Migration as a Motor for Swedish Export, Ulf Holm 7 mars 2013

Ladies and Gentlemen.

First of all I want to thank you for this opportunity to talk about labour migration, and migration in a wider perspective. Migration has been and will continue to be of fundamental importance for the Swedish economy. However, the case for migration – which I think needs to be made frequently – should not only build upon a cost-benefit analysis. We should also try to focus more on the inherent value of the freedom of movement.

Migration has indeed helped to build Sweden as we know it. Without it, it is unlikely that the Swedish industry would have reached the scale of growth that it did in the post-war era. At that time, there was a potentially crippling shortage of labour in the country due to the low rates of birth in the 1920's and 30's. To remedy this, the Swedish government in the 1950's and 60's actively encouraged labour migration to boost the growing industries. In a real sense, our industry owes a lot of its success to labour migration.

Until the 1970, more than 250 000 people came to Sweden for work and they came from countries such as Finland, Turkey, Greece and the former Yugoslavia.

Following that boom of labour migration, a more restrictive approach was taken and Sweden maintained a rather restrictive policy on labour migration where the employment office determined the needs of workers in different occupations.

In the start of last decade, the discussion in Sweden went increasingly vocal over the regulations to come for work in Sweden was too strict and should be replaced by a more generous system. As a result of this discussion the central-right government together with the Green Party then negotiated an agreement with the effect to open up for non-European labour migration.

The 2008 reform grants renewable permits to all incoming labour migrants, with the possibility of permanent residence after four years. The main criterion is that the job offer conforms to the prevailing Swedish wage and conditions. Trade unions no longer hold a veto over the employer request. So, whether you are working with information technology or at a hospital, you can come and work in Sweden, provided that there is a demand in the labour market. Sweden's policy for labour migration is therefore more open than those of most other OECD countries. This, of course, works as a motor for Swedish Exports.

Since the entry into force of the reform in the end of 2008, more than 60 000 work permits have been issued by the Swedish Migration Board. Of course most of them were berrypickers. After this IT-specialists are the lagest group followed by household and restaurant staff, the kitchen and catering assistants and the civil engineers. Most people come from Thailand, India, China and the Ukraine.

As a member of parliament for the Green Party, I am proud that we have helped to achieve a system which I think is an international paragon, as it does not restrict labour migration to fixed quotas of specific, highly-qualified labour force.

But of course, the reform did not pass without debate, and a very heated debate still goes on. For instance, there were fears that the reform would lead to 'social dumping'. The OECD recently conducted a thorough analysis of the Swedish system and concluded that it essentially works well and that the new regulations have not led to deterioration in wages and terms of employment as was feared.

After the new rules was made some changes has been made. One thing that has changed as a result of non-serious actors took advantage of the system, for those who want to come to Sweden to pick berries. Among other things, the Migration Board established the rules that employers must prove that they can pay salaries, even if incomes are low because of poor access to berries. This new application has made it considerably more difficult for rogue traders to exploit berry pickers from outside the EU.

A year ago, the Migration Board revised application further. Also this time because the rogue entrepreneurs tricked individuals by not giving the salary that has been agreed. The stricter

requirements mean that companies must be able to prove that they can pay salaries during the period of employment. In my view, this application change is completely reasonable.

But still. In the debate it is still spread about the myths about how immigrants are coming to Sweden to take our jobs. This is plainly not true. It does not work like that.

There are not a constant number of jobs in a country for which people have to compete. Rather, as new people move to the country, new demands are created which in turn generate new jobs. Moreover, in the Swedish system, there is a requirement that job offers must first be publicly advertised before there can be any question of recruitment from abroad. In addition, despite high unemployment, there are labour shortages in various industries and occupations. And they are not just pertaining to highly-qualified professions.

For example, the forest and farming industry asserts that many businesses – primarily in the countryside – would have crumpled up had it not been for migrant workers. This would have signified lost job opportunities for significantly more people than just those who come here as migrant workers. It would have signified a heavy blow to the forest and farming industry and it would have also meant a loss with regard to our ambition for a vital countryside.

Above all, the myth about people coming here to take our jobs rests on a flawed understanding of how the economy works. Regrettably, this kind of argument has a disproportionate impact on the migration debate as a whole. It is as imagining the economy as one single cake which everyone has to share and which cannot change in size. This is not the case. When a new person comes to a country – irrespective of his or her motives – new demands, new consumption and new contacts are created. Not to mention new jobs. Migration contributes to development in a material sense. An example of this, not related specifically to labour migration, is that in 2011 there existed in Sweden approximately 110 000 company owned by persons born in a foreign country.

On the whole, migration has little effect on the level of unemployment in a country. By using data from 14 OECD countries between the years 1980 and 2005, the UNDP has found that the labour market quickly adapts to migration and that new jobs are created.

What this and many other reports are telling us is that the fear that migrant workers will come and take our jobs is not justified and wholly unsupported by research. Rather, it is grossly misleading and based on a defective understanding of economic mechanisms.

Having said this, there are some more noteworthy issues that have to be addressed in our current system of labour migration. There are cases of human trafficking and grossly insufficient wages. These are of course not practices allowed under the current system, but still something that needs to be addressed. The Green Party is advocating that the inspection of the employers has to be tightened and the gaps in the law have to be filled in order to prevent the exploitation of migrant workers. It is important, however, to emphasize that the occurrences of these abuses should not in any way be used as grounds for restricting the current system of liberal labour migration. Rather, it is the system of checks and follow-ups that have to be improved in order to prevent future offenses.

Again restricting the possibilities of labour migration would be to also restrict many of the opportunities that lie ahead. Today, with an ageing population and a deficit in the number of young people, we are facing a similar situation as that which confronted Sweden in 1950's and 60's. Like in the rest of Europe, we live longer and we have fewer children. A diminishing number of people of working age will soon be supporting a growing number of old people. With an ageing population, Sweden is facing labour shortages.

But I would argue that we should be cautious not to make the benefits our main argument. By putting benefits at the centre of the argument for liberal migration policies, we should be aware that we're also giving room and raison d'être for those who want to focus on the costs. We are witnessing how many governments are influenced by xenophobic parties seeking to limit migration while demonizing the migrants already here. What is most alarming, is not the extreme parties themselves, but rather the manner in which this perspective has come to be internalized and mainstreamed in many governments throughout Europe.

We are all facing the same challenges of ageing populations and shortage of qualified workers. But the future challenges also include movements of climate refugees, armed conflicts, natural disasters etc. In this context - we need to create a general atmosphere of openness and mobility. Labour migration is merely one aspect.

People will always move for different reasons. Some move abroad to study, others to work. Some return home, others do not. Often, the decision to move is not voluntary but rather one that is compelled by reason of armed conflict, persecution, natural disasters or other situations that make it impossible for people to remain in their homes.

We cannot choose migration or not migration. Nations are not primordial. Mobility and migration is. This is the deeper understanding that we need to share about migration. From that, we can then move on to ask ourselves how we are going to make the best out of the reality that is migration.

By asking how instead of why or why not, we leave the anti-migration actors without answers. When we focus on how we can facilitate mobility and become more open and humane, these actors become irrelevant.

The Green Party and the centre-right government in Sweden are dealing a lot with "How?" in our wider migration cooperation that we formed in early 2011. It's not always easy and we rarely agree completely but we have taken this joint responsibility to achieve proper improvements in how we treat migrants and asylum-seekers etc.

There is a long way to go, both in Sweden and the rest of the EU. Looking around Europe, we see problems of arbitrary detention and insufficient judicial support in the asylum process. I am also concerned to see all the efforts and initiatives aiming at preventing people from reaching the EU. When it comes to keeping people out, money is not a problem for the member states, it seems. We must act rapidly and forcefully to change these tendencies.

In a time when the economic crisis is sweeping through Europe, country by country, Sweden is standing relatively strong. This makes Sweden a good example to point out, to show that the economically motivated fears of so called migratory pressure are rarely more than mind ghosts.

Another misunderstanding that needs to be addressed is the perception of migration as being a movement between A and B. Migration is not once or one way. Rather, we tend to move from A to B to C or between A and B repeatedly. This kind of circular migration creates many winners. The migrant benefits by improving his or her living conditions and broadening his or her competence. The recipient country acquires additional experience and international connections. Finally, the country of origin benefits from the experience acquired abroad when the migrant returns for longer or shorter periods of time. Also, the flows of money sent by migrants to their countries of origin are much larger than the official development aid.

Of Sweden's total population, 283 400 persons, roughly three per cent, have moved at least twice across the national border and may be considered to be circular migrants in the statistical sense.

This is a win-win situation. Migration is a win-win situation. We should cherish the experiences, ideas and interactions that follow from it. When Europe's leaders are taking their stand – because a stand needs to be taken – the question that should be asked is: Should we put our energy on building fences or bridges?

Thank you for the attention!