

Submitted Abstract

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Abstract

On 1 January 2020, 23 million non-EU citizens were living in the EU (5.1 %), and this trend is lasting as approx. 2.7 million migrated from non-EU countries in 2019. The project MATILDE (Horizon 2020, Grant Agreement No. 870831) deals with the social and economic impacts of migration by third-country nationals (TCNs) on rural and mountainous areas by improving the territorial cohesion and integration of migrants.

As economic growth depends on employment, productivity, entrepreneurship, and innovation to a great extent, secondary data were analyzed to examine the effects of migration by TCNs. The comparative analysis focuses on demographics, qualification, (un)employment, income and gross domestic product (GDP), economic activities and entrepreneurship, as well as research & development (R&D). Depending on data availability, differences between TCN/migrants and domestics, and disparities between urban and rural areas, were in focus. Applying international databases ensures comparability between the 10 countries analyzed: Austria, Bulgaria, Finland, Germany, Italy, Norway, Spain, Sweden, Turkey, and the United Kingdom.

The highest educational attainment levels of EU-28/EFTA citizens and third-country nationals differ substantially from the domestic population. TCNs are overrepresented in primary and secondary, whereas underrepresented in secondary and tertiary education levels. Following Becker (1964), this explains, as seen in the data, why inclusion in the labor market is comparably low among migrants. On the other hand, as working home country nationals have a higher educational attainment level, this could be one reason their income is higher.

The below-average regional GDP growth rate, especially in rural provinces, is indirectly linked to immigration but preferably internal migration from rural areas to cities. These emigrations tend to reinforce the erosion of the economic basis, as they harm the potential workforce and the region's economic attractiveness.

Immigrants play a pivotal role in reviving rural areas, and with the appropriate policies, they could play an even more significant role in sustaining them. Regions with a high share of TCNs have a high GDP per capita and vice versa. On the one hand, prosperous regions are more attractive to migrants; on the other hand, these regions benefit from better availability of working-age people. In this context, one speaks of a so-called cross-fertilization, which results from the interaction of these two factors. As TCNs immigrants are on average younger than the domestic population, immigration increases the ratio of workers to retirees, thereby shielding the economy against aging societies' long-term (financial) challenges.