in large corporations that have been certified by the Migration Board and can go through the work permit application process very fast. Large companies also have an advantage thanks to their international reputation (PES 1). They are able to use their own websites to advertise work opportunities and employees might get in touch with them directly (interviews with Si, SCF). They also have a large network and can use current employees to find more people with the same expertise (interviews with CSE, TS). From what

is known, the inflow of high-skilled migrants can best be understood as part of a circular migration regime in highly competitive sectors of the globalised economy. Based on the country's position in the immigration market (Borjas 1999), the workers tends to originate from countries not belonging to the richest part of the world to whom Swedish companies are able to offer attractive conditions and competitive wages in the global race for talents (Kuvik 2013).

7.2 Low skilled

While high-skilled migrants usually are transferred within large companies or are recruited through professional networks, low-skilled migrants have to rely on informal contacts and personal connections. A study of Iraqi labour migrants to Sweden showed that they used contacts and social networks, often relatives, to get a job offer (Pelling & Nordlund 2012). To get in touch with Swedish employers from Iraq without personal connections was unrealistic according to the interviewees. If the migrants do not have personal connections, they might have to pay companies in their countries of origin to gain information and a work offer. A similar type of information service exists in Sweden where asylum seekers who have been denied asylum can pay specialised lawyers to get information about rules and obtain job offers (interview with GC). The large majority of the low-skilled migrants are from countries that previously generated refugees to Sweden. For many, the possibility to get a work permit is an alternative to being granted asylum. Of the 545 Iraqi citizens who obtained a work permit in Sweden in 2011, about 50 per cent of them had previously applied for asylum in Sweden (Jonsson 2012).¹⁰

Employers recruiting low-skilled labour migrants are often small sized companies owned by persons with foreign background, often from the Middle East. These employers represent around a third of all the granted work permits in Sweden and operate in sectors such as restaurant and cleaning businesses that before 2008 had limited opportunities to recruit workers in third countries (Employment Service 2012c). According to OECD (2011), it is a cause for concern that so many labour migrants are going into non-shortage elementary occupations since there is no obvious need for them in the labour market. Labour migration to low-skilled jobs in the private service sector can be seen as an unintended effect of the demand driven labour migration model. Another unintended effect is the many cases of abuse and exploitation of migrant workers by employers. Follow-up studies from trade unions reveal alarming conditions for migrant workers in the low-skilled service sector (HRF 2012; TCO 2012; Swedish Trade Union Confederation 2013). The abuse can be divided into two types: situations where the employer has not met the requirements of wages and working conditions, and situations that can be described as illegal trade with work permits (TCO 2012). In some cases, it is the individual employers who want to earn money by selling work permits. But there are also cases where friends and

relatives want to help a friend to come to Sweden but cannot afford to hire anyone. The only way is then for the migrant workers to pay their own salary (Pelling & Nordlund 2012). Instead of reacting to a large demand, labour migrants to low-skilled occupations are responding to strong push factors in their homeland. They draw on resources from their social networks or pay actors in the migration industry to leave a country of origin where they do not see a future.

7.3 Seasonal

The third large category of labour migration to Sweden is seasonal workers. Almost all of them are berry pickers from Thailand. No other country had work permits for berry picking during the 2012 season. They are farmers from rural areas in north-east Thailand, and recruited by Thai recruitment companies and agencies. There are well-established networks among specific villages, Thai recruitment companies and Swedish berry picking companies. There are a few dominant staffing companies bringing workers to Sweden (Wingborg & Fredén 2011). Norrskensbär, one of the largest wholesale companies, uses the same recruitment company every year in order to get berry pickers with experience of picking berries in Sweden. Estimates are that about 70–80 per cent of the pickers have been to Sweden before (interview with BP). Today, the Swedish berry picking industry is highly dependent on seasonal migrant workers, who represent about 80 per cent of the employment in the industry (Wingborg & Fredén 2011). This form of labour migration is probably best understood within a dual labour market framework (Piore 1979). There is a demand for labour that the domestic labour force is unwilling to supply considering the wage levels and working conditions. Migrants, on the other hand, view the jobs as a means to earn an income that by their home country standards appears satisfactory.

8 Concluding discussion

In 2008 Sweden liberalised the labour migration policy from countries outside EU to a demand driven model without labour market tests. The aim was to facilitate labour migration to ease labour shortage in specific occupations and sectors and in the long term be one of the responses to the demographic challenges of an ageing population. The principal aim of the paper is to analyse the effects of the policy on the labour migration inflow and offer some explanations why we see these effects. The ambition is to expand the knowledge on how labour migration models can affect patterns of migration.

The policy outcome of the new labour migration model is a modest but steadily growing inflow of migrant workers. The labour migrants can roughly be divided into three major categories: those moving to skilled jobs as computer specialists and engineers, to low-skilled jobs in the private service sector and to seasonal work in the berry picking industry. About 80 per cent work in occupations with need for labour. This especially applies to skilled jobs as computing professionals, engineers and technicians but also seasonal workers in the berry picking industry. At the same time, about 20 per cent come to work in low-skilled jobs in the private service sector where there is a large surplus of available workers. In addition, some occupations with labour shortages recruit very few workers from outside EU.

The Swedish model for labour migration has produced unintended effects. There is clearly a gap between what the government said they wanted from the reform – to facilitate labour

migration to shortage occupations – and the outcome. The relatively large inflows of workers to low-skilled occupations without labour shortages can be seen as an unintended effect, even if the rules allow for this category of workers. The other unintended effect is that employers in sectors without any obvious need to look for workers outside of Sweden hire third country nationals for lower wages and worse working conditions than what is legal in Sweden. The results therefore support the observation by Papadimitriou & Sumption (2011) that demand driven labour migration models tend to be open for abuse and employer manipulation.

How can this result be explained? First, I want to stress the importance of networks to understand the migration flows. The new law significantly reduced the power of the state to control the migration flows and allowed for all types of labour migration. By liberalising, both market forces and kinship networks can play out more freely. I have shown that the three major flows of labour migrants to Sweden – high-skilled computer specialists and engineers, low-skilled workers in private service sector jobs and seasonal migrants picking berries – are to a large extent dependent of established transnational networks. If a company is without access to international networks, it limits the possibilities to recruit even if the regulatory framework is generous. Also, since the state has handed over the responsibility for matching to the market, there is no room for cooperation between origin and destination countries like international agreements, organised pre-departure training and educational programmes. This makes it difficult to recruit personnel for shortage occupations, such as doctors and nurses, which require training and supplementary education in order to work in Sweden.

Second, the policy outcome shows that we need to analyse and explain different inflows of labour migrants separately as they are a result of different driving forces. The inflow of high-skilled workers can best be understood as part of a circular migration regime in highly competitive sectors of the globalised economy. On the other hand, the large majority of the migrants to low-skilled jobs come to Sweden for the same reasons as humanitarian migrants, to escape difficult living conditions in their country of origin. The presence of seasonal labour migration, dominated by the berry picking industry where the domestic labour force is unwilling to work, is probably best understood within a dual labour market framework.

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Notes

- 1 Statement on 24 April 2013 at the UN Commission on Population and Development. Agenda item 4, general debate “National experiences in population matters: new trends in migration: demographic aspects”. EEA = European Economic Area.

- 2 All statistics used in the tables are official statistics available from <<http://www.migrationsverket.se>> [Last accessed 07.03.2014].
- 3 The Migration Board has interpreted it as that the person must earn enough to not be entitled for income support from the municipality. In practice, this means a salary of at least 13,000 SEK (1,500 Euro) per month.
- 4 To understand the issue of labour migration and matching of employers and employees, it is important to understand the Swedish labour market model. Some characteristics are an active labour market policy, a high level of union organisation and coverage by collective agreements, strong statutory employment protection, generous unemployment benefits and the absence of direct government involvement. The collective agreement means that wages and general employment conditions are determined by the social partners, i.e. employers and employees, without interference by the state.
- 5 Regulated by the "shortage list" prepared by the Employment Service.
- 6 The principle of "Community preference" is defined by EU in the following terms: "Member States will consider requests for admission to their territories for the purpose of employment only where vacancies in a Member State cannot be filled by national and Community manpower or by non-Community manpower resident on a permanent basis in that Member State and already forming part of that Member State's regular labour market."
- 7 Certain categories of non-EU nationals do not require work permits, including postsecondary students and visiting researchers; certain high-skilled occupations, such as company representatives; visiting researchers or teachers in higher education; performers, technicians, and other tour personnel; and specialists temporarily employed by a multinational corporation.
- 8 8 Skilled: Professionals, crafts and related trades workers, technicians and associate professionals, skilled agricultural and fishery workers, legislators, senior officials and managers and Armed forces. Low-skilled: Elementary occupations (excluding agricultural, fishery and related labourers who are almost all seasonal workers), service workers and shop sales workers, plant and machine operators and assemblers and clerks. Seasonal: Agricultural, fishery and related labourers.
- 9 The Employment Service produces occupational forecasts twice a year. A "shortage index" is used to quantify recruitment needs and identify the occupations where there is a shortage or surplus of applicants.
- 10 Only a few of them had "changed track" during the asylum process. Most of them were failed asylum seekers, who either had returned to their home country or had lived as undocumented migrants in Sweden, who later were offered a job. In these cases, it is necessary to apply for a work permit from abroad.

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