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I am grateful for comments from Matthew Kriteman, former Chief Operating Officer at the Diversify Foundation and initiator of a survey collecting testimonies from victims of ‘competence deportation’ that was carried out together with the Work Permit Holders Association in 2018. I am also grateful for input received at an online workshop with the Economic Council of the Labour Movement (Arbetarrörelsens ekonomiska råd) on 28 April 2020, to which I was invited to make a presentation along with Henrik Emilsson and Torbjörn Hållö. Warmest thanks to Hedwig Giusto at FEPS, who encouraged me to turn a short piece I had submitted for another publication into a report of its own. Her patience and kind support were essential in making it happen.
The Covid-19 crisis highlights just how dependent the EU is on labour immigration. Not just immigration of the ‘global talent’ that we need to staff our Covid-19 intensive care units, or of the researchers we need to recruit from all continents to our universities and laboratories in the hope they will end the pandemic with a vaccine – but also of the equally indispensable migrant agricultural workers, who literally put the food on our table.

In 2008, Sweden undertook a thorough reform of its labour immigration system. By abolishing quotas as well as limitations in terms of qualifications or skills, Sweden aimed to create a one-size-fits-all system for all kinds of labour immigration – for seasonal workers as well as for long-term labour immigration, and for low-skilled workers as well as for highly qualified experts. The idea was to create an employer-driven system that would be able to respond flexibly to ever-changing needs on the labour market, while protecting the rights of migrant workers.

A decade on, there are some important lessons to be drawn.

Attempts to create a one-size-fits-all system have led to longer waiting times and more bureaucracy for highly qualified workers, while the number of low-skilled labour migrants has increased, in particular in professions and branches of the economy where Sweden has a surplus of labour, such as simple jobs in the hotel and restaurant sector, janitors and home care providers.

Because labour immigration to Sweden is supposed to be entirely employer-driven, employers can no longer count on state support to identify, recruit and relocate attractive labour to Sweden. More importantly, since controls on working conditions have proven both inefficient and insufficient in this employer-driven system, abuse of labour immigrants has increased, not least since the number of labour immigrants has grown in sectors with a labour surplus, where workers are most vulnerable to abuse.

Recently, a study based on longitudinal register data found that the 2008 reform substantially increased the number of labour migrants from non-EU countries, but also that “[p]ost-reform labour migrant cohorts have on average [a] lower level of human capital, and the lower level of human capital translates into worse labour market outcomes. One year after migration, post-reform cohorts have a higher skills-mismatch and about 30 percent lower income.”

In September 1947, the Italian potter Guido Corrias signed a contract with the Swedish State Labour Market Commission, Svenska statens arbetsmarknadskommission. The contract was his ticket to employment at the Gustavberg Potter Factory outside Stockholm. The three-page contract guaranteed him free travel to Sweden, a winter coat, housing “of the same kind and with the same conditions as the local workers”, and the right to send money home to Italy. At the same time, the contract obliged Guido Corrias to join the Swedish trade union even before leaving Italy, “he will thereby have the same duties and rights as the statutes of the trade union grant to all its members”.

The situation of Guido Corrias stands in stark contrast to the conditions in which today’s labour immigrants arrive in Sweden.

In December 2008, Sweden introduced what the OECD termed “the most liberal labour immigration legislation among the OECD countries”. The new legislation opened up employer-driven labour immigration from all countries outside the EU/EEA. Instead of a contract with a Swedish authority, such as the one Guido Corrias signed with the Swedish State Labour Market Commission back in 1947, today’s labour immigrants sign up with an individual employer, who can recruit abroad without restrictions either in terms of numbers or the skills levels required.


The new legislation did not “open up” a formerly closed country, as some proponents of the reform tend to claim (Sweden also received labour immigration before 2008), but it was clearly a break with Sweden’s tradition of labour immigration regulation.

The immigration of Guido Corrias in 1947, and other labour migrants from Italy, Yugoslavia and later Turkey, was part of a series of bilateral labour migration agreements that Sweden signed in the 1940s and 50s. During these two decades, Sweden’s economic boom, which was largely based on manufacturing, attracted over 200,000 foreign workers. Labour immigration was regulated in detailed contracts designed by the Swedish government, the counterpart states involved, and each individual worker. Due to a high demand for foreign labour, labour immigration was “generally speaking free from 1955 to 1967”, but it was not until the mid 1960s that ‘spontaneous’ labour immigration became common, and bilateral agreements were replaced by labour immigration on a case-by-case basis. Beginning in 1968, and for the following 40 years, labour immigration was demand-driven, and work permits were issued to foreign workers based on a strict labour market needs assessment. Labour market needs assessment was carried out by a state authority. Trade unions and employer organisations were consulted, but – contrary to what is sometimes claimed – they did not have a veto.

Enter the 2008 migration reform. Specifically, this reform abolished the labour market needs assessment, and reduced the role of trade unions even further in the process of labour migration from outside the European Union. The idea behind the reform was to create a more flexible, demand-driven, labour migration system for Swedish employers to recruit skills and competences from abroad. The new reform promised to protect both labour migrant rights and Swedish labour standards at the same time, with a set of minimum regulations to be met which were in alignment with the relevant collective bargaining agreement of each profession and industry.

Is it possible to satisfy employer demand for foreign skills, and to protect labour migrant rights and national labour standards at the same time? The Swedish experience provides some lessons.

This paper starts with a description of the current Swedish legislation, and discusses some of its pros and cons. It closes with some reflections on lessons learned.

4 Emilsson and Irastorza, op. cit.
AN EMPLOYER-DRIVEN SYSTEM

As mentioned above, the Swedish legislation on labour immigration is entirely employer-driven.\(^5\) “The point of departure is that the individual employer best knows the recruitment needs of his or her business. When processing cases involving residence and work permits, decisions are based on employers’ own assessment of their needs.”\(^6\) In order to comply with EU legislation, employers must advertise the job on the European Job Mobility Portal (Eures), or on the website of the Swedish employment authority, Arbetsformedlingen, for at least ten days. However, they are not required to recruit candidates from other EU countries per se.

This makes Sweden an exception: other countries either have a supply-driven system, based on the qualifications of the individual applicant for a work permit, (such as Canada’s point system) or a demand-driven system, with yearly quotas based on labour market assessment, or – which is increasingly common – a hybrid of both.\(^8\)

In contrast to current legislation at the EU level, which only facilitates the entry of immigrants for highly qualified employment (through its Blue Card scheme), Sweden’s labour immigration legislation extends to all kinds of employment, including low-skilled. No requirements are made concerning the skills or educational level of the labour immigrant. There are no set quotas, and no selection criteria: third country nationals can immigrate to take up jobs as dishwashers as well as highly qualified engineers.

Instead, it is the nature of the job offer that is decisive. Two main requirements need to be met. Firstly, the labour immigrant must be able to support him or herself with the proposed salary. (Part-time employment can be a basis for labour immigration, as long as the total monthly salary is large enough.) Secondly, the employment conditions must correspond to the conditions set in collective bargaining agreements in the relevant branch of the economy. This includes the level of pay, working conditions (such as working hours) and the provision of insurance.\(^9\)

Nuclear family members have the right to accompany work permit holders, and work permits can also be issued to accompanying family members.\(^10\)

The permits are temporary (for the duration of the employment or a maximum of two years).\(^11\) During the first two years, the permit is tied to one employer. If the permit is renewed, it is tied to the same profession for another two years. In order to change employer (or, after two years, to change profession), the labour migrant has to apply for a new work permit. Any changes in working conditions have to be communicated to the Migration Authority.

Work permits can be renewed and/or changed several times up to a total duration of four years, and after a total of four years within a period of seven years, a permanent residence permit can be granted. However, most labour migration is temporary. Only approximately a third of the more recent labour migrants have obtained a permanent residence permit: in 2017 and 2018, 6,014 individuals on work permits were granted a permanent residence permit. This is roughly a third of the number of people who were given a work permit four years earlier.\(^12\)

Should the labour migrant become unemployed while having a valid work permit, he or she is given the oppor-

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5 Only in exceptional cases can work permits be granted to people who are already in Sweden. The legislation provides for the possibility of applying for a three-month jobseeker visa, but few make use of this opportunity. Under point 21 of the so-called January Agreement, which is the current government agreement between the two governing parties (the Social Democrats and the Greens) and their allies in parliament (the Liberals and the Centre Party), a special visa for highly qualified people wanting to seek employment or start a business in Sweden is to be introduced. Social Democrats, the Center Party, the Liberals and the Green Party (2019), Sakopolitisk överenskommelse mellan Socialdemokraterna, Centerpartiet, Liberalet och Miljöpartiet de gröna [Policy Agreement between the Social Democrats, the Center Party, the Liberals and the Green Party] (https://www.socialedemokraterna.se/download/1Bf5f5c-7871f62-3b6cdd75a4c1573213453963/Januarnavetolet.pdf).


8 Emilsson and Istrazoa, op. cit.

9 While around 70 % of all Swedish employees are members of a trade union, over 90 % are covered by a collective bargaining agreement, since employers who have signed a collective bargaining agreement have to apply its conditions to all employees, regardless of whether they are a member of a trade union or not.

10 Since 2016, labour migrants who seek permanent residence permits for themselves and their relatives have to be able to prove that they can provide for their family members and have access to housing of a certain size and standard.

11 Under the previous legislation, permanent residence permits could be issued to individuals whose skills were thought to match long-term labour market needs. Other labour migrants, including seasonal migrants, were issued only with temporary permits, with no clear path to permanent residence. Emilsson and Istrazoa, op. cit.

tunity to find a new job that qualifies for a work permit during a three-month transition period.

As mentioned above, the work and residence permit must normally be obtained before entering Sweden, but the possibilities to obtain a visa to attend a job interview have been extended under the new legislation.

For over a decade, labour migration to Sweden has therefore been restricted through one mechanism only: the nature of the job offer. In order to be acceptable as a basis for a work permit, the job offer must, as described above, comply with Swedish labour standards, and secure the labour migrant a sufficient income. In concrete terms, this translates into two requirements. Firstly, the job offer must include a salary and other conditions that correspond to the level in the prevailing collective bargaining agreement of the respective branch of the labour market. Secondly, the monthly income offered must reach above 13,000 SEK or around 1,300 EUR per month. This corresponds to the approximate limit for receiving social assistance. In other words, the job offer can be a part-time job, but the employee must be able to earn a living in Sweden.

The collective bargaining agreements negotiated between trade unions and employer organisations are central to the current system. As in the other Nordic countries, the Swedish labour market is primarily governed through negotiations between labour market partners – with little or no interference from politicians. There is, for instance, no legislated minimum wage. Instead, wages and conditions are set in collective bargaining agreements, and these conditions decide the criteria for each work permit: a work permit can only be issued for employment whose wage level, working hours and insurance, for example, are at least as good as those set in the collective bargaining agreement for the relevant branch of the economy. An IT technician can only have a work permit if he or she is offered a job whose conditions are at least as good as the conditions of other IT engineers in Sweden. Similarly, janitors are compared to janitors and dishwashers to dishwashers. Regardless of profession (with the exception of athletes, artists and several other niche categories) dishwashers and IT specialists are on the same visa-type.

Despite the fact that most labour immigration is temporary, it is not a guest-worker system, but a system with built-in avenues to permanence and — eventually — citizenship. This, again, is regardless of the skills level of the labour migrant. The road to citizenship is theoretically just as equal an opportunity for a dishwasher as for an IT specialist. This aspect of the 2008 reform is different from other EU countries, in that in other EU countries longer permits, and more rapid paths to permanent residence and/or citizenship, are normally granted only to highly skilled workers, often via a talent visa. This is a general feature of immigration policy among the OECD countries.13

In Sweden, the doors are open to labour migration. Indeed, as an OECD evaluation carried out in 2011 puts it, “given the absence of skill requirements, salary thresholds, and limits on the number of permits issued and the renewability of permits, Sweden appears to have the most open labour migration system among OECD countries”.

On paper, the Swedish system is bullet proof: it provides the flexibility to employers to recruit whom they want, regardless of formal skills or objective needs on the labour market, and it seems equally safe for labour migrants and domestic workers, since labour migrants are guaranteed wages and conditions that are in line with those agreed in Swedish collective bargaining agreements.


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INSUFFICIENT PROTECTION OF VULNERABLE LABOUR MIGRANTS

Just as the 1940s labour migrant Guido Corrias needed the protection of a winter coat and trade union membership, today’s labour migrants are also in need of protection. This is particularly true for labour migrants who take up jobs in sectors where there is a labour surplus. These migrants face fierce competition over job opportunities, and seldom have alternative employers. There are decisive differences in bargaining power between workers in these sectors, and labour migrants who can compete with unique and sought-after skills in highly qualified sectors.

The Swedish system, which is a one-size-fits-all for highly qualified experts, low-skilled workers and seasonal labourers alike, does not take this into consideration.

The consequences of this have been felt at both ends of the labour migration spectrum.

The protection of low-skilled workers, many of whom would not have been able to obtain a work permit under the previous labour market assessment scheme, has proven to be too weak. For example, one common form of abuse is requiring workers to sign away part of their salary. They are forced to work with double contracts: one formal contract that is not respected, and another informal contract that is used in practice.

This has been the case with Vietnamese nail studio employees who work at some of Sweden’s largest shopping centres. In 2019, Swedish public service TV uncovered that Vietnamese nail studio employees were forced to work ten hours a day, six days a week, without overtime compensation or holidays. Each month, they had to transfer several hundred euros back to their employer. “A clear case of human trafficking”, according to the Swedish tax authority. “Human beings used as trading goods”, in the words of Susanna Gideonsson, chair of the Commercial Workers Union. In another example, a home care provider procured on behalf of a Swedish municipality, was convicted of a similar operation with the Swedish police et al. (2019), “Uppdrag granskning avslöjar: Nagelskulptörer blir utan stor del av sin lön – tvingas betala tillbaka till arbetsgivaren” [Uppdrag granskning reveals: Nail sculptors are denied much of their salary – are forced to pay back to the employer]. In another example, one common form of abuse is requiring workers to sign away part of their salary. They are forced to work with double contracts: one formal contract that is not respected, and another informal contract that is used in practice.

Labour migrants’ needs for protection are often related to their status on the labour market. A low-skilled worker competing in a sector with a surplus of labour is much more exposed and vulnerable to abuse than a highly skilled professional with access to a global labour market.

But there are also other reasons why labour migrants are more vulnerable than domestic workers.

One is the information deficit from which newly arrived immigrants invariably suffer. As has been mentioned above, today’s labour migrants are not part of state-to-state labour immigration programmes. While the Swedish system for asylum provides an entire labour market introduction programme for newly arrived refugees, labour migrants are simply given a visa and left to fend for themselves. They migrate on their own and there is no state authority taking care of winter coats or housing. Instead, they are dependent upon the good faith of their Swedish employers. Both of these employers had a collective agreement with a union.

A national inquiry into organised crime published by 12 Swedish public authorities in October 2019 explored similar abuse of labour migrants in more detail. The national inquiry confirmed a variety of types of exploitation of both foreign workers and welfare provisions: “Trading work permits is considered to be a source of income for organised crime, and work permits are also used for welfare crime and fraud offences as well as labour exploitation”.15

Labour-related crime feeds “mafia-like crime with extensive international networks”, and threatens to “knock out more and more Swedish enterprises who try to live by the book when it comes to wages, conditions, taxes and fees”, concludes the blue-collar trade union confederation Landsorganisationen (LO). A major problem, according to the LO, are secrecy regulations that restrict how state authorities, such as the Tax Authority and the Police, can exchange information with each other.

14 SVT (2019) “Uppdrag granskning avsköjer: Nagelskulptörer blir utan stor del av sin lön – tvingas betala tillbaka till arbetsgivaren” [Uppdrag granskning reveals: Nail sculptors are denied much of their salary – are forced to pay back to the employer].
employer for their income and visa, until they achieve permanent residency. Failure to comply with detailed rules and regulations results in potential deportation.

Another factor that contributes to increasing the vulnerability of labour migrants to exploitation is that the job offer is not legally binding. Prior to issuing a work permit, the Swedish Migration Board certifies that the job offer complies with the rules for announcement, the baseline regulations from the 2008 reform, and that the job offer is the same or better than jobs offered under the relevant collective bargaining agreement. The job offer is submitted to the relevant trade union, which can choose to comment on the offer. However, unions that do not have a collective agreement with the employer providing the offer often only submit a document that says: "We have reviewed this offer, but do not have a collective agreement with X employer, and thus have no comment". This is sufficient for the Migration Board. It is important to note that the job offer which is the basis for the work permit is not the same as an employment contract. This means that the terms of employment can legally change after a migrant receives a work permit and arrives in Sweden.

Sweden has around 700 individual collective bargaining agreements, and they are often complex. The often painfully negotiated agreements between employer organisations and trade unions can be many hundred pages long. The agreements are different not only from branch to branch, but naturally stipulate different rights and conditions for many subsets of workers (based on age, experience, skills, etc) within each branch. Consequently, it is difficult both for an individual employer and even more so for an individual labourer to know whether the conditions of his or her employment meet all the criteria for a work permit.

This complexity has turned out to be a major problem for labour migrants, particularly when their employer has not signed a collective bargaining agreement. It is, in short, difficult to know exactly what conditions are actually stipulated by the collective bargaining agreement. Employees of different ages might have different working hours, for instance, and one-week longer holidays for people over 50 are common in many agreements, but are not included in all. The types of insurance tied to the agreement vary greatly, too, and might change from year to year. Often, labour migrants find out that their employment conditions do not comply with labour immigration law only when the permit expires and needs to be renewed. At that point, it is too late. The consequence for the employer is a loss of a labourer. The consequence for the individual labour migrant is much more severe: if their work permit conditions have not been met with a previous employer, their permit can be recalled, an extension is denied, and they are deported.

A fourth factor that contributes to increasing the vulnerability of labour immigrants is that many have multiple reasons for coming to Sweden. I have proposed elsewhere that there are ‘protection-seeking labour migrants’ who are particularly vulnerable to abuse and exploitation. Protection-seeking labour migrants are individuals and families who enter Sweden as labour migrants, but who are, in fact, primarily looking for protection.

A comparison of both asylum seekers and labour migrants to Sweden between 2009 and 2014 shows that 7 of the 15 most common countries of origin for those who applied for a work permit in Sweden were also among the 15 most common countries of origin for those who applied for asylum in Sweden. The 15 most frequently registered countries of origin for labour migrants to Sweden between 2009 and 2014 were India, China, Turkey, Syria, Iraq, the United States, Iran, Russia, Thailand, Mongolia, Egypt, Ukraine, Canada, Serbia and Australia. Four of these 15 countries of origin simultaneously belong to the 15 most frequently registered countries of origin for asylum immigrants to Sweden during the same time: Syria, Iraq, Iran and Russia. Protection-seeking labour immigrants are primarily low-skilled workers who take up jobs in sectors with a labour surplus.

Following an unprecedentedly large inflow of asylum seekers in 2015, Sweden severely restricted the right to family reunification for refugees and others in need of protection. From 2015, people eligible for subsidiary protection were no longer granted the right to family

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reunification at all, and those with a refugee status declaration had to prove they had sufficient means to provide for their family, including housing, in order for their family members to be eligible for a residence permit. These restrictions were not placed on labour immigrants, which worked as an incentive for protection-seeking migrants from countries like Syria and Iraq to apply for a work permit instead of asylum. A work permit thus provided a legal migration channel for families, when other channels closed. Furthermore, permits issued to family members form a large share of the residence permits issued for labour immigration.20

The work permits that are issued roughly pertain to three different categories: 1) highly skilled professionals, such as engineers and IT technicians, 2) seasonal workers, primarily berry-pickers, and 3) low-skilled workers. Since 2008, the six most frequent countries of origin have been Thailand, India, China, Turkey, the Ukraine, and the USA. Thailand and India have been the origin of around half of all labour migrants to Sweden over this time, whereas China and India dominate as countries of origin for highly skilled migrants. Thailand is the most common country of origin for seasonal workers (ie, berry-pickers). For low-skilled workers, the countries of origin largely correspond to those of asylum seekers. This means that there is a category of labour migrants with several overlapping grounds for vulnerability. The current one-size-fits-all system does not offer this group sufficient protection.

Since the 2008 reform’s liberalisation of all labour migration, a number of reports have been published outlining the abuse of low-skilled workers in particular.\textsuperscript{21}

But the consequences of a system based on relatively complex collective bargaining agreements, and with insufficient protection against abusive (or simply sloppy) employers, have also been felt by highly qualified labour immigrants.

When authorities tried to improve the protection of vulnerable low-skilled labour migrants, the controls initially increased waiting times. In fact, waiting times for a work permit grew from a couple of weeks before the reform in 2008, to several months. In 2013, the waiting time for both a first-time permit and a renewal was seven months.\textsuperscript{22} Consequently, the “flexibility” promised by the reform was largely lost as a result of over-liberalisation. Instead, employers in need of recruiting skills and competences from abroad were faced with much more cumbersome and time-consuming application processes than before 2008.

A more severe consequence has been the so-called ‘competence deportation’ (kompetensutvisning), an official addition to the Swedish lexicon in 2017, thanks to the inspiring self-organisation of highly skilled labour migrants threatened by deportation. Kompetensutvisning denotes “the deportation of someone with a skill that is sought on the Swedish labour market”.\textsuperscript{23} The expulsion of these migrants is a direct consequence of the new system.

Under the previous system, such labour migrants were typically granted a permanent residence permit upon arrival. The current system only allows for temporary permits, and in order to prevent abuse of the rules, strict controls apply when the permit is to be renewed. Furthermore, since the system is employer-driven, it is the responsibility of the employer to make sure that the labour migrant has correct working hours, the corresponding number of holidays, the exact pay, and – what has proven most difficult – the necessary types of insurance (insurance covering pension, sick leave, work-related accidents and illnesses, etc).

The Diversify Foundation together with the Work Permit Holders Association has collected and published a survey with over 571 labour immigrants threatened by deportation because of non-compliance with the conditions for a renewed work permit.

This was the case with Ali Omumi, a technical salesman from Tehran employed by the multinational company ABB in Västerås. In 2017 Omumi was ordered to leave Sweden due to administrative errors made by a former employer.\textsuperscript{24} The previous employer had neglected to make sure that Omumi had all the necessary types of insurance. Omumi discovered this when he changed employer and went to the Migration Board to apply for a renewal of his work permit, specifically with the types of insurance required for non-EU workers, which employers without a collective agreement must procure separately. To be precise, his previous employer had ordered the various types of insurance, but the insurance company had not provided them. The Migration Board allowed for one of the types of insurance (pension) to be paid retrospectively, but Omumi’s health insurance was not. Ali Omumi tells Forbes magazine:\textsuperscript{25} “Such a thing doesn’t exist, that I pay now in case maybe two years ago I become ill”.

After significant media coverage of a computer programmer from Spotify who was deported for a similar mistake,


\textsuperscript{22}Joyce, op. cit.


\textsuperscript{24}The Local (2018), “Don’t be afraid of foreign workers. We are a key part of Sweden’s future”, 17 July (https://www.thelocal.se/20180717/dont-be-afraid-of-foreign-workers-we-are-a-key-part-of-swedens-future).

two Supreme Court Rulings passed in December 2017 were designed to allow for an “overall assessment” of each individual case, as well as for the ability for “unintentional” mistakes to be corrected. Nevertheless, in March 2018 the Swedish Migration Board rejected his application for visa renewal, and he was given four weeks to leave the country. The decision was appealed, but ultimately upheld in the Migration Court, and then in the Migration Supreme Court.

The fact that Ali Omumi’s employer, ABB, desperately wanted him to stay did not make a difference. Omumi was forced to leave the country, and was denied re-entry for nearly two years – specifically because of informal practices denying those who have been deported re-entry to Sweden until after a six-month ‘cooling down period.’ This practice is largely suspected to stop the re-entry of vulnerable or exploited labour migrants, but it has no legal backing. Ali Omumi, represented by Centrum för Rättvisa (Centre for Justice), overturned this ruling in the Court, and he was allowed to return.

Cases like Ali Omumi’s highlight the fact that in the current Swedish labour migration system, trade unions are consulted, but employers are in charge, and foreign labour pays the price.

Unfortunately, the Diversify Foundation’s investigation has for long been the only systematic outreach to non-EU workers. Diversify has repeatedly asked for a more formal investigation directly into this group of competent migrants faced with deportation in order to further understand their challenges, and to begin designing innovative approaches to inform potential vulnerable groups of their rights and responsibilities on the Swedish labour market. So far, the unions have not realised the potential to organise this group of migrants.

26 New regulations and changes to the legislation have had an effect on the rate of approval of applications for work permit renewals. The share of negative decisions decreased from 17% in 2017 to 6% in 2018 (Joyce, op. cit. p. 30). The rate of approval of first-time applications has remained the same: in 2018, 14% of applications were turned down, compared to 16% in 2017.
Before a work permit can be issued, the Swedish Migration Board submits the job offer to the relevant trade union. The trade union is asked to verify that the stated wages and working conditions are consistent with the prevailing collective bargaining agreement or industry standard. The Swedish Migration Board is instructed to take trade union concerns into account when deciding on an application for a work permit, but the unions have no right of veto.

What is more, since the job offer is not legally binding, the employer can change the terms and conditions of employment after the labour migrant has arrived in Sweden. If these changes mean that the job offer no longer complies with the required industry standard, or if the total monthly salary ends up being less than the self-sufficiency threshold, the work permit can be withdrawn, and the foreign worker deported.

Because collective bargaining agreements are complex it is difficult for all parties concerned to know whether new conditions are, in fact, sufficient. This is particularly the case for employers who have not signed a collective bargaining agreement. For a Swedish employer who has recruited a worker from outside the EU, it is obviously costly to lose the recruited labour migrant. However, the highest price is paid by the labour immigrant, who is faced with deportation.

This is an important concern for the trade unions that organise many labour migrants. Due to the fact that foreign workers face deportation regardless of union membership or collective agreements, leaders from both the Handels and Kommunal trade unions have called in particular for increased protection for low-skilled, non-EU, labour migrants at risk. The demand from the unions has been that sanctions should target employers, instead of punishing employees. As the Stockholm presidents of the union of municipal workers Kommunal, which also organises agricultural labourers, managed to sign a collective bargaining agreement with the major employers in the berry picking industry, despite the fact that the pickers were not initially members of a trade union, and despite the fact that their employers were mostly based in Thailand.

Arguably, a low-skilled protection-seeking labour migrant is much more vulnerable to abuse than a highly skilled expert from a multinational company who is posted to the company’s Swedish branch for a few weeks.

Following a critical report from The Swedish National Audit Office, stricter controls have also been introduced in the cleaning, hotel and restaurant industries. In these industries, companies must be able to guarantee the payment of salaries for three months ahead, and be able to show that wages and taxes have been paid correctly for former labour migrants.

TRADE UNIONS ARE CONSULTED, BUT EMPLOYERS ARE IN CHARGE

One-size-fits-all is all but formally abandoned

A number of changes have been made to the labour immigration legislation since its introduction in 2008. As early as 2011, the government commissioned the Migration Board to counteract abuse of the new rules for labour immigration. Special control procedures were introduced for the berry picking industry – for example, in order for berry-pickers to be granted a work permit, their employer must be able to guarantee wages for at least three months and also have a permanent office in Sweden. Thanks to an unprecedented organisation effort, the trade union of municipal workers Kommunal, which also organises agricultural labourers, managed to sign a collective bargaining agreement with the major employers in the berry picking industry, despite the fact that the pickers were not initially members of a trade union, and despite the fact that their employers were mostly based in Thailand.

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It has been a challenge for the authority in charge, the Swedish Migration Board, to design the right measure of controls. The initial solution was to create a two-track system, without changing the overriding legislation. Some branches of the economy were categorised by the Migration Board as branches in need of particular control. In 2011, specific rules were set up for the immigration of berry-pickers, and in 2012 rules were put in place for companies with fewer than 50 employees in branches

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like cleaning, and in the hotel and restaurant business, as well as for newly funded companies – all branches that employ low-skilled workers and where a surplus of workers puts downward pressure on wages and conditions. Alongside this, the Migration Board developed a programme for qualified employers who regularly recruit from abroad (defined as at least 10 applications for work permits during the past 18 months) to become certified and thereby benefit from speedier processes. A change to the legislation itself was made in 2014, to allow for more efficient controls of working conditions by the Migration Board.

In 2018, the median time for the administration of a work permit to an employer in a branch categorised as in need of particular control was three times as long as for a certified employer. The time needed for the renewal of a work permit was also three times as long.

Today, formally, Sweden still has a one-size-fits-all system. In practice, however, it can be described as a system with different tracks for different kinds of labour migration.

32 Joyce, op. cit., p. 50.
As has been described above, although specific programmes for some professions exist, Sweden generally still has a one-size-fits-all system for labour migration: immigration of high- as well as low-skilled labour, and of seasonal as well as short-term and permanent workers. No labour market needs assessments are carried out by Swedish authorities. Instead, it is left entirely up to the individual employers to define their needs to recruit abroad.

After the introduction of the new legislation in 2008, labour immigration did not increase as much as expected. However, there was a substantial increase of labour immigration for some professions with low qualification requirements, such as cleaning, restaurant service and other low-skilled service jobs.

A re-introduction of labour market needs assessment would affect a small share of the total labour immigration. According to one recent estimation, labour market assessment would only affect around 10% of the work permits issued. In 2018, 59% were issued to labour migrants with skills that are in high demand, and an additional 26% were issued to people with skills for which there is a shortage. Meanwhile, 3% of the work permits were issued to people in professions where there was a balance between demand and supply of workers on the Swedish labour market, and only 7% were issued to labour migrants in professions where there is currently a labour surplus.33

Over the years, the blue-collar trade union confederation LO has argued for a reintroduction of labour market needs assessment. As early as 2013, four years after the introduction of the reformed legislation, LO evaluated the reform, and concluded: “For 40 years, between 1968 and 2008, a labour market needs assessment was the basis of the Swedish labour immigration system. For just over four years it has not been. In our opinion, it is not a coincidence that over the past four years there have been more and more reports of labour exploitation, cheating and fraud. We believe that this increase can almost entirely be explained by the abolishment of labour market needs assessment”.34 It is important to note that LO does not want a role for the trade unions in the assessment. Instead, the proposal is to use the Occupational Barometer shortage indicator already provided by the Swedish Public Employment Agency (Arbetsförmedlingen).

In 2018, the Social Democrats followed suit and stated they would favour a reintroduction of labour market needs assessment. The assessment of whether there is a need to recruit abroad should be made by a state authority (and not, as now, by individual employers). Recently, the head of the social democratic think tank Tiden35 made a number of proposals to restrict labour immigration in a report with the controversial title “Swedes First”, a slogan often used by the Swedish far right.36 All together, the proposals to tighten controls and introduce stricter criteria for family reunification would lead to halving the number of non-EU labour migrants by 2022, according to the report.

It is unclear how much of this will become government policy, however, as the Social Democrats are currently in government with the Green Party and have co-operation with the Liberals and the Centre Party – arguably the three most liberal parties on labour immigration.

As a result of these four parties’ government agreement, a government inquiry was launched in February 2020 to make an in-depth assessment of potential abuse of legal migration channels, as well as to stop competence deportations.37 The government inquiry should also suggest a framework for a new ‘talent visa’ as well as different public-sector initiatives for a ‘one-stop-shop’ way of assisting skilled labour migrants find work in Sweden and navigate the Swedish labour market. The inquiry is set to conclude in November 2020. In response to the launch of the government inquiry, the Left Party joined the conservative Moderate Party and the Christian Democrats in an uneasy coalition, asking for the government inquiry to look into ways of introducing stricter controls on abusive employers.38

33 Joyce, op. cit., p. 43.
34 LO (2013), op. cit. p. 50.
35 Farm, op. cit.
36 The full title is “Swedes First [New and Old]”, which does not do much to improve the title, in my opinion.
This paper describes some of the proposals that have been made to reform the current Swedish labour immigration system. Foremost of these proposals is the re-introduction of a system for labour market needs assessment. It is not easy to design such an assessment. It is often difficult to tell whether employers are truly in need of recruiting a particular skill or competence abroad, or if they are in fact looking for a possibility to recruit more cheaply.

It is also difficult to estimate the cost and benefits of trying to meet this need with domestic workers. Sometimes, the need can be met with investment in education and vocational training, not least by making sure that refugee immigrants, who are already in the country, have an opportunity to complete or update their skills.\footnote{39 The UK has had some interesting experience with its Migration Advisory Committee (MAC), an independent body of academics and experts tasked with advising the UK government on labour immigration policy. Ruhs (2011), op. cit.}

In addition to the re-introduction of labour market assessments, LO argues that measures have to be taken to decrease the risks that labour immigrants take when they move to Sweden. “Leaving their home country for work abroad may require the employee to sell their belongings and homes or become indebted to pay for the trip or leave a family at home. Social and economic costs as well as the risk of not regaining their invested (travel) capital and lost foothold in the home market mean a sacrifice on the part of the employee”, LO writes.\footnote{40 LO (2013), op. cit. p. 52.}

The contract that was offered to Guido Corrias in Italy in 1947 offered protection against such risks. It included his protection from cold winters with a coat and a heated house, and it provided for the costs of migration by offering to pay his entire travel costs. It also granted him a safe way of transferring his savings back to his family in Italy.

LO proposes to enhance risk-sharing by re-introducing long or permanent residence permits for all labour migrants who are offered long-term employment. LO also wants to delink the work permit from an individual employer and profession in order to make it easier for labour migrants to leave abusive employers. In addition, the trade union confederation asks for better controls of labour migrant employers and their seriousness.
Clearly, Sweden’s liberal legislation on labour immigration has not been able to satisfy Swedish employers’ demands for labour. In 2018, over 40% of companies experienced a shortage of labour, the highest number in 20 years. The levels of shortage were similar in 2019, and, according to the National Institute of Economic Research, “the high level of shortage is expected to continue to somewhat hamper employment growth in the economy, especially in the manufacturing industry.”

In 2008, the Migration Board estimated that they would approve over 37,000 work permits per year after the introduction of the new legislation. In fact, the number has been less than half. Since 2008, an average of 15,000 work permits have been issued to non-EU/EEA citizens annually.

There are several reasons why labour immigration has been significantly less than the architects behind the reform of 2008 imagined. Back in 2011, the OECD guessed it must have something to do with the Swedish trade unions: “Despite the very open nature of the new migration system, there has been no massive increase in inflows, whether overall or of lesser-skilled migrants. This may be a tentative sign that this very open regime may be workable in the Swedish context, but it is not certain that it is transferable elsewhere, in particular because of the role of the unions.”

The main reason why the number of labour migrants did not increase as expected after the introduction of the new legislation is probably that the liberal-conservative government underestimated how liberal and responsive to employers’ recruitment needs the previous system in fact was. Today, there is increased consensus that the 2008 reform was an over-liberalisation, particularly for low-skilled labour. The reform could indeed be considered a “slight revolution”.

Another important explanation as to why the number of labour immigrants remains relatively low, despite the fact that 40% of Swedish employers report labour shortages, is likely related to the challenges of modern recruitment, such as the high demand for specific IT competences. In theory, Swedish employers can recruit whomever they want. In practice, it is difficult for an employer to know where to look for the skill or the competence they would like to recruit. The system is, as described above, entirely employer-driven, and the state has largely withdrawn from efforts to support or direct labour immigration. Apart from the general information provided by the official site “Work in Sweden”, there is no specific state policy to support employers’ recruitment efforts, there are no enrolment offices abroad, and nor are there any international advertisement campaigns.

This is about to change. The current government coalition has agreed, for instance, that an official inquiry into a possible reform of the labour immigration legislation should

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42 National Institute of Economic Research, p. 11.
44 Joyce, op. cit., p. 31.
45 OECD, op. cit. p. 12.
also investigate the introduction of a new visa for highly qualified manpower (point 21 in the so-called January Agreement of January 2019).\footnote{Social Democrats, the Center Party, the Liberals and the Green Party (2019), Sakpolitisk överenskommelse mellan Socialdemokraterna, Centerpartiet, Liberalet and Miljöpartiet de gröna [Policy Agreement between the Social Democrats, the Center Party, the Liberals and the Green Party] (https://www.socialdemokraterna.se/download/18.19c270719c6e56cdd25a4c1573234f3358969/Januariavtalet.pdf).}

Even a decade ago, in 2010, the so-called Reflection Group on the Future of the EU 2030,\footnote{The Reflection Group on the Future of the EU 2030 reported their findings to the European Council in May 2010. The Reflection Group was chaired by former Spanish prime minister Felipe González, who has written extensively on immigration as a response to ageing and demographic decline in Europe.} led by former Spanish Prime Minister Felipe González, warned in its final report that the EU must tackle its demographic challenge because “[i]f urgent measures are not taken, our ageing societies will put unsustainable pressure on our pension, health and welfare systems, and undermine our economic competitiveness”.\footnote{González et al. (2010), Project Europe 2030 – Challenges and Opportunities: A Report to the European Council by the Reflection Group on the Future of the EU 2030, May, Luxembourg, Publications Office of the European Union, p. 5.} One of the priorities singled out by the reflection group was to develop “a more proactive immigration policy.”\footnote{Ibid.}

Obviously, immigration can only be part of the answer to demographic decline in Europe. Immigration from third countries needs to be combined with other measures. Indeed, the Reflection Group on the Future of the EU 2030 finds it just as urgent to expand labour market participation, by increasing the proportion of women in the workforce,\footnote{The Reflection Group calls for better leave arrangements and better opportunities for teleworking, childcare programmes, and school systems supporting working parents (González et al. 2010, p. 23).} and by increasing the statutory as well as the actual retirement age. In addition, internal mobility within the EU is encouraged.\footnote{González, op. cit. p. 24.}

The projected demographic decline will affect growth rates and state finances differently in different countries. Some European regions will suffer more from demographic change than others. Countries that still have a large share of the female working age population at home can compensate for demographic decline by providing more women with the possibility to work on the formal labour market. Other countries can make sure people stay longer on the labour market. Many European countries today have retirement schemes that make retirement in the mid 50s the rule rather than the exception,\footnote{The current average retirement age is 62 years for men and just over 60 years for women (González et al. 2010, p. 23).} and this needs to be changed.

Sweden already has the highest share of women in the labour force, and one of the highest actual ages of retirement. In the struggle to meet the challenges of demographic decline, one could argue that Sweden has used most of the tools in the toolbox already. The chances are, therefore, that Sweden will resort to increased immigration earlier than many other European countries.
CONCLUSION

On paper, the Swedish system for labour immigration is bullet proof: it is flexible to employers, who can to recruit whom they want, regardless of formal skills or general needs on the labour market, and it seems equally safe for both labour migrants and domestic workers, as labour migrants are guaranteed wages and conditions that are in line with those agreed in Swedish collective bargaining agreements for domestic workers.

But as this paper has attempted to show, what is bullet-proof on paper is in practice full of holes.

On the one hand, attempts to maintain high standards of working conditions and salaries against abusive or negligent employers have resulted in competence deportation (kompetensutvisning) for highly skilled labour migrants. On the other hand, at the other end of the skills ladder, exploitation and abuse of low-skilled labour migrants has increased, harming the ability for serious employers to attract and retain the talent they need.

In the view of many, a root cause of the problems experienced in Sweden is the fact that employers, without sufficient controls on their ability and/or willingness to pay decent wages and offer fair conditions, have been allowed to recruit low-skilled workers into sectors where there is a surplus of labour.

These low-skilled workers are much more vulnerable to abuse than labour migrants with high-level skills and unique competences. In addition to the vulnerability attached to low-skilled labour, many low-skilled migrants are also vulnerable to abuse because they are protection-seeking labour migrants. Protection-seeking labour migrants are afraid to return to the persecution or lack of safety from which they have fled, and their fear of returning to their countries of origin further increases their vulnerability.

Attempts to introduce stricter controls to counter abuse have led to more bureaucracy, longer waiting times, ‘competence deportation’, and less predictability for both employers and labour migrants.

A system that promised to be safe for labour migrants has in fact left them to fend for themselves, exposed to abusive employers. And a system that promised to protect domestic labour standards has turned out to be just as vulnerable to abuse as are the labour migrants themselves.

The need for European countries to enhance their possibilities to compete for highly skilled labour – ‘global talents’ – is as pressing as ever. The Covid-19 crisis has highlighted the fact that Europe is greatly dependent on low-skilled labour migration, as well.

When the UK government recently made an appeal to the UK’s domestic population to replace Eastern European fruit and vegetable pickers, around 50,000 people in the UK responded. But in the end, only 112 turned up, The New European reported.

So is Sweden better equipped than other European countries to recruit labour from third countries? And is Sweden better equipped than others to do so while protecting hard-fought labour standards? The answer is far from certain.

55 Eg: Emilsson and Irastorza, op. cit.
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