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Abstract

In the midst of the ongoing financial crisis in 2008, the Swedish government decided to liberalize the labour migration policy from third countries. After several decades of having a restrictive system, the country now has one of the most open labour migration systems in the world. In this paper I review the outcome of the policy and offer some tentative explanations about why we have seen this specific outcome in the Swedish case. The result is an increase of labour migration, but it is to a large part due to immigration to sectors with a surplus of workers. The labour migrants can roughly be divided into three major categories: those moving to skilled jobs, low skilled jobs and seasonal workers in the berry picking industry. The demand driven system has produced a specific labour migration pattern which is better explained by employer's access to transnational networks than actual demand for labour. Many sectors with a large surplus of native workers have experienced major inflows while employers in other sectors with labour shortages don't recruit from third countries. The policy outcome also highlights the need to analyse and explain different categories of labour migration separately as they are a result of different driving forces.

Keywords: labour migration, migration policy, Sweden

Bio note:

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Introduction

In the midst of the on-going financial crisis in 2008, the Swedish government decided to liberalize the labour migration policy from third countries. While most political changes introduced by the EU Member States after the crisis were aimed at reducing immigration of low-skilled migrant workers (Koehler et al 2010, Kuptsch 2012), Sweden went against the grain and opened up for all types of labour migration. It took place at the same time as the immigration reached record heights¹ and the unemployment rose from six to nine percent.

The reform was described as one of the most significant changes of Swedish immigration policy in several decades (Government Offices of Sweden 2008). It was said to be of vital importance for the ability to meet both present and future challenges in the labour market. In the short term it is supposed to ease labour shortage in specific occupations and sectors of the Swedish labour market and in the long term be one of the responses to the demographic challenges of an aging population.

The Swedish policy direction does go against the general response in European countries following the economic crisis in 2008 which made it more difficult to immigrate as a labour migrant (Kuptsch 2012). While, for example, UK stopped the possibility for low skilled workers altogether Sweden opened up for the category. In Spain, the quota for low skilled labour migrants was reduced to almost none and the occupations which were taken away from the shortage list represented almost all hiring from abroad. It also goes against a longer European trend towards a more selective labour migration policy. States have in general tried to attract high skilled migrants and restrict low-skilled migrant workers to temporary migration programs 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 (Meyers 2000). For example, theory based on a political economy perspective would predict that a Nordic welfare state would prefer a selective policy. According to Menz (2008), the profile of desirable labour migrants is conditioned by the particularities of individual systems of political economy based on structural relationships between

¹ Since 2008, the total immigration has been around or over 100 000 people in the year, which represents more than 1 percent of the population, of which a majority are humanitarian and family migrants.

states, capital and labour. Countries with a coordinated market economy (Hall and Soskice 2001), such as Sweden, are supposed to “place much greater importance on skills and close their doors almost entirely to low-skilled migration, with extremely limited exceptions, such as temporary agricultural workers” (Menz 2008:268). Johansson (2012) has noticed the shortcoming of Menz political economy theory in the case of Sweden and explain it with a decline of Swedish corporatist model. He interprets the reform as a shift of power balance between capital and labour, where employer organizations successfully pushed for a market-liberal policy and thereby reducing the influence of the unions (Also see Cerna 2009 for a similar analysis). Berg and Spehar (2013), on the other hand, argue that the role of the labour market actors is not a sufficient explanation. Rather, the reform can be explained by the preferences of the political parties in the context of the Swedish party system. The issue of labour migration has cut across the left-right political dimension, bringing together parties supporting cosmopolitanism and an open economy in what Zolberg (1999) described as an “unholy coalition”.

Sweden is clearly a deviant case, both in its way to respond to the economic crisis and its choice of labour migration system that is marketed as the industrialized world's most open, where the state's influence on who can get a work permit has been limited to a minimum (Government Bill 2007/08:147). Therefore, the case is a particularly interesting study object. The principal aim of the paper is to contribute to the evaluation of the new labour migration policy by analysing how the policy output transfers into policy outcomes. The ambition is to expand the knowledge on how labour migration systems affect patterns of migration. The main research question is: What is the policy outcome of the new demand driven labour migration system? For example, has the new law led to the desired and expected results, i.e. increased labour migration driven by the needs in the labour market? And how can the policy outcome be explained?

The paper starts with a description of the Swedish labour migration policy, related to current literature on labour migration management. It is argued that Sweden has one of the most extreme cases of a demand driven labour migration system. According to most theories, any labour migration system is expected to have both pros and cons and produce unintended outcomes. As a next step, the migration inflow is described and

analysed in relation to the current and future labour market needs. The immigration shows a clear pattern with three distinct categories of labour migrants: high skilled migrants working as IT-professionals or engineers, migrants working in low-skilled jobs in the private service sector and migrants working in the seasonal berry picking industry. I argue that the three flows are driven by different dynamics and must be understood separately. What they have in common, though, is a strong dependence of established international networks. In the analysis I also show that the demand driven labour migration system has its shortcomings when it comes to meeting the needs of the labour market and that it has resulted in the expected unintended effects of abuse and exploitation of migrant workers.

Several sources of information are used to answer the research question. First, written material about the Swedish labour migration system and its effects has been analysed. Statistical information about labour migration flows have been collected from the Migration Board. Because the written material about the subject is sparse, interviews have been conducted with key stakeholders, such as civil servants, researchers, trade unions and employer organizations. The interviews have been conducted by Karin Magnusson, research assistant at Malmö University.

Selecting labour migrants – the Swedish labour migration model

The 2008 law was a clear breach of an almost 30 year long period of restrictive labour migration policy. After the Second World War, Sweden had an open immigration policy. Immigrant workers, especially from Finland, Greece, Turkey and Yugoslavia, were attracted to the country to fill vacancies in the expanding labour market. This lasted until 1967 when immigration became regulated for all aliens with the exception of Nordic citizens. The system of regulated immigration meant that the trade unions had the final word on who should be given a work permit. In 1972, after strong opposition from the Swedish Trade Union Confederation (LO) (Lundh and Ohlsson 1999), the possibility to come to Sweden as a labour migrant was severely restricted and became of little significance before Sweden joined EU and the subsequent eastern expansion. Migration to Sweden now switched to humanitarian and family migrants, coming primarily from Eastern Europe and non-European parts of the world.

The biggest change in the 2008 law compared to earlier legislation is that the so-called labour market test was abolished. Now it is the employer, not state agencies and unions, which determines the need for labour and from where in the world the employer wishes to recruit. Before December 2008, it was required that there should be labour shortage in the profession for an employer to be allowed to recruit from abroad. Now there are no restrictions in regards to skills, occupational categories or sectors and there are no quantitative restrictions in form of quotas. The reform also meant that the specific rules on seasonal work were abolished. Today, work permits for seasonal work is dealt with in basically the same way as any other applications.

The only condition to get a work permit is an offer of employment with a wage one can live on² and that the level of pay is in line with applicable collective agreements and general insurance conditions or in line with the practice within the occupation/sector.³ Given the absence of skill requirements, salary thresholds, and limits on the number of permits issued and the renewability of permits, OECD (2011) deems that Sweden appears to have the most open labour migration system among all OECD-countries.

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. A person who has travelled to Sweden to attend a job interview with an employer may be granted a permit without leaving the country. The precondition is that the application is done during the visa-free period (90 days) or before the entry visa expires and the

² The Migration Board has interpreted it as that the person must earn enough to not be entitled to income support from the municipality. In practice this means that the work must be of such magnitude that the salary is at least 13 000 SEK / month.

³ 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. Conditions on the labour market is regulated by labour law concerning the relationship between employers and employees (individual labour law), and the relationship between employers/employer organisations and trade unions (collective labour law). Labour law acts are generally mandatory in favour of employees. This means that it is not possible for an employer and an employee to reach agreements on regulations that would result in lower wages or level of rights than what applies under law.

employment relates to work where there is a labour demand.⁴ 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 work permit without leaving Sweden. A precondition is that the failed asylum seeker has worked for six months with a one-year offer of continued work.

A residence and work permit is granted for no more than two years at a time. The permit can be extended one or more times. The labour migrant may be granted a permanent residence permit if he or she has worked for an aggregate period of four years during the past five years.

A work 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 who has a work permit would like to change employer during the first term, he/she can apply for a new work permit from Sweden. If the employment is terminated during the permit period the work permit is terminated. The person in question then has three months to find a new job before the residence permit is revoked.

The principle of Community preference applies. In practice this obligation is fulfilled by the employer by advertising in EURES for ten days, but there are no serious checks that an employer has made the job offer public within the EU/EEA. The announcement is just a formality, and an employer can choose to recruit from third countries even if there are available unemployed workers within Sweden and EU (Quirico 2012).

The design of labour migration policy is not only about the selection of migrants, but also the rights of migrants after admission (Ruhs 2008). A labour migrant basically enjoy the same rights as other residents when working and living in Sweden. Family members are entitled to accompany the employee from day one, and this includes cohabitee/husband/wife as well as children under the age of 21. Accompanying persons can also get a work permit regardless of whether they have an offer of work when leaving their country of origin.

⁴ Regulated by the "shortage list" made by the Employment Service

The Swedish Migration Board is the authority that grants work permits for employees and reviews the conditions offered, such as pay, insurance cover and other conditions of employment. The trade union concerned is given the opportunity to express their views if pay, insurance coverage and other terms is at least the same level as the Swedish collective agreement or what is customary in the profession or sector in order to protect employees and prevent wage dumping.

To simplify, there are two types of systems for labour migration management: demand versus supply-driven systems. Hybrids of the models are becoming more common, but most policies take their departure from one of them (Papadimitriou and Sumption 2011; Chaloff and Lemaitre 2009). Supply driven, points based, systems admits migrants according to the skills and human capital of the individuals, such as education level, work experience, language skills and age. The basic thought is to attract the brightest talents which have the best long-term integration potential. Canada and Australia is usually mentioned as the prime example of this kind of model, even if they have a substantial and growing demand driven temporary labour migration. In a demand driven system it is the employers who chose what kind of migrants that are needed. This way, the labour migrant has a job upon arrival and the country can avoid initial periods of unemployment. After the December 2008 law, Sweden is probably the purest example of a country with a demand driven labour migration policy. The Swedish minister for migration, Tobias Billström, share this view: *The Swedish labour immigration system is entirely demand driven as it is up to the individual employers to decide whether they have a need to recruit someone from a third country. This creates a system that is flexible and effective in meeting labour shortages* (Speech at the Transatlantic Council on Migration in Lisbon, June 3 2011).

Theoretically, there are pros and cons of any labour migration system (Papadimitriou and Sumption 2011). The advantage of a points-based system is that it creates clear and transparent rules on what kind of labour 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. Point systems is supposed to attract migrants that cover medium and long term labour market needs, where the immigrant is highly educated and flexible and can meet changing labour market demand. The downside is that labour migrants are coming to the country without work, and there is

no guarantee that the person's knowledge and skills are wanted by employers. In a demand-driven system it is the employers who choose which labour migrants that can get a work permit. One obvious advantage is that the migrant has a job from day one. This minimizes the risk of miss-match that is always a risk in a points-based system. The potential disadvantage of a demand-based system is that employers can manipulate the system and hire migrants with lower wages and poorer employment conditions. The risk of employer manipulation might also be more likely in a country like Sweden with high minimum wages and generous employment benefits where employers have incentives to bypass these employment costs by employing immigrants on an irregular basis. In addition, the risk of workers being exploited is also greater in a demand-based system that ties a migrant worker to a specific job and employer. Also, the work permit is often temporary in a demand driven system, which could lead to irregular immigration if the immigrants lose their jobs.

The expected advantages and disadvantages of a demand-driven system were also reflected in the debate ahead of the decision in parliament. The new law was passed in parliament by the centre-right alliance in collaboration with the Green Party. The Left Party and the Social Democrats voted against. The most controversial issue was the abolition of the authority based labour market test (Murhem and Dahlkvist 2011). Unions like LO and TCO criticized the proposal, saying that it is unreasonable to give employers such a large influence on labour migration. They, and others, did not trust that employers would only recruit labour to sectors and occupations with labour shortages. They argued that people from third countries should only be able to work in sectors and occupations with labour shortages and that this should be regulated by government agencies in cooperation with the social partners. Other unions, SACO and Swedish engineers, supported the government line on the condition that the labour migration does not lead to wage dumping or deterioration of working conditions. The Confederation of Swedish Enterprises advocated the abolition of the labour market test, but was critical of that the work permit would be tied to a specific employer. There was also criticism from trade unions such as LO and SACO about the possibility to get work permits from inside Sweden which, according to them, can create a parallel labour migration system where asylum and labour migration flows are mixed up. Other parts of the reform were received more positively, such as the possibility for the

unions to comment on the terms of wages and work conditions in the employment contract.

Following the logics of a demand driven labour migration system, we can expect i) increased labour migration, especially to sectors and occupations with a shortage of workers and ii) adverse effects such as employer manipulation and exploitation of workers. But it has proven difficult to forecast the effects of labour migration policies. Germany found it hard to attract highly skilled even after introducing a new green card in 2000. On the other hand, migration to the UK after the expansion of EU in 2004 was far higher than expected (Boswell and Geddes 2011). Migration policies tend to fail (Castles 2004) and produce different immigration flows than is expected and wanted, a phenomenon Cornelius and Tsuda (2004) named the control gap paradox. 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 receiving countries labour markets. A migration industry has developed helping migrants with illegal and legal services. There has also been an expansion of rights for migrants (Hollifield 2008). Even illegal migrants nowadays have acquired some rights which make it more doable to stay on in a country. 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 moulding and 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 conceptualize these kinds of migration networks as systems linking the sending and receiving areas (Castles and Miller 2009).

Labour migration to Sweden from third countries⁵

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. It is not possible to see a distinct break in the trend as a result of the new opportunities, but it is quite clear that the numbers have stabilized on a higher level than before.

Table 1. Work permits granted 2005-2012*

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------------------|------|------|------|-------|-------|-------|-------|-------|
| Total labour migration | 3631 | 3637 | 7187 | 11255 | 14905 | 14001 | 15158 | 17011 |
| Seasonal workers | 496 | 70 | 2358 | 3747 | 7200 | 4508 | 2821 | 5708 |
| Excluding seasonal workers | 3135 | 3567 | 4829 | 7508 | 7705 | 9493 | 12337 | 11303 |

Source: Migration Board, own calculations.

*The numbers do not exactly correspond to Table 2. The data source is different.

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 between 2009 and 2012. The majority of the labour migrants, close to 80 per cent, are male. After a downturn in 2010, the numbers increased again in 2011 and 2012, despite that the economic recession took a turn for the worse in 2012. If we exclude the berry pickers, who are 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 1000 persons in 2012.

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. Computer professionals have been the second largest group of labour migrants during the entire period with a steady increase since 2009. Berry pickers, which accounts for nearly all of the Agricultural, fishery and related workers, have been the largest group and their

⁵ Certain categories of non-EU nationals do not require work permits, including postsecondary (college or university) students with a residence permit and visiting researchers with a special residence permit to conduct research. In addition, a number of occupational categories are exempt from the requirement to have a work permit. These include certain high-skilled occupations, such as company representatives; visiting researchers or teachers in higher education (maximum duration of three months within a twelve-month period); performers, technicians, and other tour personnel; and specialists employed by a multinational corporation who will be working in Sweden for a total of less than one year.

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. Labour migration to these kinds of occupations rose between 2009 and 2011 before declining in 2012.

The special rules for students and asylum seekers has allowed for about 3100 foreign students to receive work permits until the end of 2012. The number more than doubled in 2011 when over 1000 students were granted a work permit. 37 per cent of the students work permits were in low skilled jobs. During the same time period, close to 1 400 former asylum seekers was granted work permit. About 80 per cent of them started work in low-skilled jobs, primarily in elementary occupations or as service workers and shop sales workers.

As in most countries there is a mismatch in Sweden between demand and supply in the labour market. The major problem is that the group with low educational background is growing while, at the same time, the number of low-skilled jobs is shrinking. The Employment Service (2012a) is warning for considerable future challenges in the labour market. Many groups, amongst them persons with at most a compulsory school education and persons born outside Europe, will experience growing competition for jobs. The immigration from third countries is the main explanation for that the total number of unemployed persons with at most a compulsory school has doubled in just under four years, despite that half in this education group is outside the labour force.

The jobs with a shortage of applicants are mostly jobs that require higher education and skills, but there are also openings for those with upper secondary education in some sectors. During the coming year there is expected to be a shortage of workers in the IT and technology sector. There is also a lack of preschool teachers and personnel with higher education within health care. The shortage is particularly acute for doctors, specialized nurses, pharmacists and dentists. Even though the number of jobs in restaurants and other services will grow, there is still a surplus of workers in those sectors. There will also be a surplus of workers in most occupations in the manufacturing industry. In a longer perspective, up until 2020-30, there will be a serious shortage of staff in the IT and technology sectors and for many occupations

within health care, especially within the elderly care. In other sectors there will be a shortage of highly qualified in some professions, for example teachers and skilled workers in construction, manufacturing industry, agriculture and forestry and transport. At the same time, the demand for persons with compulsory school as the highest level of education is expected to decrease significantly in the future (Statistics Sweden 2012; Employment Service 2010).

If we compare the inflow with the forecast from the Employment Service (2012b), we find that many of the migrants came to work in occupations with need for labour. This especially applies to computing professionals, but also engineers and technicians. At the same time, many migrants come to work 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.⁶ 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 example is nurses and doctors.

Table 2. 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 | 14481 | 13612 | 14722 | 16543 |
| Refused asylum seekers | 425 | 465 | 303 | 188 |
| Students | 405 | 453 | 1053 | 1203 |
| Total, excluding Agricultural, fishery and related labourers* | 7281 | 9104 | 11901 | 10835 |
| Area of work | | | | |
| Elementary occupations | 7859 | 5712 | 4784 | 7166 |
| Professionals | 3232 | 3257 | 4052 | 4539 |
| Service workers and shop sales workers | 1032 | 1512 | 2037 | 1392 |
| Craft and related trades workers | 576 | 959 | 1322 | 1126 |

⁶ The Employment Service produces occupational forecasts twice a year. These forecasts describe future prospects for almost 200 occupations in the labour market. A 'shortage index' is used to quantify recruitment needs, using a weighted average value from one to five. This index identifies the occupations (occupational groups) where there is a shortage or surplus of applicants.

| | | | | | |
|---|------|------|------|------|------------------|
| Technicians and associate professionals | 1023 | 1142 | 1117 | 1311 | |
| 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 | |
| <hr/> | | | | | |
| Occupational group (most common) | | | | | Shortage/Surplus |
| Agricultural, fishery and related labourers | 7200 | 4508 | 2821 | 5708 | shortage |
| Computing professionals | 2202 | 2208 | 2795 | 3259 | shortage |
| Housekeeping and restaurant services workers | 769 | 1049 | 1323 | 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.

By looking at the *area of work* categories we get a better overview of the general pattern of labour migration. The labour migrants can roughly be divided into three major categories: skilled, low skilled and seasonal.⁷ The low-skilled workers increased from 1 900 in 2009 to 4 900 in 2011. In 2012 the number fell to about 3 300. Skilled workers has also increased during the period, from 5 300 to 7 600. This group consists to a large part of computing professionals and engineers.

⁷ 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 which 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.

Table 3. Work permits from January 1, 2009 to December 31, 2012

| | 2009 | 2010 | 2011 | 2012 | 2009-2012 |
|------------------------|-------|-------|-------|-------|-----------|
| Seasonal workers | 7200 | 4508 | 2821 | 5708 | 20237 |
| High-skilled jobs | 5345 | 6015 | 7404 | 7576 | 26340 |
| Low-skilled jobs | 1929 | 3088 | 4497 | 3259 | 12773 |
| Total labour migration | 14474 | 13611 | 14722 | 16543 | 59350 |

Source: Migration Board

Of the almost 60 000 issued work permits since the beginning of 2009, it is difficult to estimate how many of the labour migrants that extend their work permits. When the Confederation of Swedish Enterprise (2012b) did a follow-up of labour migration in November 2011, there were close to 18 000 migrant workers in the country. This implies that over half of those who have come to Sweden since December 2008 have already left the country. Generally, it is the longer permits in unskilled occupations that have increased the most since the new law came into force. Work permits for longer periods are mostly in less skilled occupations such as in the restaurant sector (LP). The follow-up also showed that a majority (58 per cent) lived in Stockholm, and it was even more pronounced among the highly educated (76 per cent).

The three main categories of labour migrants tend to come from different conditions and countries. Skilled labourers are mostly from India and China, seasonal workers from Thailand and low-skilled from countries where refugees have traditionally come from. These different categories of labour migrants also tend to have been recruited to Sweden in different ways. In the next chapters the focus is to explain the labour migration patterns and analyse the three main categories of labour migrants in more depth.

Barriers to recruit migrant workers

The overview shows that labour migration has increased since the new law on labour migration was introduced in late 2008. The volume has not been as extensive as expected and consists of three main categories: high-skilled IT-professionals and engineers, low-skilled service jobs and seasonal workers in the berry picking industry. One obvious reason for that the inflow of labour migrants has been less than

anticipated is the economic downturn that coincided with the time that the law came into effect. Still, there are other reasons that have been pointed out in the literature and by our informants. The main barrier is the difficulties to match labour demand in Sweden with labour supply in third countries, but processing times, housing, language, cultural barriers and the wage structure are other issues.

The Swedish policy for labour immigration has no component of matching employees with occupations where there is a labour shortage. After the 2008 reform, the Employment Service does not have an active role in the procedures. The Employment Service does, however, still produce forecasts of the labour market and a list of professions that are in demand, referred to as the labour shortage list (*bristyrkeslistan*). There are currently no recruitment offices for labour migration set up by Swedish authorities outside of Sweden and no special programs for the recruitment of high-skilled workers. The Swedish state or state agencies have not entered into any bilateral agreements concerning labour immigration. Sweden is also one of the few developed countries that do not cooperate with 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. Nor are there any special quotas or organised pre-departure training.

The hand off approach does probably explain why some groups of employers recruit remarkably few labour migrants from third countries. In a study by the Employment Service, Migration Board and the Swedish Institute (Employment Service 2012c) they tried to identify employers that recruit migrant workers without established networks. The main finding is that they are very few and hard to identify. One option could be to use recruitment agencies. However, Swedish and international recruitment companies do not seem to be very active in this market (Andersson and Wadensjö 2011). If the expertise the employers are looking for does not exist in Sweden the companies tend to turn to Europe but not further (Employment Service 2012c). It is also rare that large employers in the public sector recruit from third countries. The health care sector only employs a handful of nurses and doctors from third countries every year. One of the reasons for the limited recruitment might be that many of the occupations within healthcare require accreditation or special authorisation from the National Board of Health and Welfare. Receiving the validation for these professions is a long and

complicated procedure, which can take years even for workers from EU countries (PES 2). Validation also requires knowledge in the Swedish language. In Sweden there are also other specialties within the nursing profession than in other countries which complicates things further. 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 programs 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 harmonization of rules there. The result is that most of the labour migrants in health care are recruited in central European countries, i.e. from Hungary, Slovakia, Poland and Czech Republic. Many local authorities have successfully recruited doctors from those countries with the help from international staffing companies (Petersson 2012). There are other sectors that also mostly recruit from Easter European countries. In the construction sector workers are mostly recruited from the Baltic countries and Poland. Of the about 2000 yearly labour migrants in the green sector, most are recruited in Baltic countries and Poland as well (Arbetsmiljöverket 2012).

The matching problem is not so much about lack of information or bureaucracy. Since there is only one legal channel for labour migration the general information on the subject is easy to find and to understand. Both the employers and potential employees are satisfied with the information provided by the Migration Board (MB). The Confederation of Swedish Enterprise also provides information on the possibility to recruit from third countries through their website and informs their member organisations about changes in regulations (CSE). In sectors with difficulties finding employees, the employer associations are usually active in providing information to their members. One example is the Forestry and Agricultural Employer Association that organises employers in forestry, agriculture, veterinary care, golf and horticulture. They have, for example, published a guide on how to proceed when recruiting workers from the EU and outside the EU.⁸ There are also efforts to market the country so as to make it an attractive alternative for potential migrants. Swedish embassies have a

⁸ http://www.sla-arbetsgivarna.org/MediaBinaryLoader.axd?MediaArchive_FileID=7014f0d7-f7f4-43c2-b331-d04eb07a820f&FileName=SLA_Utl%c3%a4ndskArbetskraft_jan+2012.pdf

general mandate to spread information about Sweden and conduct promotional activities in various ways. Most Swedish embassy websites openly advertise the possibility to come to work in Sweden. Swedish Institute has been commissioned by the Ministry of Justice to communicate the rules to potential labour migrants. The result is the web-portal workinginsweden.se which is considered as good practice by the OECD (2012). It contains information in English about the regulations and procedures of obtaining a work permit together with facts about living conditions in Sweden. It gives good information about rules and procedures and what to expect when moving to the country. However, potential migrants would like more information about available jobs (Employment Service 2012c). This portal also contains links to online courses in Swedish and the EURES portal. EURES is automatically updated with job ads from the Swedish Employment Service. The problem is that those job ads are not aimed at third country nationals. Most ads are published in Swedish with a Swedish audience in mind (PES 1).

In general, the rules and procedures to recruit and apply for a work permit in Sweden are simple and non-bureaucratic. Compared to other countries, Sweden treats applications for work permits quickly, and charges relatively low fees. On-line application accelerates the procedure (OECD 2011). Although the waiting times are short in an international perspective, it is still regarded as a practical problem for many Swedish employers. This is particularly true for companies looking to recruit workers in occupations with high international competition, such as IT. The waiting times for work permits are also troublesome for employers wanting to recruit third country workers to fill temporary needs on the labour market. Therefore some employers have given up recruiting abroad, or have decided to recruit within EU (CSE, BMC). According to the letter from the government, the Swedish Migration Board shall process requests for work permits “as soon as possible”. At the time of the interview (11 October 2012) the median waiting time was 38 days. The fastest 10 per cent of the applications are within 3 days, while the 10 per cent with the longest waiting time are 231 days (MB). Waiting times are dependent on whether companies obtained an approval from the union prior to the application and if the application is properly completed or not. If the employment contract is questioned by the union, it takes longer because it requires more investigation. To shorten the processing times certain

unions and the Migration Board have agreed to a system of certification of reputable employers. A certified employer does not need the opinion of a union in each case which shortens processing times and reduces the work load on the affected unions. Companies that submit at least 25 work permit applications a year can apply to become certified by the Migration Board.⁹

Many of the informants are also referring to practical difficulties for many employers when they recruit workers from third countries, such as finding suitable housing in a market with a shortage of housing. There can also be cultural barriers. Minor issues can become very large if a person is alone from a third country at a workplace. When faced with this kind of practical problems, many chose not to go through with the recruitment.

A potential obstacle that is surprisingly little mentioned in the interviews is the language issue. Even in an international sector such as the IT-businesses language is actually very important. IT and telecom companies' survey to member companies showed that the requirement of speaking good Swedish is high. 70 per cent of the employers say that it is an absolute requirement for recruitment. It has, for example, been an obstacle when employers want to recruit international students at Swedish universities as most of them do not speak Swedish (IT). Chaloff and Lemaitre (2009) even argue that countries with few native-speakers outside their borders is unsuitable for a demand driven labour migration system as language 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. The Confederation of Swedish Enterprises is also mentioning the Swedish wage structure and taxes as an obstacle to labour migration. Very few people from countries like New Zealand, Australia, Canada and the USA are coming to work. To attract people from such countries the wages has to be higher and the taxes lower.

⁹ <http://www.migrationsverket.se/info/6296.html>

Analysis of the three main flows of labour migrants

As researchers have 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 (Andersson Joonas and Wadensjö 2011). Based on what can be deduced from the statistics and the information that our informants and available literature provides, this paper can contribute some knowledge of the three dominating flows on labour migration

The overwhelming majority of the high-skilled migrants are from India and China and are recruited by large, multinational companies in sectors that have a large demand for skilled workers. Large multinational employers represent about 35 per cent of the work permit applications received at the Migration Board between January 2011 and June 2012 (Employment Service 2012c). There is some evidence that the work permits for high-skilled in shortage occupations are disproportionately for short-term stays (OECD 2011). In skilled occupations, like in 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 organization'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 (Andersson Joonas and 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 (Si, SCF). They also have a large network and can use current employees to find more people with the same expertise (CSE, TS). Another recruitment channel is universities which, for example, are common in the mining industry where companies have connections with universities and recruit engineers among new graduates (PES 1, IT). 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).

While high-skilled migrants usually are transferred within large companies or are recruited through professional networks, low-skilled have fewer instruments at their disposal and often have to rely on informal contacts and personal connections. If the migrant 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 that have been denied asylum can pay specialised lawyers to get information about rules and obtain job offers (GC). The large majority of the low-skilled migrants are from countries that previously generated refugees to Sweden and the employers are often small and medium sized companies owned by persons with foreign background. They use their networks in their origin country to recruit labour, often family and friends (MB, PES 2). These employers represent around a third of all the granted work permits in Sweden and they 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. This fact makes the experience of this category of labour migrants very different from labour migrants to high skilled occupations. For some, the possibility to get a work permit is an alternative to being granted asylum. A study of Iraqi immigrants by Pelling and Nordlund (2012) shows that the main motive for moving to Sweden was to get out of Iraq and a Swedish work permit allowed them to do so. They used contacts and social networks, often relatives, to get a job offer. To get in touch with Swedish employers from Iraq without personal connections seemed unrealistic to the interviewees. That push rather than pull factors are important is also supported by the fact that almost all of the 1100 Iraqis that received a work permit between 2009 and 2011 were hired in low skilled jobs (ibid.). Another follow-up on Iraqis (Jonsson 2012) also shows how intertwined the labour- and humanitarian migration is. In 2011, 545 Iraqi citizens got a work permit in Sweden, almost all in occupations that require little or no education or craftsmanship training, such as restaurant and kitchen assistants, dishwashers, cooks in pizzerias or fast food

restaurants and cleaners. In about 50% of the cases the applicant had previously applied for asylum in Sweden.¹⁰ The employers were predominantly small businesses with one to ten employees with owners from the Middle East. Most of them had only recruited Iraqi citizen. Given the conditions many of these labour migrants are experiencing (see the section on unintended effects), this category of migrant workers has more in common with irregular migrants than their high skilled compatriots. They draw on resources from their social networks or pay actors in the migration industry to leave a country of origin where they don't see a future.

The third large category of Swedish labour migration 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 often farmers from rural areas in north-east Thailand, and recruited by Thai recruitment companies and agencies. There are well established networks between specific villages, Thai recruitment companies and Swedish berry picking companies. Using Thai companies is necessary to prevent the berry pickers from having to pay Swedish social security contributions. There are a few dominant staffing companies bringing workers to Sweden. The largest company supplied over half of the workers, and the second largest about 25 per cent in 2011 (Wingborg and Fredén 2011). Norrskensbär, one of the largest wholesale companies, has used the same recruitment company every year, but during the summer of 2012 they used an additional recruitment agency to put pressure on their main supplier. The arrangements rest on the existence of experienced team managers that have picked themselves and have been in Sweden before. Those persons select the people who can come to Sweden but also in which geographical area they will be situated and to which team of pickers they belong.

The Swedish companies require 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. New ones are often relatives and friends to the team managers (BP). There is great demand to come and pick berries. Companies from China, Vietnam, Bangladesh, Moldova and Ukraine have contacted Norrskensbär and want to come and work. But they decided that they would work with the Thais because they know them well. When

¹⁰ Only a few of them had “changed track” during the asylum process. Most of them had to apply for a work permit from abroad.

more stringent requirements were introduced by the Swedish Migration Board in 2011 it created concern among berry companies. The requirement of minimum wage and bank guarantees increased the economic risk for wholesale buyer since they are required to pay minimum wage even if there is poor access to berries. The new requirements led to an even stronger emphasis on previous experience of picking berries in Sweden. Berry companies' dissatisfaction with the bank guarantee also led to that many of them were reducing their business or using workers with tourist visas or workers from EU countries (Wingborg and Fredén 2011). Today the Swedish berry picking industry is highly dependent on seasonal migrant workers, which represents about 80 per cent of the labour (ibid.). This form of labour migration is probably best understood within a dual labour market framework (See, for example Massey et.al 1993 and Morawska 2013). There is a demand for labour that the domestic labour force is unwilling to supply considering the wage levels and working conditions. Therefore employers seek migrant workers to fill temporary employment gaps. Migrants, on the other hand, view the jobs as a means to earn an income which by their home-country standards appears satisfactory.

Table 2: Overview of the main recruitment channels for the three main labour migration flows

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

Unintended effects

As predicted in the literature about migration policy in general and about demand driven labour migration models in particular, the Swedish system for labour migration has produced unintended effects. There is clearly a gap between what the policy makers said they wanted from the reform and the outcome. The relatively large inflows of low-skilled migrants can be seen as an unintended effect, even if the rules itself allows for this category of workers. Especially since there was a clear expectation that labour migration would be concentrated to those sectors of the labour market where there is a labour shortage. The other unintended effect is the many cases of abuse and exploitation connected with the low-skilled category, an effect that actually is predicted in a demand driven labour migration model and as many stakeholders warned about.

In the Swedish media coverage there have been many reports of employers abusing the system to exploit third country workers. 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 pure trade with work permits (TCO 2012). In some cases it is the individual employers that 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 worker to pay their own salary. In the study on Iraqi migrants, this is quite common (Pelling and Nordlund 2012).

One of the informants summarizes her findings:

“We understand that people in Iraq have to pay quite high sums for tips on how to do when looking for work, how to get to Sweden, how to get everything organized before. So the person is quite indebted even before they arrive to Sweden.

- Pay high sums for what?

- Often you pay for the whole thing. You pay for the information, but also to get a job offer, a kind of relay service to get in contact with an employer. Sometimes they have networks, such as friends and relatives, but not everyone has those kinds of networks and then you have to pay for the job offer. Often a relative can provide a job offer, but they cannot really afford to hire anyone. You have to remember that these are persons that haven't worked in Sweden, and they might not have any other skills that they can use. We have come across cases of persons who pay

their own salaries. It's the price you have to pay in order to be able to work in Sweden. You have to pay the obligatory taxes and social contributions yourself. And you also get a very low salary, or none at all in some cases.

- There's no demand in Sweden for this kind of work. Recruitment is not initiated by Swedish employers; it comes from people who are desperate to leave Iraq. They are looking for all the possibilities that exist and one possibility is to come as an economic migrant." (Interview with GC)

When the Hotel and restaurant workers union did a follow-up in 2011, they found alarming conditions for migrant workers in hotels and restaurants (HRF 2012). Nearly all workplaces they visited in the Stockholm region that employed staff from outside the EU paid too low salary and in over half the cases the employment contracts were incorrect or missing. Most do not have any professional skills in their area of work. They rarely know any Swedish or English and do not know how the welfare system works or who to ask for advice or what their rights are. If they claim their rights, they may be fired and must then leave the country within three months - unless they get a new job. Many have returned to their home countries poor and indebted. Other unions have similar experiences. When The Swedish Confederation for Professional Employees (TCO) made a follow-up of their member unions in November 2011, the general picture was that the number of cases of suspected abuse and sham contracts had increased and seemed to have become a business concept for some employers and intermediaries such as law firms (TCO 2012).

In the current system it is easy for employers to exploit migrant workers. There is hardly any control on the compliance of the conditions of the work permit. Breaking the rules by not paying the salary, not providing insurance or other work conditions specified in the work offer is both simple and relatively risk free for the employers. The Migration Board may not make inspections unless they receive a signal from the union or anyone else who can testify that there are irregularities. Bad conditions are hard to reveal since the migrant workers are dependent on the employer to be able to remain in Sweden, and are unlikely to report mistreatment (TUCW). This imbalance of risk and lack of controls has created conditions for an increase of illegal employment and irregular migration. The work permit is connected to a work place and if migrant workers lose their job they have three months to find another job, which might be

difficult since many of them do not speak Swedish nor have any knowledge of the Swedish system. Employers take advantage of people's fear of being sent home early and the fear is increased by the fact that many of the labour migrants have borrowed money and are deeply in debt when arriving to Sweden (HRF). According to the construction workers union, the explanation for the irregularities is simple (SCF). It's easy to get a work permit, but it is difficult to check if the conditions are met.

The Government and the Migration Board seem to be aware of the weaknesses in the labour migration system, and as a result some new rules and procedures have been introduced. During 2011, the Migration Board launched a project to combat trafficking of persons in the labour market and reduce sham contracts and abuse. In a report to the government the Migration Board describe how they work to counter sham employment (Migration Board, 2011). If an employer offers a number of people employments at the same time they request that the company reports its financial ability to pay wages to the employees. They also tries to prevent hijacked identities – that an employer doesn't exist – by systematically check all companies against available public records. When a company is not yet active or is newly established they grant shorter permits which makes it easier to find inactive companies whose purpose is not to offer jobs. In November 2011, Migration Board decided to introduce even more controls that make it harder for companies to exploit people (Migration Board 2012).¹¹ From January 16, 2012 more thorough checks will be done for companies in sectors of the labour market where exploitation is over-represented; like cleaning, hotels and restaurants, service, construction, staffing, retail, agriculture, forestry, car repairs and all start-up businesses. Companies in those sectors must now show that salary is guaranteed for the employee in connection with the applications for work permits. The Migration Board also requires that the employee, in connection with the application for an extension of the work permit, report specifications of salaries and control data from the Tax Agency. In cases where workers are employed by a non EU foreign company, the company must have a branch office registered in Sweden. Furthermore, companies shall show that the employee has been informed of the conditions of the employment. In these sectors, dominated by small businesses, the new rules have increased the bureaucracy involved but also seem to have had some effect

¹¹ <http://www.migrationsverket.se/info/5124.html>

and removed the worst cases of abuse (GC). Similar procedures have also been introduced in the berry picking industry. There have been cases of Thai berry pickers that can almost be described as forced labour (Woolfson et.al. 2012). Enhanced requirements relating to the issuing of permits seem, though, to have led to fruitful results for non-EU berry pickers.

Although the Migration Board has gradually tightened its controls to prevent abuse of the rules, the government has not introduced any legislative changes to allow for systematic controls of working conditions or sanctions against employers who break the rules. Unions have demanded that the employment offer provided to the Migration Board becomes binding and that sanctions against employers that abuse the system is introduced but the government wants to leave it up to the employer and employee to negotiate the employment terms (HRF). Also OECD (2011) suggests more follow-ups on the wages and conditions which, according to them, constitute a weakness in the Swedish system.

Concluding discussion

In the concluding part I want to return to the principal aim of the paper which is to expand the knowledge on how labour migration systems affect patterns of migration. Firstly, what is the policy outcome of the new Swedish demand driven labour migration system? Secondly, how can the policy outcome be explained?

The Swedish labour migration policy is demand driven where the employer, not state agencies, determines the need for labour. There are no restrictions in regards to occupational categories or sectors and there are no quantitative restrictions in form of quotas. The main condition is that the level of pay is in line with applicable collective agreements and general insurance conditions. The policy has resulted in an outcome of between 13 600 and 16 500 labour migrants from 2009 to 2012. This is an increase compared to the period before the reform. The labour migrants can roughly be divided into three major categories: those moving to skilled jobs, low skilled jobs and seasonal workers. Many of the migrants work in occupations with need for labour. This especially applies to computing professionals, engineers and technicians but also

seasonal workers in the berry picking industry. At the same time, many migrants come to work in low-skilled jobs in the private service sector where there is a large surplus of available workers.

There are many advantages in a demand driven labour migration system such as the Swedish, but also some shortcomings. The most obvious advantage is its simplicity. The system is the same for all forms of labour migration and for all sectors and occupations. The waiting times are, despite some complains from employers and employees, short in an international perspective. The system also provides great flexibility for employers. Companies can quickly respond to all forms of labour demand, especially larger companies who are certified and given priority by the Migration Board.

It is obvious that the labour migration policy has had some unintended effects. The system, which is supposed to be demand driven, actually allows for a substantial labour migration to sectors and occupations that have a large surplus of native workers. Labour migration to those sectors and occupations often involves problems with sham contracts and exploitation of migrant workers. The increase of irregular employment is in the Swedish case not caused by an inflexible or complicated labour migration system. It is rather the opposite. Employers in sectors without any obvious need to look for workers outside of Sweden and the EU are in many cases abusing the liberal rules to hire third country nationals for lower wages and worse working conditions than what is legal in Sweden.

I want to highlight two main explanations for the outcome of the new policy. First I want to stress the importance of networks to understand the migration flows. All the three major flows of labour migrants – high-skilled IT-professionals and engineers, low-skilled migrants in service jobs such as retail, cleaning and restaurants 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 very generous. The recruitment process is a cost for the employer and the matching is about the exchange of information between the prospective employee and the employer. Large multinational companies and employers with roots in third countries have an

informational advantage in the recruitment of labour from outside the EU (Employment Service, 2012c). It is not easy for a small or medium sized Swedish employer to assess the skills of a person in another country who may speak a different language. For smaller companies, the personal characteristics are important and it can be difficult to judge unless you already know the person (MB). These problems can explain the fact that few of the employers that are experiencing labour shortages choose to recruit abroad (PES 1). 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 virtually impossible to recruit personnel to shortage occupations, such as doctors and nurses, which require training and supplementary education in order to work in Sweden.

Secondly, the policy outcome shows that we need to analyse and explain the three main inflows of labour migrants separately as they are a result of different driving forces. As Massey et al (1993) puts it: Sorting out which of the explanations migration theory provides that are useful is an empirical and not only a logical task. 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. 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 berry pickers, is probably best understood within a dual labour market framework where the domestic labour force is unwilling to work considering the wage levels and working conditions.

The goal of the government was to introduce a demand driven labour migration system in order to ease labour shortages in specific occupations and sectors of the Swedish labour market. The result is an increase of labour migration, but it is to a large part explained by immigration to sectors with a surplus of workers. The unintended effects of the policy are in line with what is expected of a demand driven migration system. Employer manipulation and exploitation are common and concentrated to those sectors and occupations without an obvious demand for workers from third countries. The conclusion is that the goal of the new labour migration system in Sweden has not been met. Many sectors with labour shortages has seen very limited labour migration

and the migration flows are to a large part driven by other forces than the demand for workers in the labour market.

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