



REGERINGSKANSLIET

**Ministry of Justice
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**CONTRIBUTION
by**

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**Towards Responsive, Effective and Fair Migration Policies
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*Contribution to the session on the management of labour migration:
how can migration policies respond to labour needs both high and lesser skilled?*

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– CHECK AGAINST DELIVERY –

Excellencies,

Members of the OECD,

Ladies and Gentlemen,

Let me begin by thanking the OECD for taking the initiative to host this High Level Policy Forum on migration. I would also like to congratulate the OECD on its excellent work with the International Migration Outlook. Sweden is very pleased that the Secretary General chose to make migration one of the main priorities of the OECD work. I am honored to have been given this opportunity to contribute to this discussion on how migration policies can respond to needs of both high and lesser skilled labour.

Migration is as natural a component of our increasingly globalized societies and economies as increased flows of goods and capital. The scale and scope of international migration, as well as the complexity of migration issues, has grown substantially in recent years. The need to develop innovative ways to maximize the positive effects of migration for the benefit of all is therefore more important than ever, especially now as we face difficult economic challenges. I hope that this Policy-forum will allow us to agree that it is only through a truly comprehensive and coherent approach towards migration, development and integration issues that all stakeholders can benefit from migration in the long term. When Sweden in two days takes over the presidency of the European Union migration issues have high priority. We will continue to develop the Global Approach to Migration to strengthen the positive link between migration and development.

This morning we discussed different issues relating to migration and the global economic crisis. As I pointed out in my intervention this morning, it is my firm belief that even in times of economic crises, it is crucial that we continue to manage migration in a way that is sustainable in the long-term and that we continue to deepen our cooperation on migration and development issues. Cooler heads must prevail, and we must make sure that our labour markets remain dynamic when we are confronted with the reality of demographic ageing of our populations and shrinking workforces. Just as calls for increased protectionism are **not** the answer to our common economic challenges, I believe that efforts to stifle migration are both unwise and short-sighted. Possibly we can compensate part of our declining labour force with increased productivity, however, we can neither maintain sustainable economic growth nor retain public welfare on an acceptable level without a constant influx. Thus, political efforts to **reduce barriers** for mobility must continue, even in times of low demand for labour.

In this context, I fully agree with the statement made by the Secretary-General of the United Nations, Ban Ki-Moon, at the second meeting of the Global Forum on Migration and Development in Manila this past October, when he said that “...migration **can** and **should** be a tool to help lift us out of this economic crisis... Human mobility makes our economies more efficient, even when they are not growing, and by making sure that the rights skills can reach the right places at the right time.”

Ladies and gentlemen,

The need to create labour migration regimes that can handle the demand for both high and lesser skilled labour are of crucial importance. Allow me to take this opportunity to share with you the Swedish experience. On the 15th of December last year, new rules for labour immigration to Sweden entered into force. Our reform is designed to create a demand-driven, effective and flexible system which will make it easier for people to come to Sweden to work, and for Swedish companies to recruit labour from outside the EU. The reform is also designed in a way that workers of **all skill levels** can migrate to Sweden under a general framework.

The main driving-force for our reform is the recognition that there are labour shortages in Sweden that will not be filled by people living in Sweden or in other EU countries. Another motive is the fact that our population is rapidly getting older, and that fewer and fewer people of working age will have to support an increasing percentage of the population in the near future. This might threaten economic growth and the sustainability of our welfare system in the long term. Of course, labour migration is only one of several instruments needed to prevent labour shortages. But it is certainly an important complement along with an optimal utilization of labour already residing in the country.

The Swedish system is completely demand driven. By this I mean that it is now the Swedish employers themselves, and not the Swedish Public Employment Agency, who decide whether or not they have a need to recruit someone from outside Sweden or the EU to fill a particular vacancy. Our demand-driven system stresses the employers' demand for labour

and there are no special caps or quotas to determine how many labour migrants that can enter the Swedish labour market. Past experiences have shown us that the labour market tests previously performed by Swedish government agencies have not always been optimal for realizing the changing needs of individual employers.

A relatively small country like Sweden needs to stay competitive in the global competition for labour. One way of doing this is to offer a simple and transparent admission procedure for third country nationals whose skills are sought after on the labour market. Our new system recognizes that we need foreign workers of all skills levels and in many different branches and sectors, everything from engineering and communications technology to seasonal berry-picking. In this new system the same rules and conditions apply, regardless of your position.

One important lesson that we learned from our previous closed system for labour migration is that temporary labour programs can only work if the need for labour truly is only temporary. If employers' needs for labour often extend beyond the short term, as is the case in Sweden, then we must have a flexible system in place that allows for temporary migration to become more long-term, or even permanent.

Ladies and gentlemen,

When we address issues related to migration management, we must also be aware of the fact that migration patterns have changed significantly over the past decades. There is

evidence that shows that the old paradigm of migration for permanent settlement is increasingly giving way to more temporary and circular migration. In fact, last year's International Migration Outlook pointed to the fact that over 2.5 million temporary labour migrants arrived in OECD-countries during 2006 – more than 3 times the number of permanent labour migrants. Moreover, the report showed that 20 to 50% of migrants in OECD-countries return to their countries of origin or move to another country within a five year period.

This morning we learned that labour migration flows has decreased in many countries due to the economic crisis. This is the immediate short-term effect in many countries. But, as global mobility increases as a natural consequence of globalization and economic interdependence, the creation of flexible legislation for migrant's resident permits is all the more important in order to facilitate temporary and/or more permanent voluntary return to countries of origin. In our new system we provide a route from temporary to permanent residence status for all labour immigrants after four years. This means that after four years with a temporary work permit, permanent residence permit can be granted as long as the migrant in question still has a job.

Of course, one cannot effectively address **migration** without addressing the issue of **integration**. The two are inseparably linked, and policies to address them should reinforce one another. The last major feature in our new legislation on labour immigration is that all migrants that are admitted to Sweden are given basically the same rights as Swedish citizens and are allowed to bring their family with them from day one. The spouses of labour

migrants are also granted full access to the labour market. This is a unique feature, and we consider it to be an important competitive factor in the competition for the skills and workforce and should hopefully also be beneficial in terms of integration.

From the Swedish perspective, a truly flexible and demand driven system for labour migration, where employers themselves decide on whom to recruit, is the most efficient way to fill labour shortages, both higher and lesser skilled, and to maintain a long-term sustainable migration policy. Our experience tells us that we, as the government or government agencies, might not be best suited to tell the employers what their labour needs are. Having said that I still believe that it is the government's role to make sure that social or salary dumping does not occur, and that it is also the government's role to put legislation in place that protects the employees rights on the labour market and ensures that labour immigration is not used as a tool for unsound competition.

Ladies and gentlemen,

Even if our motivations for this reform have focused mainly on Sweden's own needs and interests, my government is firmly committed to the notion that increased mobility is in itself positive and an important goal. This week, I will appoint a parliamentary committee that will be tasked with examining issues related to mobility and the positive effects of circular migration in Sweden and migrants' countries of origin. The committee will analyse migration patterns to and from Sweden, examine how different policy areas affect conditions for **voluntary return and circular migration** and propose possible changes to our national legislation and other measures to improve these conditions. This is a natural and

timely complement to our new legislation on labour migration to Sweden and demonstrates my government's commitment to maximizing the positive development potential of migration for all stakeholders.

It is my belief that increased mobility of migrants can make up the triple win situation that Ms. Turtelboom referred to in her contribution to promote development in countries of origin, serve the labor market needs of countries of destination, and benefit migrants themselves insofar as they acquire new contacts, knowledge and skills while abroad. As we continue our efforts to maximize the positive development effects of migration for countries of origin and the migrants themselves, we must keep in mind that migrants can, and do often act as agents of development when they are able to move more freely between their countries of origin and destination.

Finally,

Our new reform has been in place for six months. Time will tell how successful our reform will be. It is, however my strong belief that managing high and lesser skilled migration through a general framework has a lot of benefits for all stakeholders involved. It is clear that migration management is a policy area in which we have a lot to learn from each other. A compilation of best practices from all OECD countries can provide a significant contribution to better managed and more comprehensive labour migration policies for the benefit of all. I am eagerly looking forward to the future work of the OECD in this area.

Thank you for your attention.