



## **CARIM INDIA – DEVELOPING A KNOWLEDGE BASE FOR POLICYMAKING ON INDIA-EU MIGRATION**

Co-financed by the European Union

### ***An overview of Highly-Skilled Labour Migration in Sweden with a Special Focus on Indian Nationals***

**Alina Ostling**

CARIM-India Research Report 2013/35



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**CARIM-India**  
**Developing a knowledge base for policymaking on India-EU migration**

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**An overview of Highly-Skilled Labour Migration in Sweden**  
**with a Special Focus on Indian Nationals**

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## **CARIM-India – Developing a knowledge base for policymaking on India-EU migration**

This project is co-financed by the European Union and carried out by the EUI in partnership with the Indian Council of Overseas Employment, (ICOE), the Indian Institute of Management Bangalore Association, (IIMB), and Maastricht University (Faculty of Law).

The proposed action is aimed at consolidating a constructive dialogue between the EU and India on migration covering all migration-related aspects. The objectives of the proposed action are aimed at:

- Assembling high-level Indian-EU expertise in major disciplines that deal with migration (demography, economics, law, sociology and politics) with a view to building up migration studies in India. This is an inherently international exercise in which experts will use standardised concepts and instruments that allow for aggregation and comparison. These experts will belong to all major disciplines that deal with migration, ranging from demography to law and from economics to sociology and political science.
- Providing the Government of India as well as the European Union, its Member States, the academia and civil society, with:
  1. Reliable, updated and comparative information on migration
  2. In-depth analyses on India-EU highly-skilled and circular migration, but also on low-skilled and irregular migration.
- Making research serve action by connecting experts with both policy-makers and the wider public through respectively policy-oriented research, training courses, and outreach programmes.

These three objectives will be pursued with a view to developing a knowledge base addressed to policy-makers and migration stakeholders in both the EU and India.

Results of the above activities are made available for public consultation through the website of the project: <http://www.india-eu-migration.eu/>

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*This paper aims at providing an overview of highly-skilled labour migration to Sweden, specifically focussing on Indian migrants. The paper provides an outline of the recent changes in migration policy, the current regulatory framework and statistics illustrating the migration inflows in recent years.*

## **1. Policy Framework**

Sweden had substantive inflows of labour immigration from the Second World War until the 1970s. In the 1970s, the nature of immigration to Sweden changed and mostly consisted of asylum seekers (Ministry of Justice 2009). Also in recent decades, migration to Sweden generally occurred outside of labour market channels. The main categories of permanent permits were refugees, family reunification and EU citizens (OECD, p. 46).

In 2008, the Government carried out one of the most significant reforms of Swedish immigration policy in several decades. On December 15<sup>th</sup> 2008 the Swedish parliament passed a new law on labour migration to Sweden from outside the EU/EES. The aim was to increase opportunities for labour immigration in order to meet both present and future challenges in the labour market, as well as to contribute to a more culturally diverse and open society (Ministry of Justice 2009, p. 1).

In contrast to many other countries, Swedish migration policy is not based on quotas or aimed exclusively at highly qualified labour. Quite the reverse, the main focus of the reform is on the employers' demand, not only for high-skilled but also low-skilled labour. The point of departure is that the individual employer best knows the recruitment needs of his/her business. (Ministry of Justice 2009). An employer who is not able to meet his/her labour needs through recruitment in Sweden, in other EU/EEA countries or Switzerland is able to recruit workers from a third country (Ministry of Justice 2009). The current labour migration law in Sweden does not have any sectoral focus.<sup>1</sup> Migrant workers can be hired for any occupation without having to meet any particular skills requirements. Even the labour market test was abandoned with the 2008-reform (Wallin 2013).

Sweden arguably has the most open system for labour migration among all OECD countries (OECD 2011; Ruhs 2011). At the same time, according to critics “a Swedish work permit is the easiest way to get into Schengen”. The 2008-reform has apparently resulted in the emergence of a trade in work permits. Thord Ingesson, an expert in labour immigration at the Swedish Confederation of Trade Unions (LO), affirms that he is aware of hundreds of cases where money has been involved in the work permit process (Wallin 2013).

In 2009, the government of Sweden commissioned the OECD to evaluate the Swedish labour migration policy introduced in December 2008. According to this evaluation and to professor Eskil Wadensjö at Stockholm's university, the policy has not resulted in any massive increase in labour immigration to Sweden (OECD 2011; Sveriges Radio 2012<sup>2</sup>). Table 1 below shows that the inflows of labour migrants were increasing already in 2007 and 2008, before the new labour immigration law entered into force (OECD 2011). Sweden remains below the OECD average in terms of labour migration as a component of total permanent migration flows (OECD 2011, p. 50-51).

Labour migrants who arrived prior to the labour migration reform, between 2006-2008, were working mainly in high-tech industries (computer and related activities, research and development and other business activities) and in retail trade. These sectors continued to be the main recruiters of labour migrants who arrived in 2009. However, some changes occurred within the redistribution of migrants within sectors: the retail trade grew in importance,<sup>3</sup> while the main declines occurred in computer

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<sup>1</sup> Sweden has no specific programme to recruit health workers from countries outside the EU and has not signed any Memorandum of Understanding or bilateral agreement with India for the recruitment of health professionals (Renger 2013).

<sup>2</sup> Sveriges Radio AB (SR) is Sweden's national publicly funded radio broadcaster.

<sup>3</sup> Almost one in four labour migrants arriving in 2009 were employed in retail.

activities and communication equipment manufacturing. Moreover, the latter sector was surpassed by construction, wholesale and health services. According to the OECD, this may reflect changes in economic opportunities following the economic crisis with job losses in manufacturing, as much as the actual impact of the reform (OECD 2011, p. 80-81).

However, in some professions, such as computer specialists, the labour migrant inflow has raised the employment levels considerably (OECD 2011). As a case in point, in the beginning of 2013, computer specialists represented one of the largest groups among labour migrants, just after berry pickers. Moreover, in the first quarter of 2013, the Swedish Migration Board approved 2,656 work permits, out of these 1,052 were for jobs that demand higher education (Wallin 2013).

Lastly, the 2008 labour migration policy has made the procedure for intra-company employee transfers more efficient and simpler (Committee for Circular Migration and Development 2010). The current precondition for intra-company employee transfers is that the total salary and benefits package must meet Swedish standards for wages and enable the worker to earn his/her own living. In practice, this means that the effective minimum wage is SEK 13,000/month (circa EUR 1,420). Moreover, the relevant trade union must be given the opportunity to provide an opinion on the contract (OECD 2011, p. 65).

### **The Blue Card directive**

Sweden has implemented the Blue Card Directive (2009/50/EG) into Swedish legislation on 1 August 2013 (Parliament of Sweden 2013). In order to be granted a Blue Card in Sweden the applicant has to have higher education or five years of equivalent professional experience; and must be offered a salary of at least 1.5 times the average gross annual salary in Sweden.

The implementation of the Blue Card Directive will not result in any major changes on the Swedish immigration area since it is already relatively simple to apply for and be granted a Swedish work and residence permit. The implementation of the Directive will rather contribute to harmonizing the immigration legislation within the EU (Deloitte 2013).

According to the trade union confederation Saco (2012), Sweden's current legislation is more progressive than the corresponding rules of the Blue Card Directive. However there are some advantages to having a blue card instead of a regular work permit in Sweden. The holder may, for example, reside in other Member States and be credited with the time that he/she was residing in another Member State if they apply for permanent residence. But the implementation of the Blue Card Directive also has a drawback. It means that the Blue Card holders are offered a minimum wage that is only 1.5 times the national average gross salary (about SEK 43,000), which is less compared to what domestic workers receive in many of the high-skill professions (Saco 2012).

### **Minimum salary requirements**

Sweden does not have any legislation on a national minimum wage.<sup>4</sup> This means that, in each individual case, the Swedish Migration Board examines whether the terms offered to the labour migration applicant (i.e. salary, insurance protection and other terms of employment) are in accordance with the conditions applying to employees already resident in the country. In Sweden, these conditions are established by so-called collective agreements between representatives of a union and employers. The examination carried out by the Swedish Migration Board is in place to ensure that there is sound competition for jobs in the labour market and to avoid social dumping (Ministry of Justice 2009).

The labour migrant must earn a sufficient income by Swedish standards from the offered employment, with the effective minimum wage set at minimum SEK 13,000/month (ca. EUR 1,420).

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<sup>4</sup> Source: Eurofound (the European Foundation for the Improvement of Living and Working Conditions), a European Union body. Accessed on August 29, 2013 at: <http://www.eurofound.europa.eu/emire/SWEDEN/ANCHOR-MINIMIL-Ouml-N-SE.htm>

This wage level is below the lowest collective agreement and is only accepted if the applicant has a part-time employment (OECD 2011, p. 63). Note well that, once the worker has received the necessary authorizations and arrived in Sweden, there is no legal obstacle for the employer to change the terms of contract. This seems to be one of the major pitfalls of the reform. Several commentators including the Swedish Migration Board, the OECD, media and academia point to inadequate monitoring system for wages and conditions offered to labour migrants (OECD 2011; Sveriges radio 2011; Dagens Arena 2011; Wallin 2013). The Swedish Hotel and Restaurant Union (HRF) reports that all of the 64 restaurants checked between 2011-2012 were in breach of collective agreements because of incorrect payments of salaries (which were often non-existent or very low) (Wallin 2013).

In order to prevent the abuse of workers, in January 2012 the Migration Board tightened the requirements for work permits in certain industries (e.g. cleaning, hotel and restaurant, service, construction, agriculture and forestry). The employers now have to prove that there are prerequisites to pay wages for the time that the offer of employment applies. Judging by the decreased application rates in the targeted sectors, the new requirements seem to have had some effect (Migration Board 2012).

### **Work and residence permits**

The 2008-reform has extended the time limits for work permits. A temporary permit can be granted for the duration of the employment or for a maximum of two years. If the person is still working after this, it is possible to extend the permit once or several times. The total permit period may amount to no more than four years (Ministry of Justice 2009, p. 2). After four years, a permanent residence permit can be granted without any necessary connection to either employer or nature of the work (Committee for Circular Migration and Development 2010). The examination of an application for an extension of a work permit takes place in Sweden, which means that the applicant does not have to return home to apply for an extension (Ministry of Justice 2009, p. 2). At the moment of application, the applicant for a permanent residence permit has to present a certificate of employment for the four preceding years. If the applicant has been employed in Sweden during this four-year period, he/she is usually granted a permanent residence permit (Hamza 2013).

### **Family reunification**

The current labour migration policy includes the right to family reunification. If the job contract is for longer than six months, all members of the immediate family may be granted work and residence permits for the period for which the person has been granted a work permit. 'Immediate family' is defined as the person's spouse or cohabiting partner, and any unmarried children up to the age of 21 (Sweden.se 2013). Family members of work-permit holders may work in any occupation without any need for further approval by the Swedish Migration Board (OECD 2011, p. 64). According to the Minister for Migration and Asylum Policy, Tobias Billström (2008), this is a rather unique feature of the Swedish 2008-reform.

### **Linguistic training**

The law does not contain any provisions for linguistic training for labour migrants. However, municipalities are required to offer Swedish language tuition to all adult immigrants who lack basic Swedish language skills. This should normally begin within three months of registration of residence in the municipality (Government Offices of Sweden 2013). According to the Swedish Association of Local Authorities and Regions (SALAR), counties and municipalities with labour recruits from other countries often offer them language training in different formats (Renger 2013). In terms of fee-based tuition, the Swedish Institute runs a web portal called 'Working in Sweden' targeted at labour migrants, in particular from outside the EU. The portal offers a tutored Swedish language course online.<sup>5</sup>

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<sup>5</sup> Source: The Swedish Institute's web portal called 'Working in Sweden' accessed on 5 August 2013 at: <http://eng.si.se/areas-of-operation/learning-swedish/web-course-in-swedish/>

## 2. Labour migration statistics

As illustrated in Table 1, the labour migration in Sweden has increased during recent years and has now, with almost 20,000 incoming workers in 2012, reached its highest level since 2000. The labour migration has traditionally been, and still is, predominantly male (80% of the total number of migrants were male in 2012). Indians nationals constituted circa 15% of the overall labour migration to Sweden in 2012, and circa 11% during the past 12 years.

**Table 1. Labour migration in Sweden: temporary work permits, by year**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Number of persons (all nationalities)	15,759	12,809	10,135	10,249	8,529	5,985	6,257	9,859	14,513	17,954	16,373	17,877	19,936	166,235
<i>out of which:</i>														
<i>Females</i>	3,811	3,188	2,660	2,691	2,183	1,512	1,574	1,982	3,035	3,523	3,420	3,922	3,942	37,443
<i>Males</i>	11,948	9,621	7,475	7,558	6,346	4,473	4,683	7,877	11,478	14,431	12,953	13,955	15,994	128,792
<i>Indian nationals</i>	567	527	252	322	901	760	923	1,447	2,393	2,156	2,027	2,492	<b>2,948</b>	<b>17,715</b>
												<i>in %:</i>	<b>14.79%</b>	<b>10.66%</b>

Source: Migration Board statistics (2013).



Table 2 illustrates the main countries of origin for labour migration in Sweden between 2000-2012. Three of them are Asian countries and India occupies the second position.

**Table 2. Top-five countries of origin for labour migration in Sweden, by temporary work permits issued between 2000-2012**

	Number of persons	% of the total (166,235)
<b>Thailand</b>	26,541	16%
<b>India</b>	17,715	11%
<b>China</b>	12,664	8%
<b>USA</b>	11,657	7%
<b>Poland</b>	11,228	7%

Source: Migration Board statistics (2013)

Table 3 illustrates that Indian migrants in Sweden mainly have high-skill professions. Most of them are employed as data or computer specialists. The Table also shows that the vast majority of the recruits are male, independently of occupation.

**Table 3. Sectoral distribution of Indian highly-skilled workers 2009-2012**

Profession	2009			2010			2011			2012			Total
	W	M	Sum	W	M	Sum	W	M	Sum	W	M	Sum	
Economists, marketing staff and human resource officers	7	15	22	5	26	31	5	21	26	5	22	27	<b>106</b>
Engineers and technicians	13	127	140	7	68	75	9	81	90	13	124	137	<b>442</b>
Architects, civil engineers etc.	15	153	168	7	79	86	11	86	97	9	98	107	<b>458</b>
Data/computer specialists	210	1368	1578	223	1290	1513	272	1652	1924	292	1991	2283	<b>7298</b>

Legend: W= women, M=men. Only professions where the total amounted to over 100 between 2009-2012 are considered in the Table. Source: Ylikivelä (2013).

Table 4 shows the latest statistics concerning Indian labour migrants. It confirms the trend shown in Table 3; the majority of Indian nationals have jobs that require a longer training and specialization, and most of them work in technical fields.

**Table 4. Work permits granted to Indian citizens<sup>6</sup> by the most frequent occupational groups (data for the first six month of 2013, dated July 1, 2013)**

<b>Occupational group</b>	<b>Number of Indians</b>
Engineers and technicians	41
Architects, civil engineers etc.	57
Data/computer specialists	1,222

Source: Migration Board statistics (2013).

### 3. Conclusions

In 2008, the Swedish Government carried out one of the most significant immigration policy reforms in several decades. The parliament passed a new law on labour migration to Sweden from outside the EU/EES. The aim was to increase opportunities for labour immigration in response to employers' needs and to contribute to a more culturally diverse society.

In contrast to many other countries, Swedish migration policy is not based on quotas or aimed exclusively at highly qualified labour. Sweden arguably has the most open system for labour migration among all OECD countries. At the same time, the 2008-reform has apparently resulted in the emergence of a trade in work permits and is perceived as a shortcut to get into the Schengen-area. Another drawback of the reform is the rise of social dumping, mainly in low-skilled professions. The current policy guarantees for minimum salary levels but there is no legal obstacle for the employer to change the terms of contract once the worker has arrived to Sweden.

The 2008-reform has resulted only in a moderate increase in labour immigration. However, most work permits in later years concern highly-skilled jobs and professions such as computer specialists have increased the employment levels considerably. The labour migration is predominantly male and the three leading countries of labour supply are Asian. India occupies the second position among the top countries of origin. Indian migrants in Sweden mainly hold high-skill occupations, most of them being employed as data or computer specialists.

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<sup>6</sup> In total, 1397 work permits were granted to Indian citizens during the first six month of 2013.

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