

Filling the gap in long-term professional care through systematic migration policies (Germany, 23-24 October 2013)

Facing Sweden's long-term care labour market needs with an open and flexible labour migration policy¹

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1. Needs and policies

In a time of growing concern over future demographic challenges and their implications for both labour market needs and professional long-term care, Sweden has chosen a path different from that of the rest of Europe. With a small, ageing population in a geographically large nation, and with a heavy reliance on international trade for its economic growth, Sweden has adopted a labour migration strategy of openness and flexibility.² It is essential that the demographic challenges as well as the foreseen needs within the LTC sector presented in this paper are observed and evaluated not on its own, but within this larger context.

1.a Structure of the Swedish LTC sector, current and future labour market needs

Sweden is a country with a comparatively developed welfare system. Consequently, the structure of the LTC sector differs in many ways compared to other EU Member States. The Swedish LTC system is characterised by its provision of a high level, and predominately publicly financed, formal care system. The 290 municipalities are responsible for financing and providing LTC in Sweden. In 2011, 312,800 persons (17.5%) aged 65 years or above received municipal elderly care. 220,600 persons received home help, meals on wheels, or safety alarms. Of these, 92,200 persons were receiving assistance in special housing facilities (long-term care facilities), a decrease from 118,600 persons in 2001. In 2001, the proportion of LTC help at home and special housing was nearly equal. By 2011, those who receive elderly care at home constituted approximately 70%.³ The increase in older persons who continue to live on their own involves substantial care by family members, other relatives or friends. It is estimated that more than 1.3 million Swedes, nearly one in five people in adulthood, are taking care of, helping, or supporting a loved one. Attitudes towards such care amongst this group are positive, but most carers

¹ Prepared for the Peer Review in Social Protection and Social Inclusion programme coordinated by ÖSB Consulting, the Institute for Employment Studies (IES) and Applica, and funded by the European Commission.

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² The system has been described by the OECD as "the most open labour migration system among the OECD countries". OECD (2011) *Recruiting Immigrant Workers: Sweden 2011*, OECD Publishing.

³ http://www.skl.se/vi_arbetar_med/statistik/statistik_ekonomi/statistik-om-halso-och-sjukvard-samt-regional-utveckling



believe that the public sector should take the main responsibility.⁴ Such attitudes can be seen as a reflection of the fact that – what the Discussion paper describes as the “Scandinavian” or “Nordic” model – most long-term care in Sweden is organised by the state rather than by individual families themselves.

Up till today, Sweden has, to some extent, been able to fill demand for LTC staff partially through the introduction of immigrants on the labour market. It is crucial to point out that this is not a question of labour migration, but immigrants who have come to Sweden for reasons other than work (e.g. persons in need of protection, family reunification/formation). This development, which has had a substantial impact on the overall Swedish labour market during the recent past, is expected to continue in the decades to come. The effects of coming demographic changes (see below) is therefore not estimated to be as dramatic as earlier forecasts have indicated, although it is anticipated that the benefits of this labour market input will be greater in urban areas than in rural parts of the country.⁵ In recent years, Sweden has also made efforts to strengthen the connection between policies concerning immigration and employment (concerns immigrants as described above, not labour migration). In December 2010, Sweden launched the “Establishment reform” which shifted the primary responsibility for the introduction of newly arrived immigrants from the municipality level to the state level, and more specifically to Arbetsförmedlingen (the Swedish PES). This reform underlines the importance of work as a tool for integration, but also put more focus on immigrants as an important part of the labour force.

As in most parts of the developed world, Sweden is however facing demographic changes. This development will bring about societal and labour market challenges that will need to be addressed in the years to come. Over the next 40 years, increased life expectancy will mean that the number of very old people will increase sharply. Sweden’s dependency ratio at present is 71, meaning that there were 71 young and elderly people per 100 working age people. The dependency ratio is expected to rise to 83 in 2030 and 84 in 2050.⁶ From a general health care perspective, the demographic pressure is at its greatest around 2020, while for care of the elderly the pressure will peak around 2025–2030.

The demographic development is expected to have a substantial impact on the need for LTC staff. Both the number of persons most likely to enter the labour market, i.e. persons aged 20–40 years, and the number of persons most likely to take on the responsibility for informal care-giving, i.e. persons aged 40–60 years, are expected to grow by only a few per cent.⁷ Projections thus show a large deficiency of LTC staff in future decades, with a shortage of around 65,000 full-time equivalents in 2030. The lack of LTC staff will be particularly prominent in county councils with a declining population of working age, such as the northern parts of the country.⁸ Besides the demographic development, the shortage is also believed to be a result of diminishing interest in formal LTC training amongst the young.⁹

⁴ Ministry of Health and Social Affairs. *Dignity first – Priorities in reform of care services*. 2013.

⁵ Här finns Sveriges viktigaste jobb- en rekryteringsprognos för välfärdssektorn. Sveriges Kommuner och Landsting. 2011.

⁶ Statistics Sweden. 2010.

⁷ Host Country Report, Sweden: *Closing the gap – in search of ways to deal with expanding care needs and limited resources*. 2011.

⁸ Ministry of Health and Social Affairs *The Future Need for Care: Results from the LEV Project*. 2010.

⁹ <http://www.arbetsformedlingen.se/sitevision/proxy/Om-oss/Statistik-prognoser/Prognoser/Yrkeskompassen-extern->



1.b An open and flexible labour migration policy

Sweden has chosen to apply article 45 of the European Treaty without restrictions. All EU citizens, including those from new Member States, have near unlimited access to the Swedish labour market. The Swedish Public Employment Services has been assisting a number of county councils (the local administrative body responsible for the Swedish health care system) to employ skilled, qualified staff, primarily physicians and specialist nurses, from other parts of the EU through the EURES network. As there is currently no shortage of less-skilled LTC staff in Sweden, there has been no push to recruit this category from within the EU.

While the Member States' regulations governing the flow of labour migration within the EU differ only in detail, the same cannot be said of labour immigration from third countries. The Swedish system for labour immigration from outside the EU/EES – in place since 2008 – differs from the approach taken by other EU Member States, both with regards to highly qualified, skilled experts, as well as less qualified, unskilled workers. There seems to be a tendency within the EU to apply selective policies on labour immigration from third countries, focusing on the attraction of highly qualified or qualified persons by implementing, for example, points-based systems, quotas for different groups, or systems based on the qualification of applicants or on analyses of labour market needs.

The Swedish system, on the other hand, does not foresee any quantitative or qualitative limits to the immigration of workers. The general approach is that labour immigration should be driven by the recruitment needs of employers – irrespective of qualification level. In short, a third country national with a job offer from an employer with a vacancy in Sweden will be granted a temporary work/residence permit (after the position has been posted on the EURES network for a minimum of 10 days) as long as the terms of employment, i.e. salary, working conditions, insurance coverage etc., are on par with the relevant Swedish collective agreement for that specific sector and position.

Referring to the language used in the Discussion paper, the Swedish immigration policy is difficult to describe along the lines of "managed" vs. "unmanaged". The Swedish system is clearly managed in the sense that, as stated above, a job offer from an employer with a vacancy in Sweden, as well as certain conditions regarding the terms of employment, are needed in order to obtain a work/residence permit. The 2008 reform did however remove the previous "labour market test", i.e. work permits are no longer granted based on a government agency's evaluation of labour market needs within a certain sector. The main objective of this is that Sweden needs to have a labour immigration policy that can quickly respond to changing realities on the labour market. It is also essential that the Swedish system should be open to labour immigrants of all skills levels, as neither employers nor government authorities can exactly predict in which professions, occupational groups, industry branches or geographical regions labour shortages may arise, and if so, to what extent.

Statistics from the Swedish Migration Board seems to indicate that the system is working as intended. 182 third country nationals within the less-skilled LTC sector were granted work permits between January and August this year.¹⁰ This number can be compared to, for example, IT-related specialists, who numbered 2250 during the same period. Expressed differently, as there is currently little need for LTC staff, this type of immigration is very limited. The anticipated demographic

sokning.html/svid12_172a79512211e45f0d800035/1119789672/Yrkeskompassen/documents/Omvardnadsutbildning_TP.pdf

¹⁰ <http://www.migrationsverket.se/info/5617.html>



changes can however, if needed in the future, quickly be met with increase immigration as a result of the flexible and open labour immigration system.

2. Efforts to improve the recognition of competences amongst foreign born LTC-professionals

As previously stated, Sweden has a relatively high level of immigration, with about 200 nationalities represented among its 9.6 million people. In 2010, 19.1% of residents had their roots outside Sweden. On the LTC labour market, the foreign born are slightly over represented. But in order to make full use of the labour force potential of the immigrant population, better tools for recognition of competencies and increased vocational training are needed.

During the past few years, Sweden has seen a clear trend towards a more skilled labour force within the formal LTC sector. A formal LTC education is often a requirement for getting a fixed employment in the LTC labour market. Simultaneously, as in many other occupations, the LTC sector has also seen rising demand for generic skills and competencies beyond the LTC specific. The raised requirement level is believed to be a major obstacle for immigrants who lack formal LTC education and/or Swedish language skills, both when looking for employment, as well as in terms of eligibility for educational training courses. For many, even seemingly small things such as the lack of a valid driver's license have become an obstacle for getting employed in the home care services.

Unlike qualified health care professionals such as physicians and specialist nurses, whose licences can be validated by Sweden's National Board of Health and Welfare (Socialstyrelsen), Sweden does not have a licencing system for low-skilled LTC staff. To counter obstacles such as those mentioned above, several educational initiatives have been implemented in order to improve the skills and competencies among jobseekers and LTC staff without formal education. The Swedish Public Employment Services provide validation measures for recognising LTC competences, as well as LTC vocational training courses. It is also possible for jobseekers to have their professional skills assessed and recognised at a workplace. Swedish language courses and other preparatory training are also available for some of the immigrants looking for a job in the LTC sector. Notwithstanding these reforms, such efforts will most likely need to be scaled up and improved upon if Sweden is going to succeed in dealing with the demographic challenges within the LTC sector as presented in this paper.

3. A "win-win" situation for sending and receiving country through the strengthening of the individual migrant worker

The Swedish Government, as well as civil society at large, has devoted a lot of attention towards the nexus between migration and development, including issues such as brain/skills drain vs. gain. In July 2009, the Swedish Government appointed an independent Parliamentary Committee to examine the connection between these issues. A fundamental point of departure for the Committee was that migration is something positive and beneficial to the Swedish society as well as to the country of origin.¹¹

In summary, the Committee did not consider the aspect of brain/skills drain as a problem that needs to be addressed by introducing any schemes for managed migration. Rather, it came to the conclusion that many migrants would – under certain circumstances – move back and forth between their country of origin and

¹¹ Cirkulär migration och utveckling – förslag och framåtblick, SOU: 2011:28, Stockholm.



Sweden and thus contribute to development both in Sweden and the country of origin. The Committee was of the opinion that such migration patterns should be encouraged through incentives, but not enforced. Hence, the Swedish policy does not set any priorities as to whether foreign workers stay for a short-term period only or on a permanent basis. Instead of trying to regulate such migration patterns, the Swedish employers – and the workers themselves – are meant to be able to decide what is best for them.

That said, certain policies do aim at including labour migrants into society at large. The rationale behind such policies is that those who choose Sweden as their destination for labour migration should be treated as equals on the labour market. This principle is reflected in the legal regulations concerning the length and the temporary vs. permanent nature of the residence/work permit system. A permit is at first granted for the period of employment in question and for no more than two years at a time. During the first two years, the residence permit is linked to a specific occupation and employer. The permit may then be extended one or more times. After an aggregate period of four years in Sweden, a permanent residence permit can be granted. The third-country national has then full access to the Swedish labour market and the permit is no longer restricted to a specific occupation.

In short, the aim of this set-up is to provide migrants, whom have spent four years working legally and thus contributing to the Swedish labour market, the option to apply for a permanent residence permit. Related policies similarly aim at ensuring the inclusion of migrant workers on the labour market and in society. For example, third country nationals coming to Sweden under the framework of labour immigration may bring spouses, civil law partners and children below the age of 21. Family members will also be granted access to the labour market. Labour immigrants (and their family members) who are registered in the Swedish population registry are, like other immigrants, also entitled to tuition free classes in Swedish language (Swedish For Immigrants).

4. Gender balanced opportunities

As labour immigration to Sweden is demand driven rather than regulated by the state (see 1.b), there is no specific policy aimed at creating gender balanced opportunities for labour migrants within the LTC sector. The Swedish system does however, as presented above, provide the spouse of a labour migrant with full access to the labour market. Migrant workers and their families are also entitled to Sweden's extensive child care and educational system (kindergartens, tuition free schooling), enabling both parents to work full-time.

On a more fundamental level, gender equality is a guiding principle for all Swedish policy making. In the Global Gender Gap Report 2012, Sweden is named a world leader in equality. This is also verified by the fact that the employment rate is high for both women (77%) and men (82%). This gender balance is however not present within the LTC sector, where women make up approximately 90% of the work force.¹²

¹² Projections indicate that the proportion of men within the LTC sector will increase by 2030, albeit only marginally.

