



Sweden: Forecast highlights

Between now and 2025:

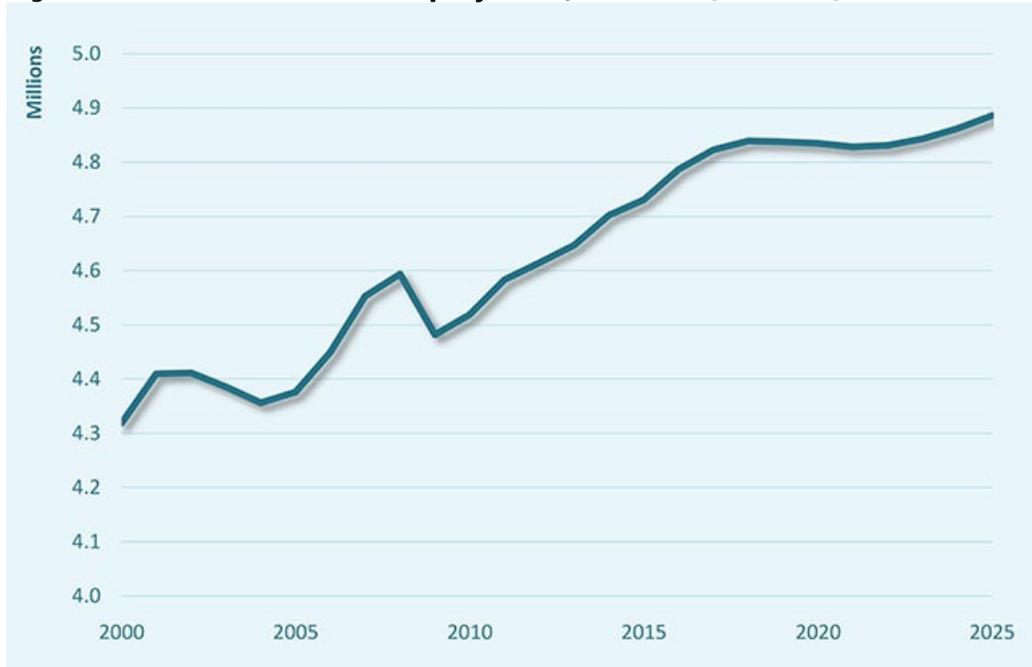
- Employment passed its 2008 pre-crisis level in 2013-14 and is forecast to continue to increase.
- Most employment growth will be in non-marketed (mainly public sector) services.
- Most job opportunities, around 31%, will be for professionals.
- Around 51% of the labour force will have high-level qualifications, compared to 38.5% in 2013.

Following the economic crisis in 2008, Sweden's GDP started to recover in 2010-11. In 2013, Sweden's unemployment rate was 8%, well below the EU average of 11%. The European Commission forecasts GDP growth for Sweden of around 2.4% in 2015 and 2.7 % in 2016.

Employment outlook

According to Cedefop's skills supply and demand forecasts ([see scenario assumptions](#)), economic growth is expected to have positive effects on job growth and employment in Sweden, which passed its 2008 pre-crisis level in 2013-14. This is much faster than the employment growth forecast for the EU as a whole, where average employment is expected to reach its pre-crisis level in 2020.

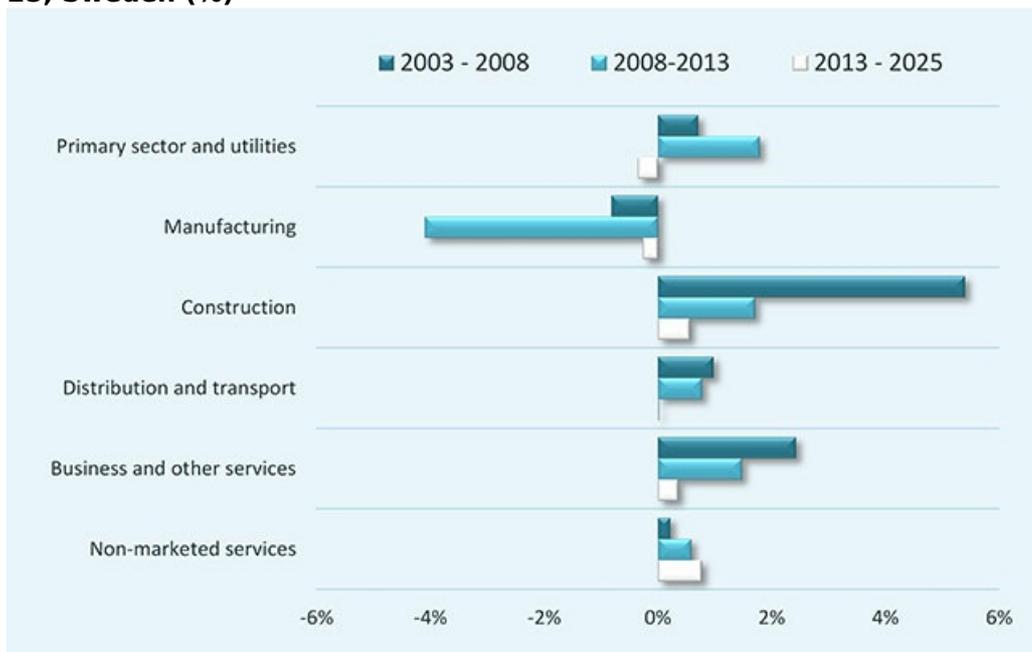
Figure 1 **Past and forecast employment, Sweden (millions)**



Sector developments

The effects of the economic crisis on employment in Sweden were relatively mild compared to other EU Member States. Between 2008 and 2013 there were heavy job losses in manufacturing, however, employment in all other sectors increased (Figure 2). Future job growth in Sweden will be concentrated mainly in construction and non-marketed (mainly public sector) services, with a small increase in business and other services sectors. However, employment in the primary sector and in manufacturing is forecast to fall, but at a much slower rate compared to 2008-13.

Figure 2 **Employment trends by sector, average annual growth rate, 2003-25, Sweden (%)**



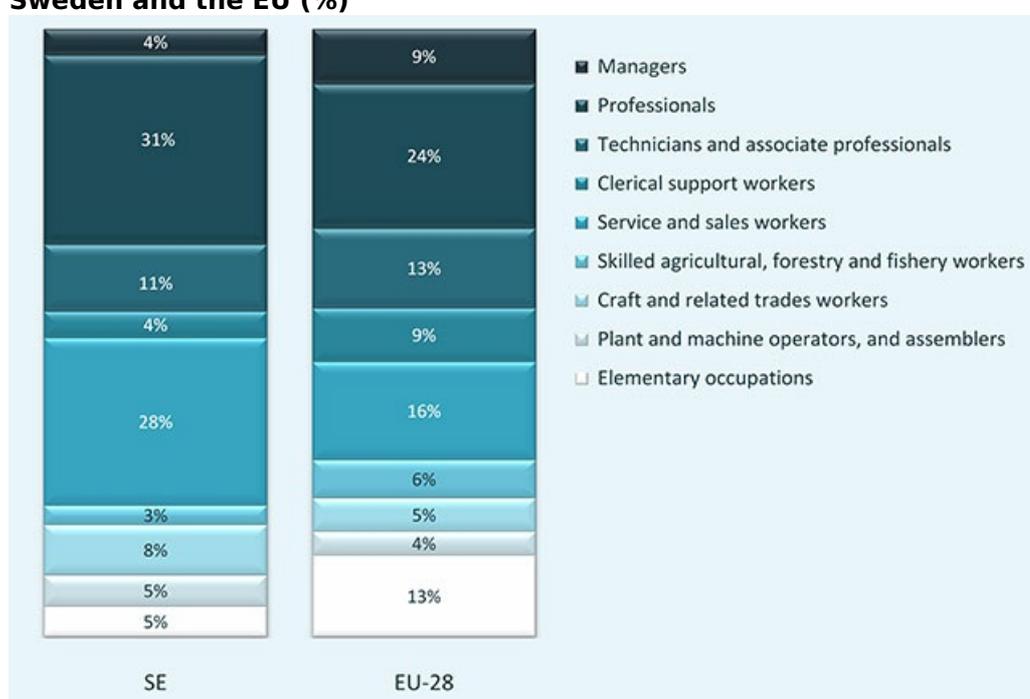
Source: Cedefop skills forecasts (2015)

Occupations and qualifications prospects

Cedefop's forecasts give insights on job opportunities between now and 2025 (Figure 3). Total job opportunities are the sum of newly created jobs (expansion demand) and job opportunities arising because of the need to replace people who either go on to other jobs or leave the labour market, for example due to retirement (replacement demand). Often, replacement demand provides more job opportunities than expansion demand, which means that there will still be job opportunities even if the overall level of employment falls. Given its relatively low unemployment rate, between now and 2025, replacement demand in Sweden is forecast to provide 10 times more job opportunities than expansion demand.

In Sweden, most job opportunities, around 31% will be for professionals (high level occupations in science, engineering, healthcare, business and teaching), significantly higher than the EU averages of 24% for this occupation (Figure 3). The share of job opportunities for service and sales workers, around 28% in Sweden is also well above the EU average of 16% for this occupational group.

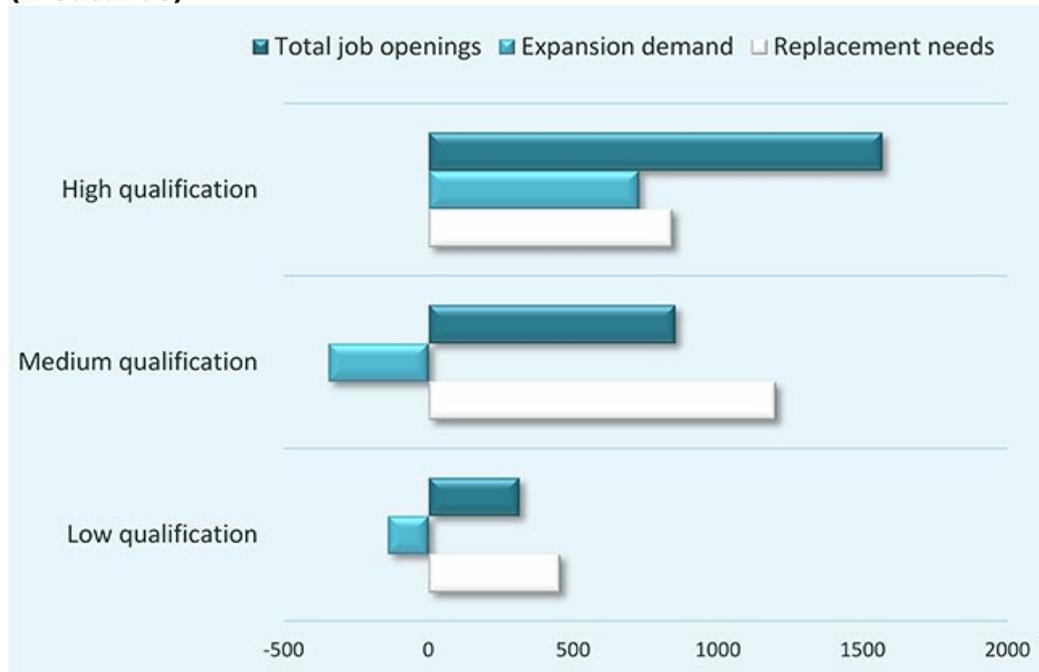
Figure 3 **Distribution of total job opportunities by occupation, 2013-25, Sweden and the EU (%)**



Source: Cedefop skills forecasts (2015)

All job opportunities in Sweden created by expansion demand and most job opportunities overall will require high-level qualifications (ISCED 97 levels 5 and 6) (Figure 4). However, there will be significant numbers of job opportunities requiring medium-level qualifications (ISCED 97 levels 3 and 4).

Figure 4 **Total job opportunities by qualification, 2013-25, Sweden (thousands)**



Source: Cedefop skills forecasts (2015)

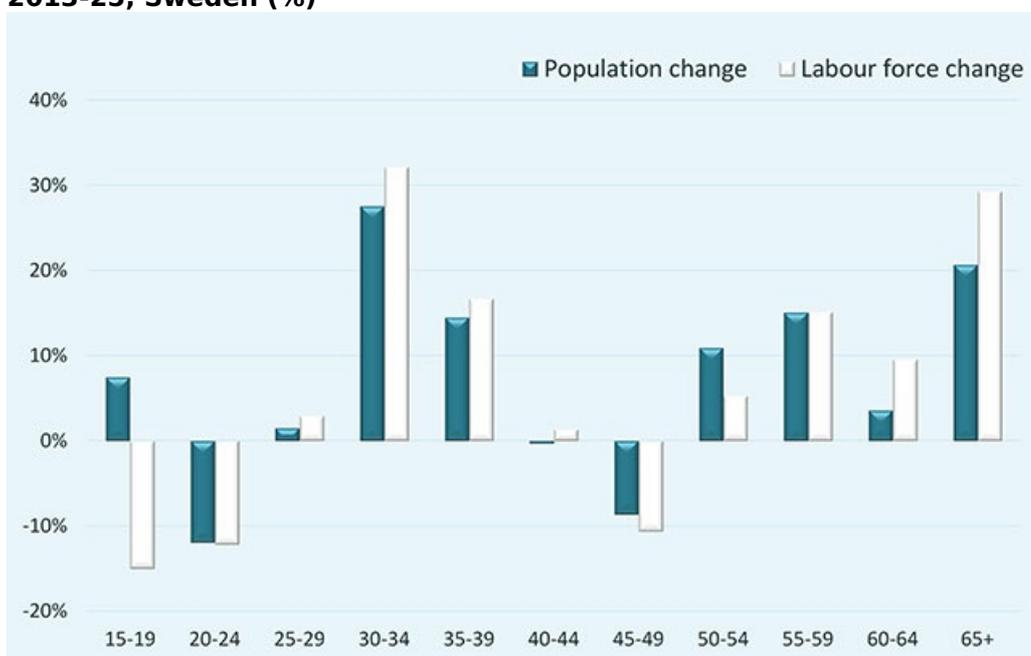
Labour force trends

Future labour supply trends depend mainly on demographics and the size of the working-age population (defined in the forecasts as people over 15 years old), participation in the labour force (people in the working-age population either in or actively seeking work) and how quickly people acquire formal qualifications.

Eurostat's latest population projection (Europop 2013) for Sweden reflects the current trends in fertility rates and net migration flows. Sweden's working population is forecast to grow by about 9% between now and 2025. However, labour market participation in Sweden is expected to fall from 65.4% to 63%, still above the EU forecast average of 55.5%.

Following the EU demographic trend, Sweden's population is ageing, but not as rapidly as in some other Member States (Figure 5). Between now and 2025, there will be an increase in numbers of people in the labour force between 25 and 39 years-old, but also an increase in people aged over 50.

Figure 5 **Changes in working-age population and labour force by age, 2013-25, Sweden (%)**

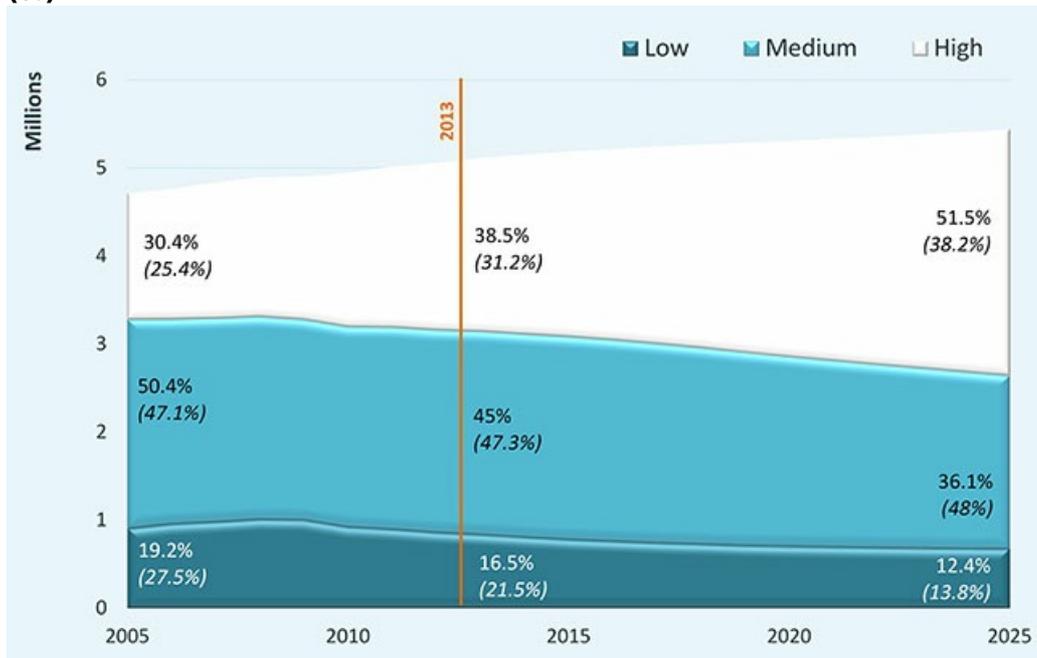


Source: Cedefop skills forecasts (2015)

Sweden's labour force is becoming more highly qualified (Figure 6). This can be explained by older less qualified people leaving the labour market and young people staying on longer in education and training to improve their job prospects. By 2025, the share of those with high-level qualifications in labour force should rise to 51.4% compared to 38.5% in 2013 and 30.4% in 2005. People with medium-level qualifications in 2025 will account for 36.1% of the labour force compared to 45% in 2013. The share of those with low-level or no qualifications is forecast to fall from 16.5% in 2013 to 12.5% in 2025.

According to Cedefop's forecasts, by 2020, in Sweden, around 59% of 30 to 34 year olds will have high level qualifications, well above the EU's educational attainment benchmark of 40% by 2020. On current trends around 65% of 30 to 34 year olds in Sweden will have high-level qualifications by 2025.

Figure 6 **Labour force trends by qualifications, 2005-25, Sweden (and EU)** (%)



Source: Cedefop skills forecasts (2015)

In 2013, in Sweden, 7.1% of young people left the education and training system with a low-level qualification, meeting the national target of reducing this to less than 10% by 2020. In the EU, the average, in 2013, was 11.9%, still higher than its benchmark of less than 10% of young people leaving the education and training system with low-level qualifications by 2020.

Experts' view

*Cedefop's forecasts and their assumptions are regularly discussed with national experts. **Eric Helsing and Karin Zetterberg Grünewald, analysts at the department of population and welfare at Statistics Sweden** consider the forecasts' underlying assumptions and results plausible.*

They add that the Europop 2013 population projection slightly overestimates net migration trends compared to national one, which assumes that immigration and the total population will increase.

The European Commission macroeconomic forecast is a little more pessimistic than national forecasts, which see higher levels of investment. Unemployment is also expected to be lower according to the national forecast. The national experts also expect more new jobs requiring medium level qualifications to be created, in construction and non-marketed services (health care and elderly care).

Cedefop's forecast of the share of the labour force with high-level qualifications is considerably higher than the national forecast, which foresees 47% of the labour force aged 16-74 having high-level qualifications in 2025. National forecasts also see a slower decline in the share of the labour force with medium-level qualifications compared to Cedefop's projections. Consequently, the national forecast foresees around 50% of the population aged 30-34 having high-level qualifications.

Cedefop skills supply and demand forecasts' scenario

Cedefop skills supply and demand forecasts take account of global economic developments up to October 2014. Despite significant differences between countries, the forecasts generally assume that a modest economic recovery will slowly increase confidence in the EU, increasing investment, consumer spending and exports. Inflation stays in target range and interest rates low, while higher tax revenues help governments reduce debt.

The assumptions reflect the latest Eurostat population forecast (Europop 2013, published in spring 2014) and the short-term macroeconomic forecast produced by the European Commission in November 2014.

Cedefop's forecasts use harmonised data and methodology for all countries covered to allow cross-country comparisons. They do not substitute national forecasts. Total employment data correspond to those reported in national accounts.

Cedefop's latest skills demand and supply forecasts up to 2025 cover 28 EU Member States plus Iceland, Norway and Switzerland. Results are regularly updated and together with key assumptions and methodological developments are reviewed by national experts.

For the latest update and more detailed skills forecast data visit: www.cedefop.europa.eu/forecast

Published online on
08/06/2015
Last updated on 08/06/2015

© European Centre for the Development of Vocational Training,
2015

Reproduction is authorised provided the source is acknowledged.

Country forecasts are published as a part of Cedefop's Skills
Forecast project. The forecast data are accessible at:

www.cedefop.europa.eu/forecast

Other country forecasts are at:

www.cedefop.europa.eu/forecast-reports

P.O Box 22427, 55102 Thessaloniki, GREECE

Europe 123, Thessaloniki, GREECE

Tel. +30 2310490111, Fax +30 2310490020

E-mail: info@cedefop.europa.eu

visit our portal <http://www.cedefop.europa.eu>