



# Central and Eastern European Migrants and the Swedish Labour Market

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Eskil Wadensjö  
Swedish Institute for Social Research  
Stockholm University

# Disposition

1. Common labour markets
2. The Swedish Policy regarding labour migration
3. Migration and the conditions for migrants from the new EU member states
4. The migrants' situation on the labour market
5. Effects for the labour market and the economy

# Common labour markets

- The Nordic countries
- Europe
- Other parts of the world?

# The Development of the Swedish Immigration Policy I

- No requirement for citizens from other Nordic countries from 1 October 1943; visa requirements for citizens in other Nordic countries were abolished in 1945 and 1949
- Labour immigration from the second part of the 1940s and the 1950s from the Nordic countries and Western Europe
- The Common Nordic Labour Market was established in 1954
- Start for labour migration from Mediterranean countries in the early 1960s

## The Development of the Swedish Immigration Policy II

- "The record years" – a fast expansion of the Swedish economy in the 1960s
- The large scale labour immigration continued up to the early 1970s
- Labour migration became a hot political issue. Regulation of migration from outside the Nordic countries in the late 1960s and early 1970s
- Sweden became a member of EEA/EU 1994/95 (immigration from Germany, the UK and the Netherlands)

# The Development of the Swedish Immigration Policy III

- Enlargements of the EU and its common labour market 2004, 2007 och 2013 (no transitional rules in Sweden)
- Easier to get a work permit for those coming from non-EU/EES countries from 15 December 2008

EU10 = the countries that became members of the European Union  
on 1 May 2004

(Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania,  
Malta, Poland, Slovakia and Slovenia).

EU2 = the countries that became members of the European Union  
on 1 January 2007 (Bulgaria and Romania).

$EU12 = EU10 + EU2$

EU14 = the 14 countries that besides Sweden were members of the  
European Union before 1 May 2004

(Austria, Belgium, Denmark, Finland, France, Germany, Greece,  
Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and the  
United Kingdom)

Table 1. The largest groups of foreign born in Sweden

Country of birth	Women	Men	All
Finland	98 099	65 768	163 867
Iraq	58 918	68 942	127 860
Poland	42 651	32 672	75 323
Yugoslavia	34 296	34 973	69 269
Iran	31 247	34 402	65 649
Bosnia-Herzegovina	28 675	27 920	56 595
Germany	25 891	22 840	48 731
Turkey	20 182	24 903	45 085
Denmark	20 707	23 502	44 209
Norway	23 951	18 933	42 884
All	755 953	717 303	1 473 256



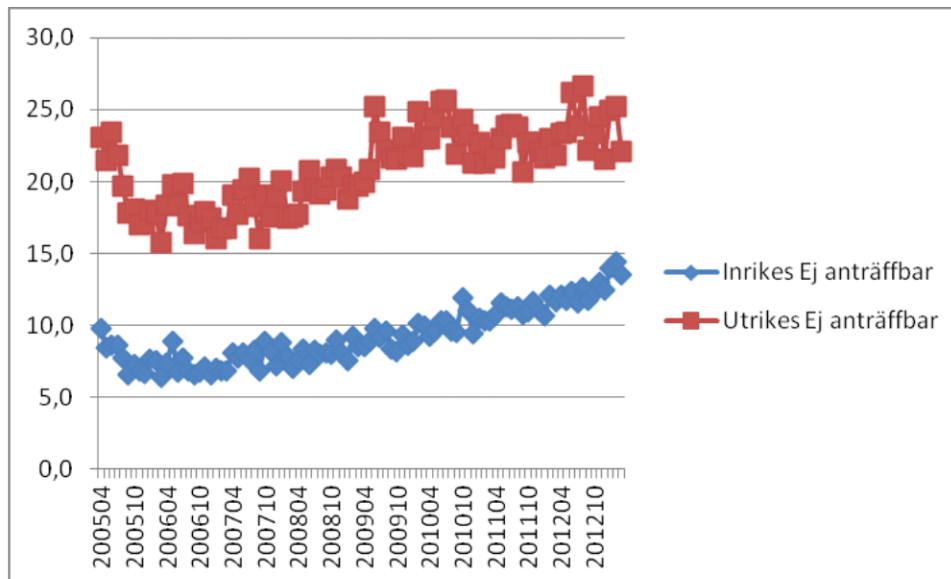
# The new EU-migrants

- Most arrived from Poland from EU10 but also many from Hungary and the Baltic states
- Most arrived from Romania from EU2

## Problem with the register based statistics

- Unregistered return migration – Why?
  - People do not know how to register or forget to do it
  - Easier moving back to Sweden if not registering
  - Some income transfers are residence based
- How to improve the situation
  - Collaboration between Statistics Sweden and the Tax Authority (the authority being in charge of the population register)
- High quality register information for those employed

Figure. Nonresponse in the Labour Force Surveys due to that they the individuals were not found 2005–2013



Source: Information from Statistics Sweden.

Table. Distribution according to industry

Industry	Born in EU12 countries	Born in Sweden
Agriculture, forestry, fishing	3	2
Manufacturing, mining	13	14
Public utilities	0	1
Construction	11	7
Trade, communication	15	19
Financial and business services	18	16
Education	9	11
Health care	19	16
Personal and cultural services	9	7
Public administration	3	6
Not classified	1	1
All	100	100

## Working hours, monthly earnings at full-time work

- About the same monthly working hours on average (EU12 138.1, Sweden 140.2)
- About the same monthly earnings at full-time work (EU12 27.9, Sweden 28.4 thousand SEK)
- Somewhat lower wage if taking into account age, age squared, gender and education (if estimating a Mincer-equation) (- 6.0 %)

# Effects on the labour market and the economy I

- Wages
  - Small group compared to the Swedish labour market means small if any effects
  - Studies of other labour markets show small effects
  - In specific labour markets (medical doctors, construction workers) there may be more effects
- Employment
  - Small group compared to the Swedish labour market means small if any effects
  - Studies of other labour markets show small effects

## Effects on the labour market and the economy II

- The public sector
  - Forms of redistribution
    - To the young and the old
    - To those outside the labour market
    - To those with low incomes
- Labour migrants and the public sector
  - Employed
  - Average incomes
  - Net transfers to the public sector

# Effects on the labour market and the economy III

*Income transfers – Shares receiving of those  
of active age (16-64)*

All born in EU12 36.2%, All born in Sweden  
38.7%, All born in EU14 38.4%

Arrived May 2004 or later born in EU12 23.3%,  
Born in Sweden and returned to Sweden May  
2004 or later 31.0%, Arrived May 2004 or later  
born in EU14 19.1%

Remember the problem with unregistered  
emigration (overestimation of the size of the  
population)



## Effects on the labour market and the economy IV

- Growth (innovations)
- Trade
  - Meta studies
- Political effects

