



## HUMAN RESOURCE REQUIREMENT IN SCANDINAVIA: OPPORTUNITIES FOR PAKISTAN

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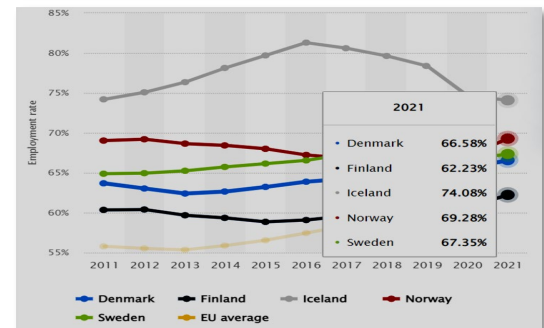
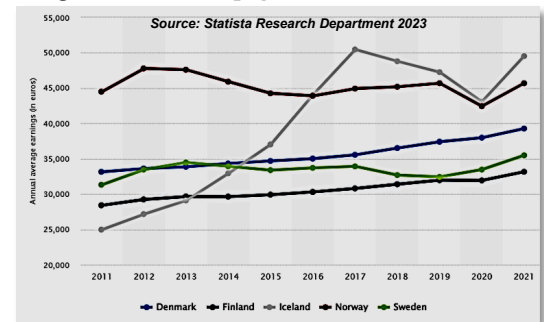
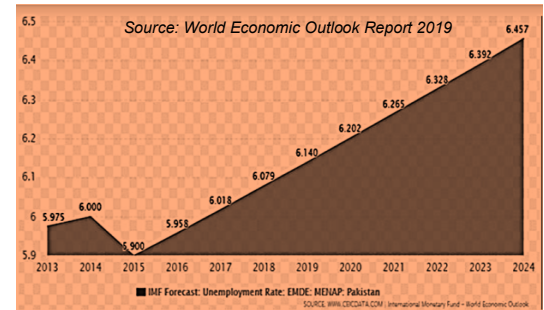
Human resource is a great asset for the economy of any nation as it contributes to the overall productivity of nation's economy. It actually enables the nation to capitalize available resource and opportunities, therefore, the presence of trained and well equipped human resource is blessing for any nation. Pakistan in this regard, is indeed fortunate to possess highly qualified, skilled, semi skilled and unskilled human resource. If this potential is utilized properly, it can bring huge benefits for the nation.

Major threats to the Pakistan's economic security are the declining standard of living, rising inflation, and youth unemployment rate. The aim of successive governments has always been to promote higher education and increase literacy. However, the strategy to train human resource has always been a missing link. Resultantly, there are significantly more graduates than job openings causing social disparities. IMF World's Economic Outlook Report 2019" foresees a sharp increase in the unemployment rate in Pakistan.<sup>1</sup>

If human resource is not effectively managed, it becomes a liability for the country. The governments have two alternatives in this regard: either they can find foreign markets to pay for the skilled human resource, or they can create more jobs domestically. Both options should be applied simultaneously according to the situation of respective country to chalk out a comprehensive plan of action to channelize and utilize human resource. In context of Pakistan, it is difficult to create new jobs / slots in current economic situation; thus, outsourcing human resource alongwith internal consumption is key to resolving the challenge. Therefore, there is a need to look into new opportunities abroad and develop a practical plan for utilising human resource to boost the economy. A large number of Pakistanis are already supporting economy of the country through foreign remittances, however, decreasing opportunities in the existing job markets are hinting towards diversification of job avenues.

The Scandinavian region could be a reliable potential job market owing to its robust economies and high standard of living. All five Nordic countries are among the 20 countries in the world with the highest GDP per capita, showing how economically successful the region is.

The Scandinavian nations of Sweden, Denmark, Norway, Finland and Iceland are renowned for employment opportunities and growing job market as well. The Graph shows the annual average earning over the years in Scandinavia which shows why Scandinavia should be considered as a potential job market.



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As per the graph the annual average earning of Sweden, Denmark, Norway, Finland and Iceland is €35,485.73, €39,273.77, €45,686.24, €33,155.47 and €49,514.31 respectively. Whereas, the annual average earning of EU is €24,947<sup>2</sup> and Middle East is €35,388.<sup>3</sup>

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Furthermore, increasing employment rates also indicate the presence of opportunities for foreign workforce. As far as the specific demand in Scandinavia is concerned, the specific job market and job opportunities vary by country and industry. The country wise details are as following:-

- **Sweden:** The fields in demand are doctors, nurses, midwifery, dentists, engineers, accountants, teachers, lawyers, IT experts, software and system developers, decorator, carpenters, chefs, drivers, electrician, welders, construction workers and firefighters.<sup>4</sup>
- **Denmark:** It needs civil engineers, architects, biochemists, accountants, dentists, doctors, electronics engineers, IT project managers, lawyers, music teachers, nurses, pharmacists, psychologists and hospitality and housekeeping experts.<sup>5</sup>
- **Norway:** Oil and gas and renewable energy experts, IT professionals – developers, programmers, project managers, civil engineering and mechanical engineering are thriving professions in Norway. Furthermore, Norway has an aging population, which is creating demand for more healthcare and social service workers. Therefore, it is a good market for the medical human resource.
- **Finland:** IT and software professionals, HR managers, engineers, accountants, doctors, nurses, teachers, STEM professionals.
- **Iceland:** The job opportunities are available in construction, healthcare, IT and tourism areas. The economic forecast of Iceland suggests that between “2022 and 2025, the number of jobs in Iceland will increase by 15,000, while the number of Icelandic workers will only increase by 3,000. Therefore 80% of the required workforce must be filled by expats”.<sup>6</sup>

Therefore, the data shows requirement of diverse human resource in various fields and Pakistan can offer human resource in all aforementioned fields.

As far as key stakeholders are concerned, Ministry of Federal Education & Professional Training (MOFEPT) and Ministry of Overseas Pakistanis and Human Resource Development (MOPHRD) are key stakeholders along with MoFA. MOFEPT maintains the data of trained skilled workers, whereas, MOPHRD trains the HR and maintains the data of outgoing emigrants registered in all categories.<sup>7</sup> National Vocational and Technical Training Commission (NAVTTTC) working under the MOFEPT is tasked to oversee the professional / vocational training. 4500 institutes under NAVTTTC are training human resource in Pakistan.

According to Schedule-II of the Rules of Business, 1973, the MOPHRD's designated business is to establish and coordinate national policies for job promotion and manpower development for prospective international employees. Furthermore, creation of short- and long-term programmes to enhance human capital and advance employment overseas also come under the mandate of the ministry.

The National Industrial Relations Commission (NIRC), the Bureau of Emigration & Overseas Employment (BE&OE), and the Directorate of Workers Education (DWE) are the three attached departments that make up Pakistan's current HR Development and Allocation Infrastructure. There are also four autonomous bodies: the Overseas Pakistan Foundation (OPF), The Overseas Employment Corporation (OEC), Employees' Old-Age Benefits Institution (EOBI), and the Workers Welfare Fund (WWF). These autonomous bodies and departments are working under the MOPHRD.<sup>8</sup>

The Bureau of Emigrants and Overseas Employment (BE&OE) reports that Pakistan exported 832,339 workers in 2022 which is the second-largest number ever recorded, with 946,571 being the most in 2015. In addition, 12 Million skilled and unskilled individuals travelled to various countries across the world during last 4 years, however, only 578 of them were registered for Scandinavia. Hence, 0.0048% of all immigrants opt to go to Scandinavia as their final destination. Engineers, computer programmers, managers, cooks, and general labourers made up the majority of the immigrants.<sup>9</sup> Furthermore, the figures highlight that there is a need for immediate action and focused investigation to find out why the Pakistan's human resource export is low in these countries despite availability of opportunities. Unfortunately, the lack of research culture in HR sector is the main reason depriving us to diversify our HR markets and exploring available opportunities.

Scandinavian countries are known for their inclusive and innovative HR practices. Opportunities for skilled labour are promoted through official channels, whereas, those for

unskilled labour are investigated through private sectors, however, there are some challenges too. First and foremost is that the job market is fiercely competitive as it is offering good remittances and exposure. Secondly, visa regimes are tough for non-EU countries. Thirdly, people are not aware of the opportunities available in Scandinavian region. Own diaspora is very small and people do not have access to job advertisements as they have in case of Middle East and other European countries.

Above in view, following are the recommendations:-

- Keeping in consideration the opportunities available, there is a need to deploy Commercial Welfare attaché in Scandinavia.
- MOPHRD should collaborate with MoFA to negotiate visa regimes with Scandinavian Governments.
- MOPHRD can compile detailed HR data at national level. The data should include following credentials:-
  - The HR exported to other countries.
  - The excess trained HR available within fields.
  - The HR requirements in various countries along with the numbers.

- There is need of an official website related to Scandinavia that can be used to advertise opportunities in the region in addition to the guidance related to the visa processing.
- MOPHRD should pass guidelines to MOFEPT to train HR in accordance with the requirement abroad.
- Public-private cooperation could be used to train professionals according to the demand in Scandinavia. HR export system may be outsourced to the private sector. In this regard, private companies and agents can be certified to find opportunities in Scandinavia and facilitate training according to the necessity there. MOPHRD may only facilitate and regulate the process.
- Short-term, mid-term, and long-term goals may be set and evaluated on yearly basis through a detailed report.

By adopting the above mentioned recommendations we can diversify our job markets, therefore, generating more remittances for the country.

## References

<sup>1</sup> Rep. *World Economic Outlook Report 2019*. New York: International Monetary Fund, 2019.

<sup>2</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Wages\\_and\\_labour\\_costs#:~:text=In%202021%20the%20net%20annual,%E2%82%AC45%20787%20in%20Luxembourg.](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Wages_and_labour_costs#:~:text=In%202021%20the%20net%20annual,%E2%82%AC45%20787%20in%20Luxembourg.)

<sup>3</sup> <https://english.alarabiya.net/business/economy/2017/11/08/The-sliding-scale-of-salaries-across-Arab-countries->

<sup>4</sup> <https://www.thelocal.se/jobs/>

<sup>5</sup> <https://www.workindenmark.dk/>

<sup>6</sup> <https://www.prospects.ac.uk/jobs-and-work-experience/working-abroad/work-in-iceland>

<sup>7</sup> Interview with Joint Secretary Ministry of Human Resource Development and Overseas Pakistanis, 14 February 2022.

<sup>8</sup> <https://www.ophrd.gov.pk/>

<sup>9</sup> Interview with Deputy Director Ministry of Human Resource Development and Overseas Pakistanis, 14 February 2022.