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Policy Notes and Reports 78

JUNE 2024

Shifting Patterns of Migration in Europe:

New Source Countries, Old Challenges

Maryna Tverdostup

The Vienna Institute for International Economic Studies
Wiener Institut für Internationale Wirtschaftsvergleiche

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MARYNA TVERDOSTUP

Maryna Tverdostup is Economist at the Vienna Institute for International Economic Studies (wiiw).

Abstract

Over the past few decades, immigration has become the primary factor contributing to population growth in the European Union (EU) due to rapid population ageing and declining fertility rates. However, the traditional migration source countries – namely, the EU countries in Central and East Europe (EU-CEE) and the EU neighbourhood countries – have limited potential to supply much-needed labour to Western Europe due to own their grim population prospects. Immigration from non-EU, non-European Free Trade Association (EFTA) or non-EU candidate countries as of 2015 (i.e. Georgia, Moldova, Turkey and Ukraine) appears to be the only factor that can prevent population decline in the long run, as third-country nationals are, on average, younger than natives or immigrants from the EU neighbourhood. However, current evidence suggests that higher immigration has only a limited capacity to stabilise population decline and offset labour shortages in the EU countries most affected by negative demographic trends, as they receive fewer immigrants relative to other EU countries. Moreover, the labour market integration of immigrants from non-traditional source countries, including Middle Eastern and African countries, has proved challenging for both legal and infrastructural reasons. This has resulted in an immense pool of untapped talent and skills, which will require the appropriate policy steps to be fully identified and effectively employed in the labour market. These policies, like the ones proposed in this report, will become increasingly important as the EU moves steadily towards new immigration source regions.

Keywords: demographic trends, labour shortages, migration, refugees, integration policies

JEL classification: J11, J15, O15

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Shifting Patterns of Migration in Europe: New Source Countries, Old Challenges

1. EUROPE'S DEMOGRAPHIC CHALLENGES AND SHIFTING MIGRATION PATTERNS

After decades of an upward population trend, the EU is now facing grim demographic prospects. With stagnating fertility rates and a rising ratio of older to younger residents, positive net migration has been the major driver of population growth over the last 30 years and will gain importance in the decades to come. However, the traditional source countries, which include those from the EU countries in Central and East Europe (EU-CEE) and the EU neighbourhood region, are experiencing a downward population trend, which points to their waning ability to supply labour to the EU. As a result, the EU is transitioning to a more diversified immigration inflow, with a majority of immigrants coming from the Middle East and Africa. This section provides key facts on Europe's current demographics, examines the intensity and distribution of immigration flows across sending and receiving countries, offers a glimpse into the demographic future of the EU, and discusses the major labour market spill-over effects of a declining population, namely, workforce and skill shortages.

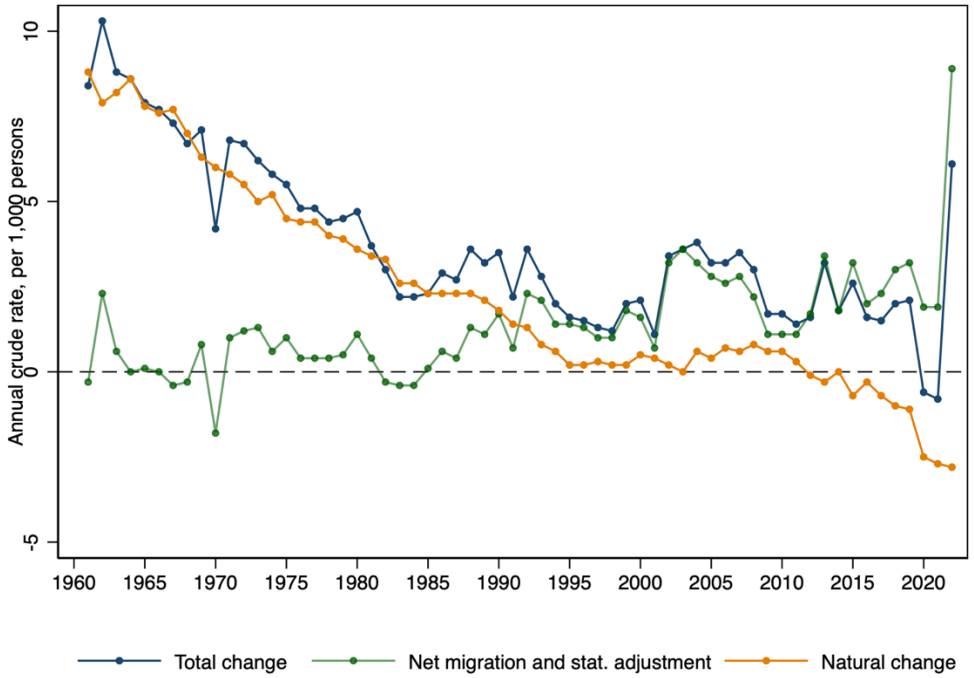
1.1. The EU population: A snapshot of the present

The EU has experienced an upshift in its population dynamic over last decades, with the total population rising by 93.9 million people between 1960 and 2022 to reach 448.4 million as if 1 January 2023. Overall, a major share of this increase – 57.6 million people, or 61% – was due to net migration, while only 36.3 million (39%) was due to natural population change (Eurostat 2023b).[1]

However, the population growth potential has been dwindling and the **factors behind population growth have changed over time, with immigration becoming the main factor contributing to population growth in recent decades.** Figure 1 depicts the population change over the 1960-2022 period decomposed into the natural change (based on the ratio of births to deaths) and net migration (with statistical adjustment). Until 2011, having more births than deaths contributed to the natural increase of the EU population. Since 2012, the natural change has been negative, with more deaths than births, and the total change after 2011 was due to net migration. Net migration, on the other hand, improved, as the annual net migration crude rate has been steadily positive and increasing since the mid-1980s. Furthermore, the relative contribution of net migration to overall population growth has been exceeding that of natural change since the early 1990s, indicating that migration has been fuelling the EU's population growth for a long time.

[1] The estimates consider population dynamics in countries that were EU member states in 2022.

Figure 1 / Population change by component (annual crude rates) in the EU27, 1960-2022



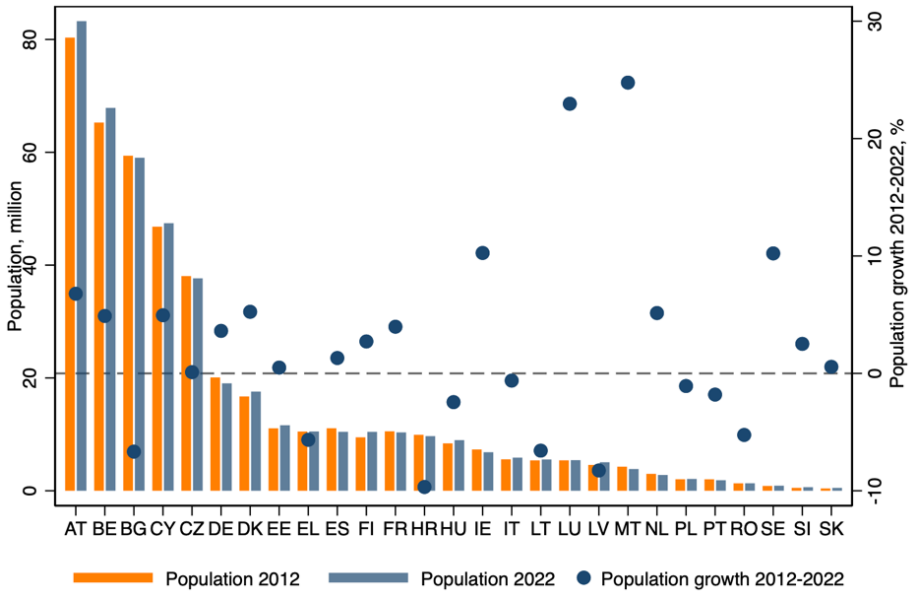
Note: Total change is the ratio of total population growth during the year to the average population of the country that year. Net migration and statistical adjustment change is the number of immigrants arriving in the country minus the number of emigrants leaving the country plus statistical adjustment in a given year. Natural population change is the difference between the number of live births and deaths in a given year. All three measures are expressed per 1,000 inhabitants.
Source: Eurostat population statistics (*demo_gind*).

Europe has seen diverse patterns of population growth in the last decade, with some regions and countries experiencing rapid population increases and others facing declining or stagnating populations. Figure 2 shows the absolute population size of EU27 countries in 2012 and 2022 as well as the relative population growth rate over the same period. One striking observation is the contrast between the population growth of Western EU27 countries and the rest of Europe. Most EU-CEE and Southern European countries had declining or stagnating populations between 2012 and 2022, with the only exceptions being Cyprus, Malta and Slovenia. Croatia had the most severe population decline (-9.8%) over the decade, followed by Lithuania (-8.3%), Bulgaria (-6.7%), Latvia (-6.6%), Greece (-5.7%) and Romania (-5.2%). Among Western European countries, only Portugal and Italy had slight population declines (-1.8% and -0.6%, respectively). Luxembourg (+23%), Ireland (+10.3%), Sweden (+10.2%) and Austria (+6.8%) experienced the largest population increases between 2012 and 2022.

One trend is common in almost all EU27 countries regardless of their population dynamics – positive net migration has been the main driver of their growth over the last decade. In most European countries, the average crude net migration rate from 2012 to 2022 was much higher than the average natural population growth rate (see panel (i) of Figure 3). However, the biggest differences were recorded for Malta and Luxembourg, where both net migration and natural change rates were positive. In Austria, Bulgaria, Estonia, Finland, Germany, Italy and Spain, positive net migration balanced out the zero or negative natural population growth rate, as these countries had more deaths than births. The only EU countries that had negative or zero average net migration rates were Croatia, Greece, Latvia,

Poland, Romania and Slovakia. Coupled with the negative natural change, this resulted in a population decline for these countries between 2012 and 2022 (see Figure 2).

Figure 2 / EU27 population and population growth rate, 2022-2012



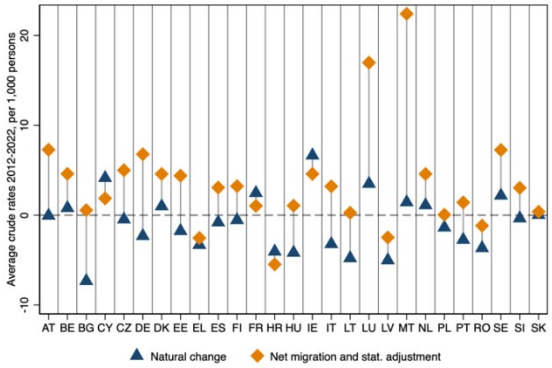
Note: Population as of 1 January in the given year is considered. The population growth rate is computed as the difference between the population in 2022 and in 2012 divided by the population in 2012 and then multiplied by 100.
Source: Eurostat population statistics.

Despite the overall population growth in recent decades, the majority of EU countries are facing the challenges of declining fertility and a rising old-age-dependency ratio, which undermines future economic growth, fiscal sustainability and healthcare provision. Panel (ii) of Figure 3 illustrates change in total fertility and the old-age-dependency ratio over the 2011-2021 period. Notably, while fertility change varies across the countries, the ratio of people aged over 65 to those aged 15 to 64 increased in all EU27 countries without exception over the last decade. The current median age in the EU27 is 44 years, and this figure is steadily increasing (Eurostat 2023a). Amplified further by persistently low fertility, population ageing will have serious long-term implications, as income tax revenues will fall, labour shortages will intensify with fewer people working, and public healthcare expenditure will surge.

Nevertheless, positive net migration has not been enough to offset the effects of ageing and low fertility, as the old-age-dependency ratio has steeply risen in recent decades in all EU countries, including those with a substantial immigrant population. Even in the countries with high positive net migration (e.g. Denmark, Estonia, Finland, Ireland and Sweden), the old-age-dependency ratio increased over the last decade (see panel (ii) of Figure 3). Rising longevity (Eurostat 2021) and stagnating fertility are contributing to a steady increase in the share of elderly people in the population, and the current migration balance appears insufficient to compensate for a declining share of youth in the EU population. As a result of declining fertility rates and rising old-age-dependency ratios, all EU countries will be increasingly reliant on immigration to ensure future economic growth, fiscal sustainability, healthcare provision and adequate care for the elderly.

Figure 3 / Drivers of population change across EU27 countries

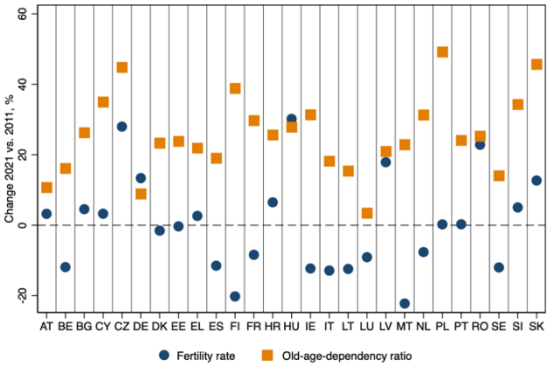
(i) Population change by component (average annual crude rates), 2012-2022, by country



Note: Average crude rates in the 2012-2022 period are estimated as simple mathematical averages.

Source: Eurostat population statistics (*demo_gind*)

(ii) Change in fertility rate and old-age-dependency ratio, 2011 vs. 2021



Note: The fertility rate is measured as the mean number of children who would be born to a woman during her lifetime if she were to spend her childbearing years conforming to the age-specific fertility rates that have been measured in a given year. The old-age-dependency ratio is estimated as a ratio between the population 65 years or over and the population aged 15 to 64. The index change is computed as the difference between the level of the indicator in 2021 and in 2011 divided by the level of the indicator in 2011 and then multiplied by 100.

Source: Eurostat population statistics (*tps00198, tps00199*).

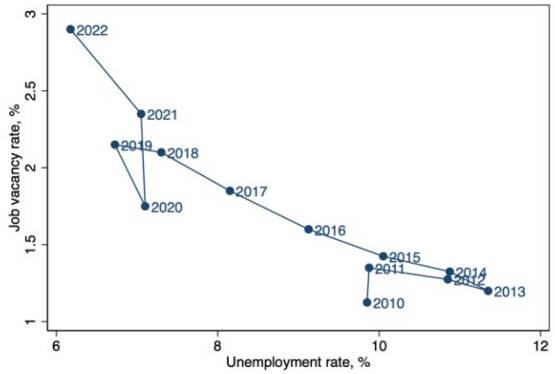
1.2. The spill-over effects of the demographic decline: Labour shortages and skill gaps

Despite the economic setback caused by the war in Ukraine, Europe faces record-high skill and labour shortages (European Commission 2023). Except in 2020, which saw the outbreak of the COVID-19 pandemic, the job vacancy rate has been rising steadily in the EU. This has been accompanied by a major decline in the unemployment rate from 2015 onwards (see panel (i) of Figure 4). Likewise, labour market slack declined steeply in the post-pandemic years (see panel (ii) of Figure 4), signalling that the degree of labour utilisation increased substantially in response to mounting labour demand.

A rapidly ageing population is exacerbating the lack of workers, while a low natural population growth rate will amplify labour shortages at an increasing rate in the future. To date, the effect of population ageing has only started to materialise in labour shortages and the rapid development of new technologies. The need for highly skilled workers who can adapt to changing tasks and environments has been the primary driver of the mismatch between the supply of and demand for labour (ECB 2023). However, the increasing share of the elderly in the total population will intensify labour shortages and widen the gap between the supply and demand of skills in the decades to come. Positive net migration is foreseen as a crucial means to smooth a looming lack of labour – provided that the labour market integration of immigrants is quick and efficient.

Figure 4 / Labour shortages in the EU27

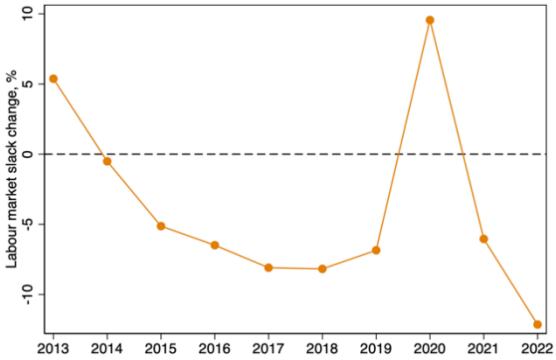
(i) Beveridge curve, Q4 2010 to Q4 2022 (four-quarter average rates)



Note: The job vacancy rate is estimated as the number of job vacancies divided by the sum of a number of occupied posts and the number of job vacancies. This figure is then multiplied by 100.

Source: Eurostat job vacancy rate (*jvs_q_nace2*) and unemployment (*lfsq_urgan*) statistics.

(ii) Yearly labour market slack change, 2013-2022



Note: Labour market slack refers to the unmet supply of employment, including unemployed individuals, the time-related underemployed and discouraged workers as well as other inactive persons with labour force attachment. Yearly change is estimated as a ratio between the labour slack in the current and the previous years, which is then multiplied by 100.

Source: Eurostat labour market slack statistics (*lfsi_sla_a*).

1.3. Origin of immigrants in the EU: A shift from immediate neighbourhood to more distant regions

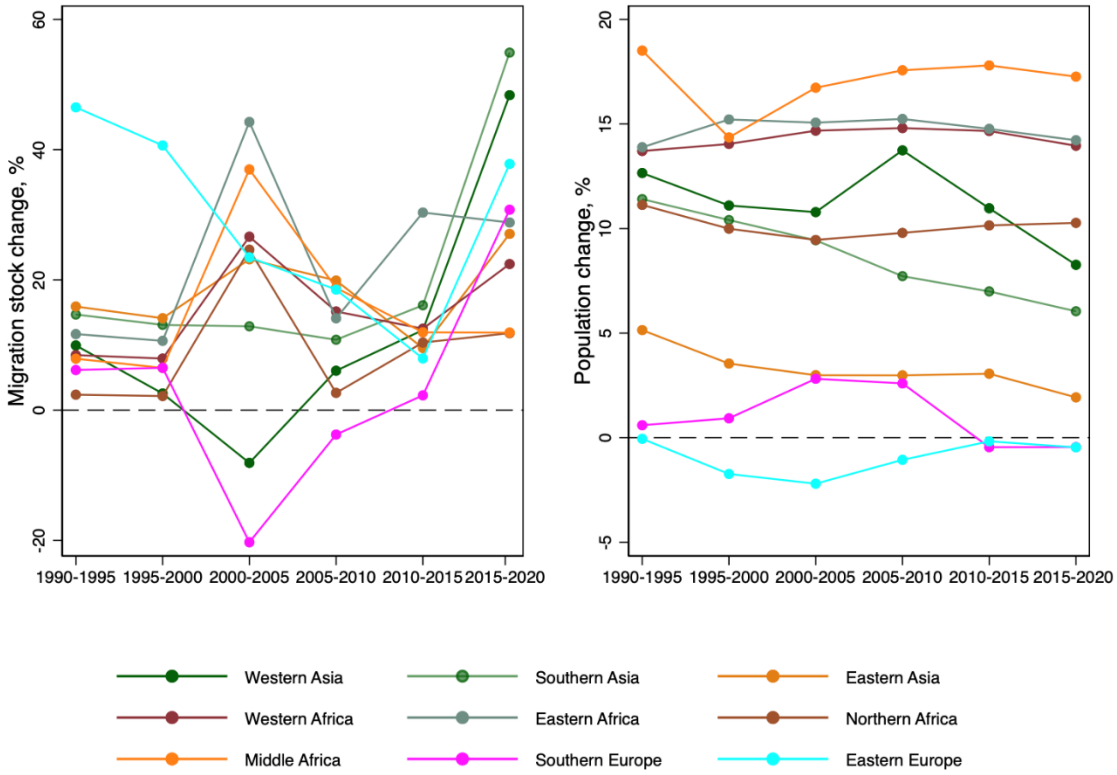
Regions that have traditionally been a source of foreign workers in the EU are experiencing a decline in population. In the early 1990s, Eastern and Southern European countries, including the former states of the Soviet Union and Yugoslavia, provided Western Europe with millions of workers. However, their emigration potential has been steadily declining in recent decades due to a negative or zero natural population growth dynamic (VID 2022).

The long-term trend in migration stock has been positive for all source regions, indicating a shift from traditional to more diversified origins of immigrants that has been ongoing for several decades. Migration stocks in Western Europe steadily increased for all source regions between 1990 and 2020 (see panel (i) of Figure 5). The only exceptions were declining migration stocks originating from Southern Europe between 2000 and 2010 and from Western Asia between 2000 and 2005, which were respectively caused by the return of war refugees to the Western Balkan countries and the outflow of Turkish nationals (Blitz 1999). The most significant increase in the last decade was reported for immigrants originating from Southern and Western Asia, with an increase in the migration stock ranging from 48% to 55% between 2015 and 2020. Interestingly, immigration from Eastern and Southern Europe to Western Europe also rose between 2015 and 2020 following a relative slowdown between 1995 and 2010, which was largely due to the European dept crisis and its social fallout.

Figure 5 / Migration stock change in Western Europe and population change by region of origin

(i) Migration stock change between 1990 and 2020 in five-year steps (destination region: Western Europe), %

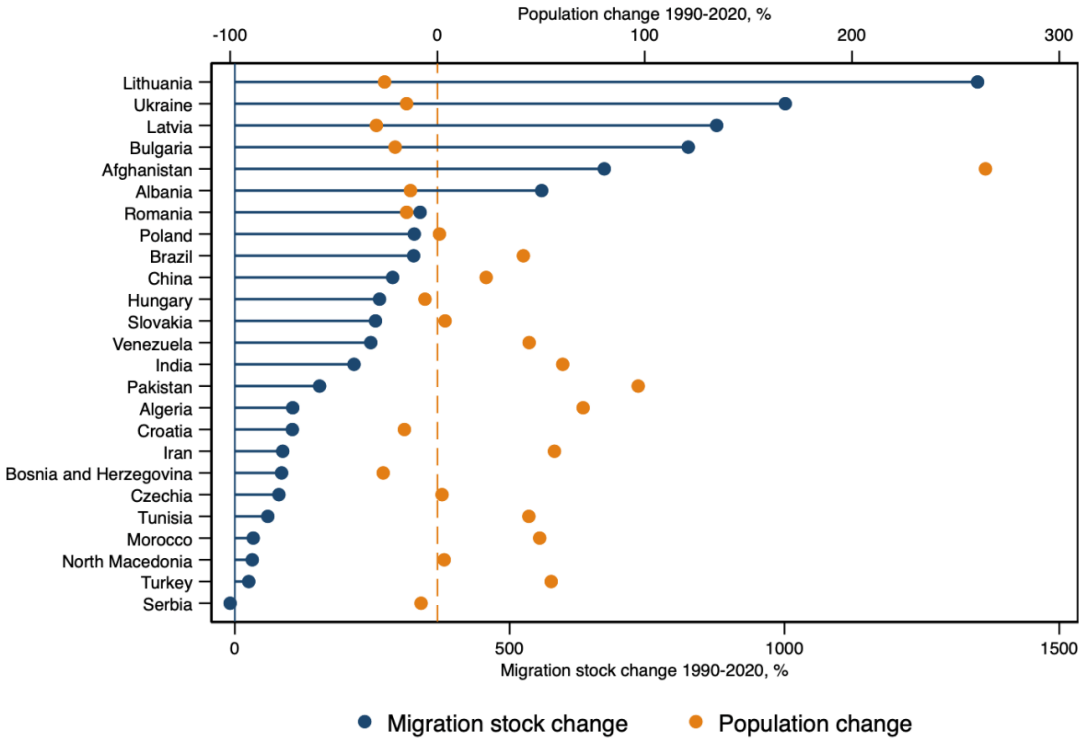
(ii) Population change between 1990 and 2020 in five-year steps (destination region: Western Europe), %



Note: The definition of Western Europe follows the UN classification and includes Austria, Belgium, France, Germany, Liechtenstein, Luxembourg, Monaco, the Netherlands and Switzerland. Broad regions of origin are defined following UN classification https://unstats.un.org/unsd/methodology/m49/.
Source: UN migration stock and population statistics, respectively available at www.un.org/development/desa/pd/content/international-migrant-stock and https://population.un.org/wpp/.

Except for Southern and Eastern Europe, all regions that are sources of migration to the EU have experienced positive population dynamics over the last decade. Panel (ii) of Figure 5 illustrates population growth rates between 1990 and 2020 in five-year intervals across nine source regions. In the early 1990s, population growth was positive for all regions but of drastically diverging magnitudes. Since the mid-1990s, Eastern Europe's population has been steadily declining. In Southern Europe, after decades of upward population growth, population growth was negative or zero in the last decade. The demographic dynamics in all sub-regions of Africa and Asia contrast sharply with that of Europe. Since 1990, the population has been growing steadily in both Asia and Africa, with the latter's absolute population size doubling between 1990 and 2020.

Figure 6 / Migration stock change in Western Europe and population growth by source country, 1990-2020



Note: The definition of Western Europe follows the UN classification and includes Austria, Belgium, France, Germany, Liechtenstein, Luxembourg, Monaco, the Netherlands and Switzerland.
Source: UN migration stock and population statistics, available at https://www.un.org/development/desa/pd/content/international-migrant-stock and https://population.un.org/wpp/, respectively.

EU-CEE, EU candidate/potential candidate and EU neighbourhood countries, which have been a major source of immigrants over the last few decades, are facing shrinking populations and limited capacity to supply Western Europe with workers in the future. Figure 6 illustrates migration stock growth rates over the 1990-2020 period across the key origin countries as well as population growth in these countries over the same period. One stark observation is the drastic population drop in the countries of Eastern and Southern Europe – namely, Albania, Bulgaria, Hungary, Latvia, Lithuania, Poland, Romania and Ukraine – which appeared as the key origin countries of immigrants in Western Europe. The increases in the stock of immigrants originating from these states in 2020 relative to 1990 range between 13.5 times for Lithuania to 2.6 times for Hungary, whereas population growth has been negative or zero in all countries, with the most pronounced declines in population being seen in Latvia (-29%), Lithuania (-26%) and Bulgaria (-20%).

Countries that are geographically and, in some cases, culturally further away from Europe appear to be the only potential long-term source of foreign workers in the EU. Middle Eastern and African countries (e.g. Afghanistan, Algeria, India, Iran, Morocco, Pakistan, Tunisia and Turkey) as well as Latin American states (e.g. Brazil and Venezuela) have been supplying Western Europe with labour in recent decades. But their input in the European labour market is set to expand in the future, as their population growth remains steadily positive and the potential to supply Europe with much-needed labour is vast.

1.4. Third-country immigrants: The driver of EU population growth in recent decades

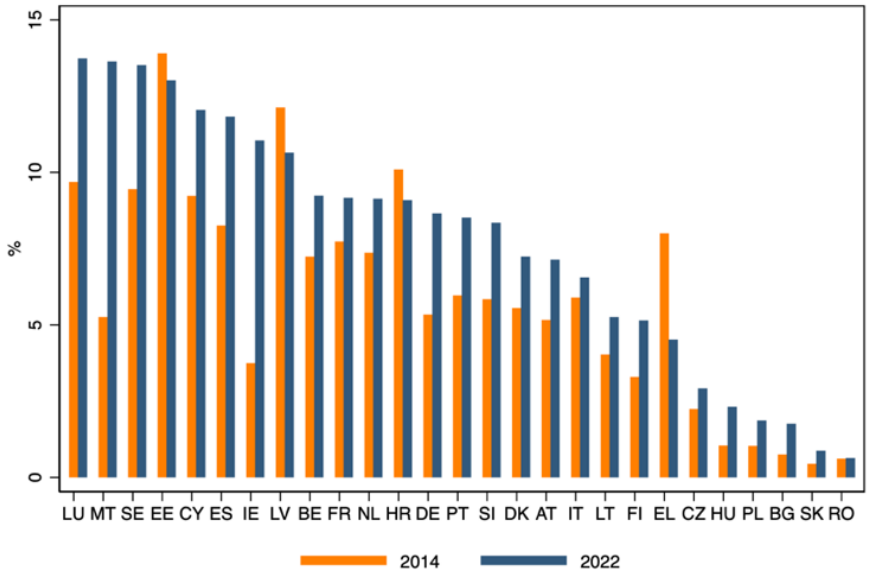
The latest data suggest that the main driver of the EU's population growth in the last decade was migration from countries that are non-EU, non-EFTA and non-EU candidate (as of 2015) countries, with most immigrants coming from Middle East and Africa. The proportion of EU population that did not originate from these non-EU, non-European Free Trade Association (EFTA) or non-EU candidate countries as of 2015 (i.e. third-country nationals) reached around 8.5% in 2022 (European Commission 2024). As shown in Figure 7, almost all EU countries experienced a surge in their third-country population over the 2014-2022 period. The share of third-country nationals more than doubled in Bulgaria, Hungary, Ireland and Malta, while it increased by over 50% in Finland, Germany, Poland and Slovakia. Croatia, Estonia, Greece and Latvia were the only countries where the share of third-country nationals declined over the 2014-2022 period.

European countries appear highly uneven in terms of their shares of third-country nationals. In several EU countries (e.g. Cyprus, Ireland, Luxembourg, Malta, Spain and Sweden), the share of immigrants originating from non-EU, non-EFTA or non-EU candidate countries (as of 2015) exceeded 10% of the total population in 2022. This is largely due to a long history of immigration, a relatively liberal migration policy and a geographical position on the routes from Asia and Africa to Europe.[2] Despite a major surge of immigrants over the last decade, the shares of third-country nationals in EU-CEE countries – including Bulgaria, Czechia, Hungary, Poland, Romania and Slovakia – remained below 5%.

Two immense waves of irregular migration explain the surging shares of third-country nationals across the EU in the last decade. The first wave peaked in 2015, when millions of refugees arrived in the EU, mostly from Afghanistan, Iraq and Syria. From 2014 onwards, over 6.5 million first-time asylum applications were filed in the EU27, with over 2.3 million applications being received in 2015 and 2016 alone (Eurostat 2024a). The second wave was triggered by Russia's full-scale invasion of Ukraine in February 2022, which caused the most intense refugee wave seen in Europe since the Second World War in terms of both the scale and speed of arrivals. Around 2 million persons registered under the temporary protection scheme in the first two months after the start of the war, and the number exceeded 5 million in September 2023 (Eurostat 2024b).

[2] Sizeable Russian minorities contribute to the high shares of third-country nationals in Estonia and Latvia.

Figure 7 / Migrants (other than from EU, EFTA and EU candidate countries as of 2015) as a percentage of the total population, by country



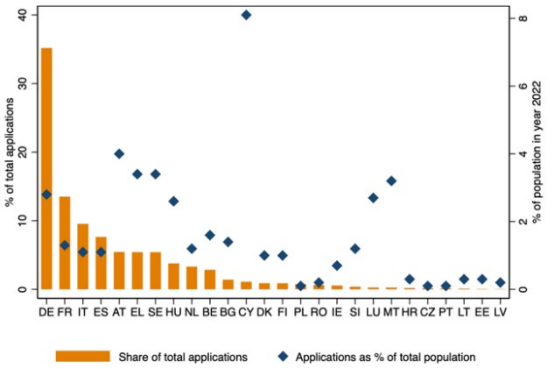
Note: The share of migrants is estimated as a ratio between population with birth country other than EU, EFTA and EU candidate (as of 2015) countries, which is divided by the total population of the country in a given year and then multiplied by 100.
Source: Eurostat migration and migrant population statistics (*migr_pop6ctb*)

However, distribution of irregular immigrants across the EU varied greatly, with the refugees from South-eastern countries heading to the Western EU and Ukrainians tending to settle in EU-CEE countries. Figure 8 illustrates the choice of destination country across the two waves of irregular immigrants. Germany, France and Italy received the highest number of asylum applications in the 2014-2023 period (see panel (i) of Figure 7), whereas Cyprus and Austria were the leading destination countries in terms of the number of applications relative to their populations (8% and 4%, respectively). For people fleeing the war in Ukraine, the main destination countries were Poland and Czechia, with Germany receiving only around 12% of all temporary protection applications, as compared to a striking 35% of the total refugee applications (see panel (ii) of Figure 8).

Refugees and applicants for temporary protection are distributed unevenly across EU countries, which is largely due to significant differences in their profiles and intentions to stay. The choice of destination country is affected by multiple factors at the host-country and individual levels. While the majority of refugees from the South-eastern region intend to settle permanently in the EU, many Ukrainians plan to return home in the foreseeable future (Mykhailyshyna et al. 2023). This largely accounts for the disproportionate number of Ukrainian refugees in EU countries bordering Ukraine. The presence of social ties and a sizeable diaspora is another factor that is equally significant for both refugees and temporary protection applicants. This factor largely explains the high number of applications in Germany and Spain (Di Iasio and Wahba 2023).

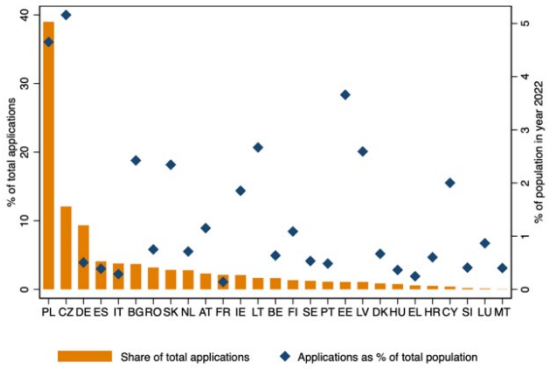
Figure 8 / Destination countries of asylum and temporary protection applicants in the EU27

(i) First-time asylum applications (filed between January 2014 and July 2023), by country



Note: The share of total asylum applications in each country is estimated as a ratio between the number of applications received by a given country in the period from January 2014 to July 2023 and the total number of asylum applications filed in the EU27 in the same period, which is then multiplied by 100. The share of asylum applications as a percentage of the total population in each country is estimated as a ratio between the number of applications received by a given country in the period from January 2014 to July 2023 and the total population in each country in 2022, which is then multiplied by 100.
Source: Eurostat asylum application statistics (*migr_asyappctzm*).

(ii) Temporary protection applications (filed between March 2022 and September 2023), by country



Note: The share of total temporary protection applications in each country is estimated as a ratio between the number of applications received in a country in the period from March 2022 to September 2023 and the total number of temporary protection applications filed in the EU27 in the same period, which is then multiplied by 100. The share of temporary protection applications as a percentage of the total population in each country is estimated as a ratio between the number of applications received in a country in the period from March 2022 to September 2023 and the total population in each country in 2022, which is then multiplied by 100.

Source: Eurostat temporary protection statistics (*migr_asytpfm*).

1.5. The EU population: A glimpse of the future

The continuation of the positive net migration flow will be one of the key factors determining the size of the EU's future population. According to Eurostat population projections, the EU's population is expected to decline in the coming decades, as fertility will not see any major improvements and the old-age-dependency ratio will increase.[3] Under the low-migration scenario, the EU27 population is expected to shrink by 17%, reaching 370 million people in 2100. On the other hand, the most extreme scenario, which assumes no positive migration flow, estimates that the EU27 population will fall to 294 million (a 34% decline relative to 2022). High positive migration can, in turn, mitigate population decline and even result in a 5% increase in the EU27's population by 2100 (see panel (i) of Figure 9).

Likewise, the scale of immigration in the upcoming years will determine the speed of population ageing in the EU. Even under the assumption that immigration will be continuous and sizeable, a steeply rising old-age-dependency ratio is inevitable, as it is expected to climb from 33 to 58, implying

[3] Methodological details on the specific scenario assumptions are available at Eurostat (2023c).

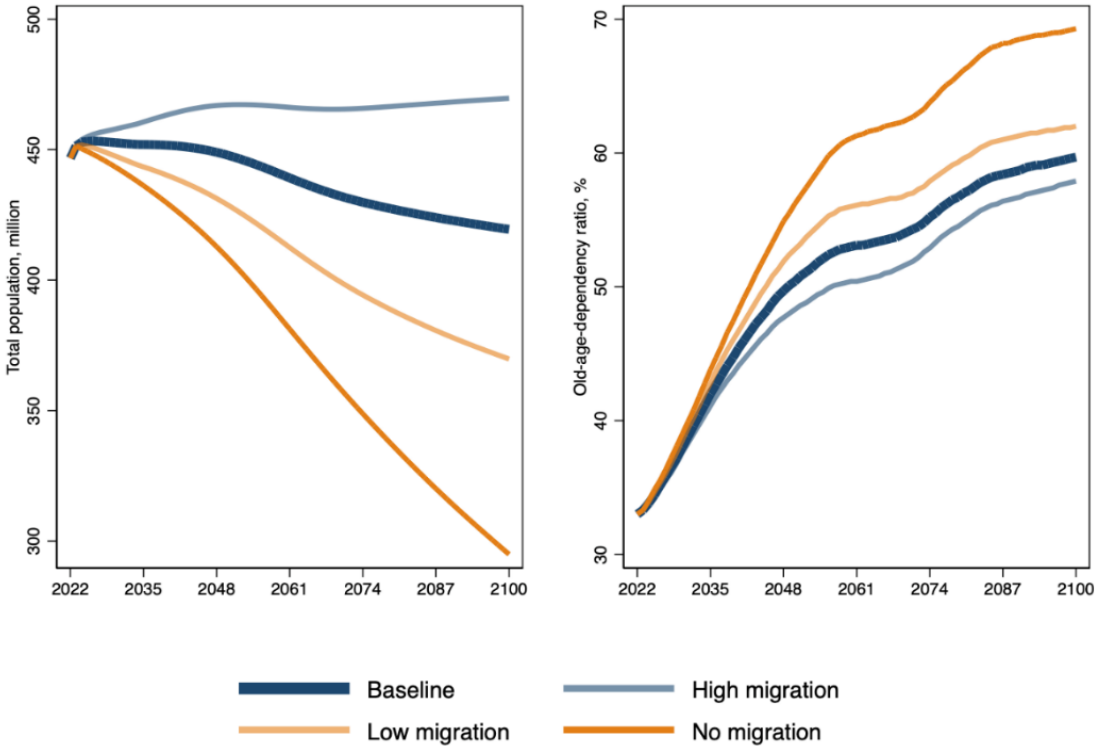
that by 2100 we can expect, at best, 58 persons aged over 65 per 100 working-age persons. In the most dire scenario, which assumes zero immigration, the ratio will spike to 70 (see panel (ii) of Figure 9).

Immigration from more distant regions is one of the main factors that could help mitigate long-term demographic decline and labour shortages in the EU. Other potential means to offset labour shortages and population decline, including automation and increasing fertility, have limited potential. This is because automation is deemed to increase rather than decrease the number of jobs (WEF 2023) and the fertility trend is forecast to stagnate further owing to economic uncertainty, changing social norms and the rising cost of raising children (Vignoli et al. 2020). The contribution of the native population and immigrants from the EU neighbourhood to addressing demographic challenges and filling the looming labour gaps will decline over the next few decades due to an ageing population and declining birth rates throughout the EU and traditional migration source countries, including the Western Balkans. Therefore, immigration from the Middle East and Africa will be crucial for the EU's population and labour market in the decades to come, and facilitating this immigration will require changes to integration policies and a shift in long-term integration prospects.

Figure 9 / Population and old-age-dependency ratio projections, 2022-2100

(i) Total population projections for the EU27, 2022-2100

(ii) Old-age-dependency ratio projections for the EU27, 2022-2100



Note: Population projections (as of 1 January) for the years 2022 to 2100 across four scenarios: baseline, sensitivity test higher migration, sensitivity test lower migration, and sensitivity test no migration.
Source: Eurostat population and old-age-dependency ratio projections (*tps00002, tps00200*)

2. MIGRATION AS A POTENTIAL SOLUTION – BUT NOT WITHOUT THE RIGHT POLICIES

The surging numbers of immigrants in the EU offer hope for slowing population decline, balancing the old-age-dependency ratio, and providing the labour market with much-needed workers. However, for these benefits to materialise, immigrants need to settle in the regions facing the most dramatic population decline, their profiles need to contribute positively to age-gender population distribution (i.e. they need to be of working age or younger), and their labour market integration needs to be smooth. These are the issues that this section examines.

2.1. Are immigrants complementing natives on the labour market?

One essential question to ask is whether immigration can slow the population decline in the EU, which implies that immigration is proportional to population and fertility decline in the region. Positive net migration was the major – and, in many countries, the sole – factor driving population numbers upwards in the last decades. However, sizeable cross-EU variation in migration dynamics calls for a closer look at the distribution of immigrants across the countries while keeping in mind the varying severity of demographic decline and related labour market shortages. For immigration to serve as a demographic stabiliser, younger migrants need to settle in the countries with the most rapidly ageing and shrinking populations and thereby narrow looming disparities in population trends across the EU.

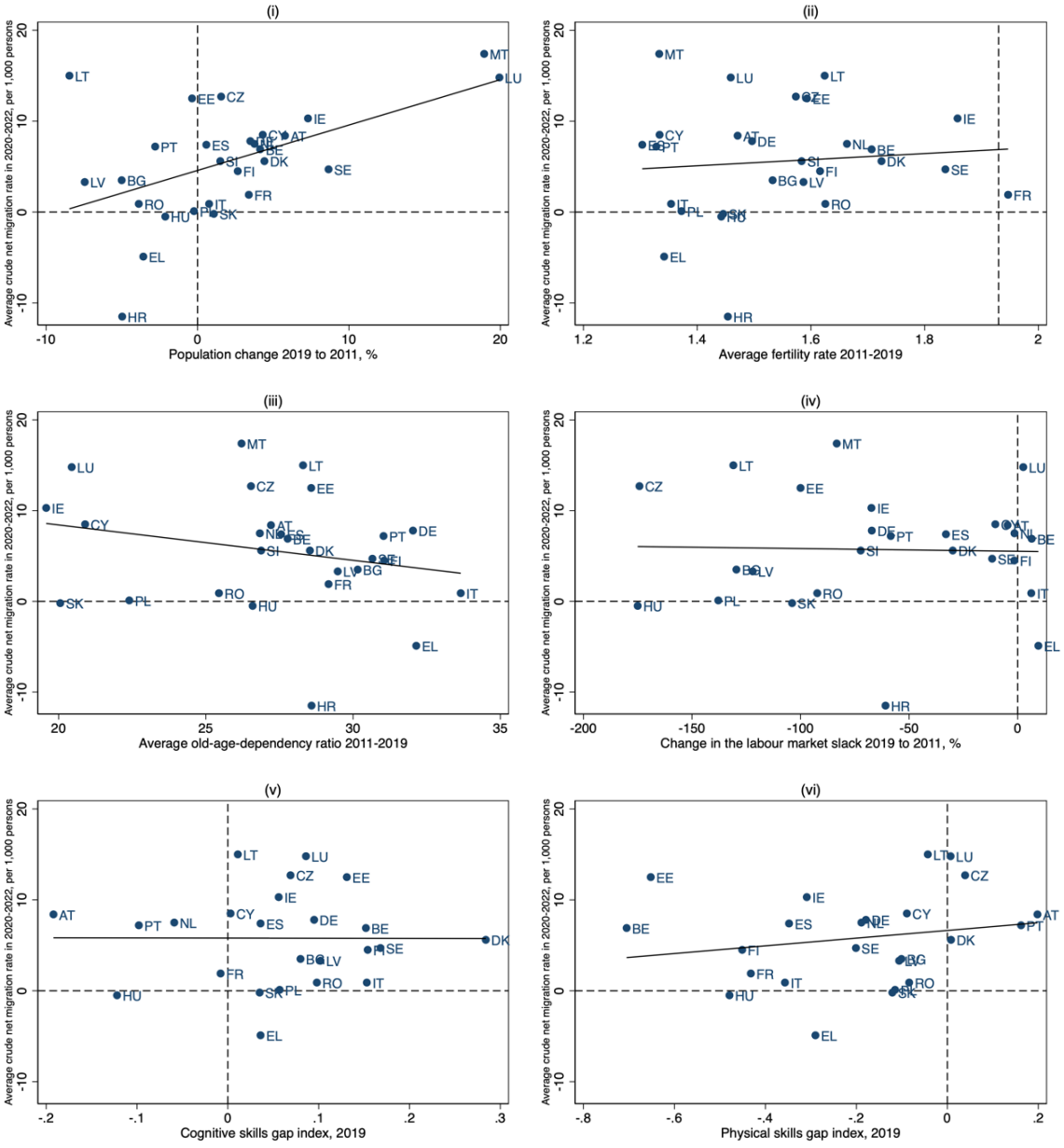
Immigrants are not settling in the EU countries facing the most dramatic population declines. Panel (i) of Figure 10 depicts a positive correlation between the average crude net migration rate in the 2020-2022 period and population change from 2019 to 2011, implying that countries with positive population dynamics from 2011 to 2019 experienced higher net migration in recent years.[4] The latter result indicates that migration does not act as an automatic population stabiliser. On the contrary, it widens existing cross-country disparities in population growth rates and is not helping to prevent the depopulation of Eastern and South-eastern European countries, as countries including Croatia, Greece, Hungary, Poland and Romania have posted zero or negative population growth rates and net migration. However, there are positive exceptions, including Czechia, Estonia and Latvia, where there were negative population trends from 2011 to 2019 coupled with high net migration in recent years.

Likewise, there is no evidence of selective immigration in the countries with lower fertility and higher old-age-dependency ratios. Panel (ii) of Figure 10 documents zero correlation between immigration rate and fertility, suggesting that on average migration has a limited capacity to compensate for low fertility. However, even though they have fertility rates below the EU average, Cyprus, Luxembourg, Malta, Portugal and Spain appear to be benefiting from high immigration. The relationship between migration and the old-age-dependency ratio is negative (see panel (iii) of Figure 11). Countries with the highest shares of elderly people (e.g. Croatia, Greece and Italy) are experiencing negative or zero immigration rates, whereas countries with the youngest populations in the EU (i.e. Cyprus, Ireland and Luxembourg) have seen the highest net migration in the EU region. Hence, positive net migration

[4] One has to account for a potentially strong positive correlation between population growth in the 2011-2019 period and average crude net migration in the 2020-2022 period. The correlation may be driven by the high and consistent immigration rate, which also explains the positive crude net migration in those years.

had limited capacity to stabilise population decline because the migration flow has been skewed towards countries other than those being most affected by negative demographic trends.

Figure 10 / Net crude migration in the 2020-2022 period vs. dynamic of demographic and labour shortage indicators in the EU27 in the 2011-2019 period



Notes: In panels (v) and (vi), positive values indicate a skill shortage while negative values point to a skill surplus; the larger the absolute value, the larger the imbalance.
Source: Data on population, fertility, old-age-dependency ratio and labour market slack have been retrieved from Eurostat. Data on cognitive and physical skill gaps have been provided by the OECD (https://stats.oecd.org/Index.aspx?DataSetCode=S4J2022).

No higher immigration rates are documented in the countries with more acute labour shortages. Almost all EU countries experienced a dramatic reduction in their labour slack, which points to a higher degree of labour utilisation and expanding labour shortages. However, panel (iv) of Figure 10 reveals zero correlation between net migration in the 2020-2022 period and the dynamic in the labour market slack over the 2011-2019 period. For migration to be a labour market stabiliser, one would expect a negative correlation between net migration and change in the labour slack, while assuming that those countries with most pronounced labour shortages experience the highest immigration and those with more stable labour slack dynamics have lower immigration. Yet again, several EU-CEE countries (e.g. Czechia, Estonia and Latvia) appear to have offset shrinking labour slack with higher immigration in the 2020-2022 period, while others (e.g. Hungary, Poland and Slovakia) have been facing both looming labour shortages and low immigration.

In recent years, immigration has struggled to stabilise cognitive skill shortages, while it has partially compensated for physical skill gaps.[5] Panels (v) and (vi) of Figure 10 illustrate the association between net migration and skill gap indices in two domains: cognitive and physical skills. As the positive values of the skill gap indices signal a skill shortage, one would expect a positive correlation between net migration in the 2020-2022 period and the magnitude of the skill gaps as of 2019 to argue that immigration helps to combat skill shortages. However, zero correlation is recorded between net migration and the cognitive skill gap, which suggests that immigration only made a limited contribution to closing cognitive skill gaps in the EU27 in the 2020-2022 period. Nevertheless, there were some exceptions, as Czechia, Estonia and Luxembourg are among the few countries with both high positive net migration and extensive cognitive skill gaps. However, the likely contribution of immigration to counterbalancing physical skill gaps was notably higher. Panel (vi) illustrates that, if anything, there is a positive correlation between net migration and the extent of the physical skill gap. Several countries with a severe shortage of workers to perform physical jobs (e.g. Austria, Czechia and Luxembourg) have benefited most from higher immigration.

2.2. Is the migration flow dominated by working-age immigrants?

In all EU27 countries apart from Croatia, non-EU immigrants tends to be younger than the native-born population, suggesting that immigrants have the potential to partially offset the effects of population ageing. Figure 11 plots young individuals (aged between 20 and 34) and older persons (aged over 65) as percentage of the total native- and foreign-born populations across the EU27, with the latter split into (i) population originating from EU candidate countries as of 2015 (i.e. Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia – or, collectively, the Western Balkans) and (ii) immigrants from non-EU, non-EFTA or non-EU candidate countries as of 2015 (i.e. Georgia, Moldova, Turkey and Ukraine). Croatia appears to be the only exception, with the share of individuals aged 20 to 34 being the highest among natives, which is related to established sizeable minorities from Serbia, Bosnia and Herzegovina, and Albania (Žuljić 1996).

The share of youth among immigrants from the Western Balkans is somewhat smaller than that among third-country nationals in many Western EU countries, including Austria, Belgium, Denmark, Germany, the Netherlands and Sweden. Immigrants from Albania, Bosnia and

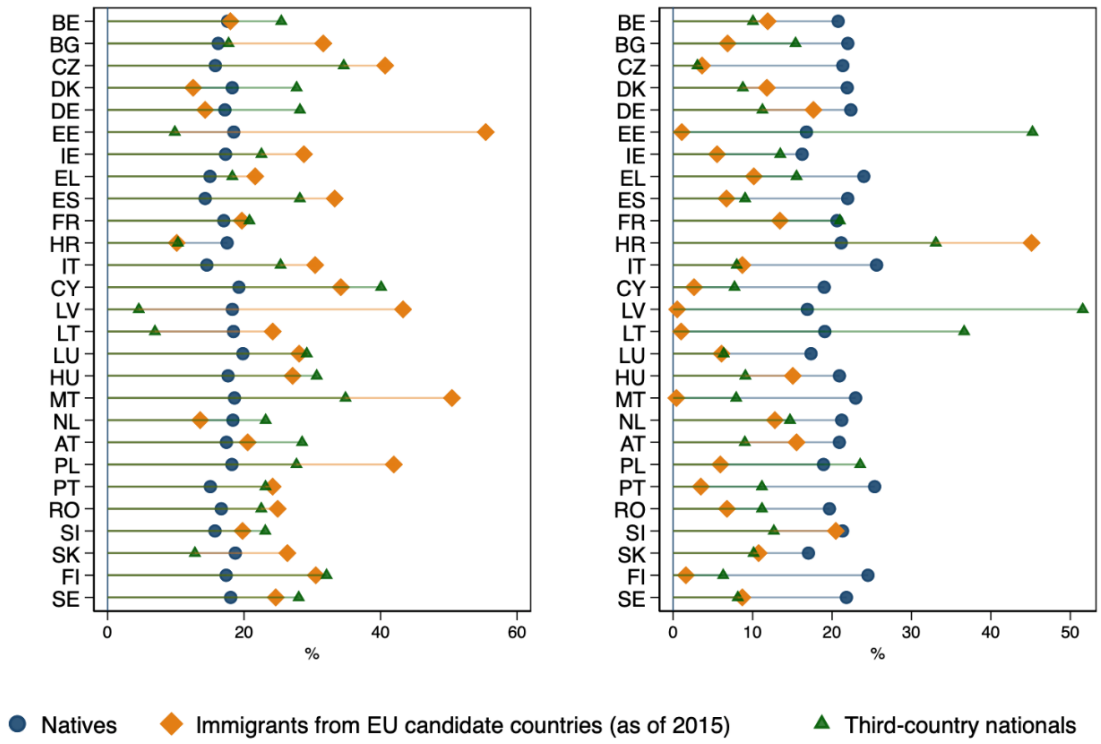
[5] One has to acknowledge that cognitive skill gaps are much stronger than physical skill gaps in the majority of EU countries with the exception of Austria, Portugal and Slovenia.

Herzegovina, Montenegro, North Macedonia and Serbia are younger than both natives and third-country immigrants in Bulgaria, Czechia, Estonia, Greece, Ireland, Latvia, Lithuania, Malta, Poland, Slovakia and Spain. Similarly, the share of older natives exceeds the share of older foreign-born persons in all Western European countries, while some countries in the EU-CEE region have a relatively high percentage of elderly foreign-born individuals (see panel (ii) of Figure 11). This pronounced divide between the Western and the South-eastern EU is driven by several factors. First, there is the ethnic composition, as many EU-CEE countries have long-established diasporas and sizeable ethnic minorities (e.g. Russian nationals in the Baltic states, ethnic Serbs in Croatia, ethnic Hungarians in Romania, and Ukrainians in Poland).[6] Second, the continuous outflow of working-age members of the native populations from the EU-CEE region to Western Europe amplifies the demographic shift in the sending countries and thereby intensifies the age imbalance (OECD 2023). Third, the scale of immigration from Asia and Africa has been dramatically smaller in the EU-CEE, with the distribution of refugees being strongly skewed towards Western EU27 countries (see panel (i) of Figure 6).

Figure 11 / Age profile of native- and foreign-born populations across the EU27, 2022

(i) Share of population aged 20-34 across various demographic groups, %

(ii) Share of population aged over 65 across various demographic groups, %



Notes: EU candidate countries (as of 2015) include Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia. The group of third-country nationals include immigrants from non-EU, non-EFTA or non-EU candidate countries as of 2015 (i.e. Georgia, Moldova, Turkey and Ukraine).
Source: Eurostat population statistics (migr_pop8ctb).

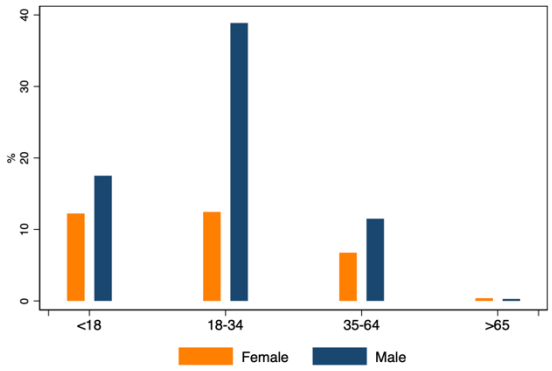
[6] More detailed information on ethnic composition of the EU27 population is available at https://ec.europa.eu/eurostat/databrowser/view/migr_pop3ctb/default/table?lang=en.

The demographic composition of irregular immigrants shows significant variation, particularly in the age and gender profiles, which differ significantly between the two most recent refugee waves. As illustrated in panel (i) of Figure 12, over 40% of asylum applicants arriving in the EU27 – particularly from Afghanistan, Iraq and Syria – were males aged between 18 and 34. Only 30% of all asylum applicants were women, and less than 20% were working-age women (aged between 18 and 64). The profile of temporary protection applicants, which are almost exclusively Ukrainian nationals, is largely the opposite (see panel (i) of Figure 13). Of these, over 44% of all applicants were working-age women, whereas only 16% were working-age men. Furthermore, a dominant share of all temporary protection applicants were children (around 34%).

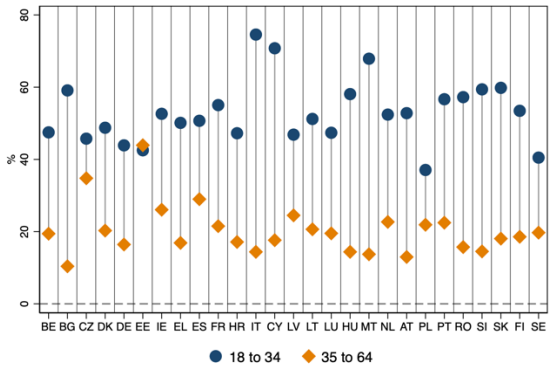
A consistent pattern emerges across the EU: Among asylum applicants, those in the 18- to 34-years-old age group is the most numerous, while applicants seeking temporary protection tend to be predominantly of older working age (between 34 and 64). The share of asylum applicants aged 18 to 34 varies between 37% in Poland to 75% in Italy (see panel (ii) of Figure 10). Refugees of older working age (35 to 64) are less prevalent in all EU27 countries, with the only exception being Estonia, where both age groups make up roughly 40% of all applications. Shares of the temporary protection applicants aged between 35 and 64 exceed those of the applicants aged 18 to 34 in all countries except Portugal, and their shares vary from 27% in Portugal to 40% in Finland.

Figure 12 / Demographic profile of the first-time asylum applicants (all applications filed between 2014 and 2022)

(i) Asylum applicants by age and gender in the EU27



(ii) Shares of asylum applicants aged 18-34 and 35-64, by country



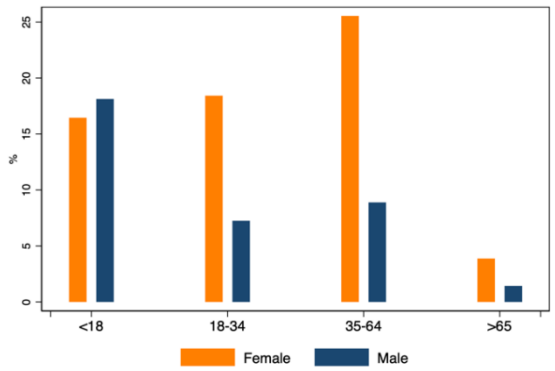
Source: Eurostat asylum applications statistics (*migr_asyappctza*).

The inflow of Ukrainians fleeing the war is dominated by relatively young women with minor children. Panel (i) of Figure 13 plots the gender-age distribution of refugees from Ukraine, indicating that the absolute majority of refugees older than 18 are females, with around 45% of all displaced persons from Ukraine being women aged between 18 and 64. Furthermore, given that over 35% of displaced Ukrainians are aged under 18, the majority of working-age women arrived with minor children, which has a twofold implication for the labour market of the host country. In the short term, integrating women with small children into the workforce could be challenging and its success will strongly depend on the availability of childcare and schooling, which calls for different policy steps. However, in the long

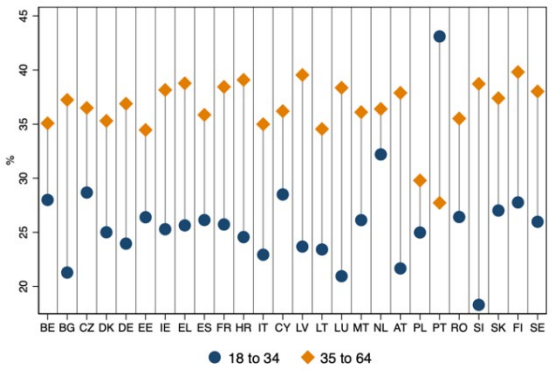
run, as the children reach working age, they can make a huge contribution to the host labour market, provided that Ukrainian refugees remain in the EU once the war has ended.

Figure 13 / Demographic profile of temporary protection applicants (all applications filed between Q1 2022 and Q3 2023)

(i) Applicants in the EU27, by age and gender



(ii) Shares of applicants aged 18-34 and 35-64, by country



Source: Eurostat temporarty protection statistics (*migr_asytpfq*).

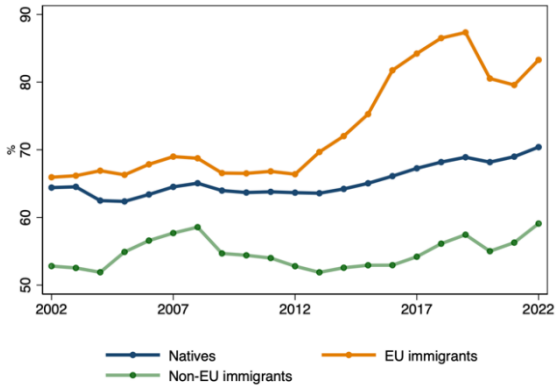
On average, refugees from Ukraine are older than those from the Middle East and Africa, although the share of minor children is still higher among the former. The share of displaced Ukrainians aged 35 to 64 is larger than that aged 18 to 34 in all EU countries except Portugal (see panel (ii) of Figure 13), with the shares varying between 18% in Slovenia and 43% in Portugal. The share of displaced Ukrainians aged 35 to 64 is more stable across the EU countries, ranging between 28% in Portugal and 40% in Finland. Thus, people of older working age (i.e. with fewer years left to be active on the labour market) dominate those from the younger working-age group. Nonetheless, a high share of minor children (see panel (i) of Figure 13) suggests that one could expect the future contribution of Ukrainians to the EU labour force to expand in the next few decades.

2.3. How smooth is immigrants' integration?

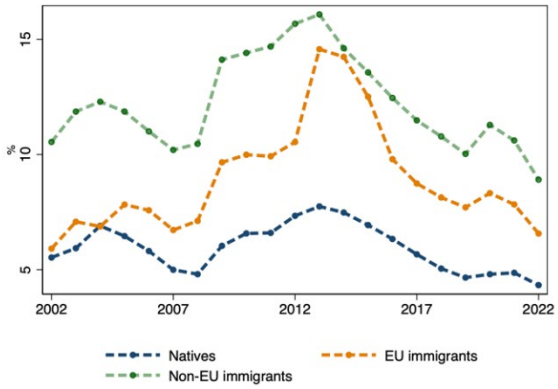
The process of economic and social integration can be long and challenging for many immigrants in the EU, and the difficulties they face in their host country are often influenced by their country of origin and their reason for migration. Host country factors (e.g. excessive bureaucratic procedures, restricted legal market access, workload limitations, occupation eligibility, wage thresholds, labour market tests, and limited recognition of foreign education qualifications and experience) as well as individual factors (e.g. mismatches between one's own skills and the needs of the host labour market as well as a lack of local language skills, social networks and knowledge about the specifics of the host country's labour market) can all hinder successful and quick integration. The interplay of these factors is often stronger for irregular immigrants – with an absolute majority arriving from Middle Eastern and African countries as well as Ukraine – as their relocation was forced, and the choice of the host country is rarely driven by an accurate or informed assessment of longer-term employment possibilities and integration prospects (Gurria 2016).

Figure 14 / Share of employed and unemployed in the working-age population (aged 15-64) in the EU27, 2002-2022

(i) Shares of employed in total population, by origin



(ii) Shares of unemployed in total population, by origin



Notes: Shares of employed and unemployed are estimated as a ratio between the number of employed or unemployed individuals to the total population size in the respective origin group, which is then multiplied by 100.
Source: Labour market integration statistics (*lfsa_pganws*).

Immigrants without EU citizenship have the lowest level of employment activity compared to natives and other EU citizens. As illustrated in Figure 14, the share of employed individuals in the EU27 from 2002 to 2022 was lowest among non-EU immigrants. The gap between EU and non-EU immigrants was most pronounced and widened to 23 percentage points by 2022 (83% and 60%, respectively). Similarly, over the 2002-2022 period, the share of unemployed individuals was highest among non-EU immigrants, followed by EU immigrants and natives (9%, 6% and 4%, respectively, in 2022). Non-EU immigrants had the highest share of economically inactive individuals, which was largely due to their very low employment rate.

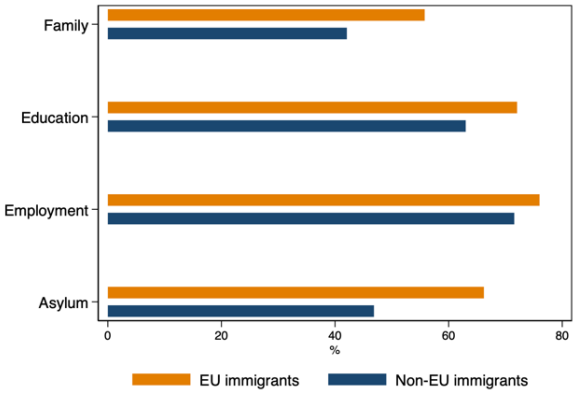
The reason for migration appears to be an important factor in determining employability in the host country, particularly for non-EU immigrants. Panel (i) of Figure 15 shows the shares of employed EU and non-EU immigrants across various migration reasons (family reasons, education and training, employment and asylum). Not surprisingly, the highest share of employed individuals was recorded among those who immigrated for job reasons (76% and 72% among EU and non-EU immigrants, respectively), followed by those who moved for education or training reasons (72% and 63% among EU and non-EU immigrants, respectively). The most significant gap was observed between EU and non-EU immigrants who migrated for family reasons, including family reunions (56% and 42% among EU and non-EU immigrants, respectively) as well as those who initially moved in the hopes of being granted asylum (66% and 47% among EU and non-EU immigrants, respectively).[7]

[7] The figures for asylum seekers may be inflated by citizenship acquisition, as non-EU nationals who moved to the EU seeking protection and eventually acquired citizenship of one of the EU countries are recorded as EU immigrants. This group likely includes many refugees from the former Yugoslavia who moved to the EU in early 1990s, stayed permanently and acquired citizenship.

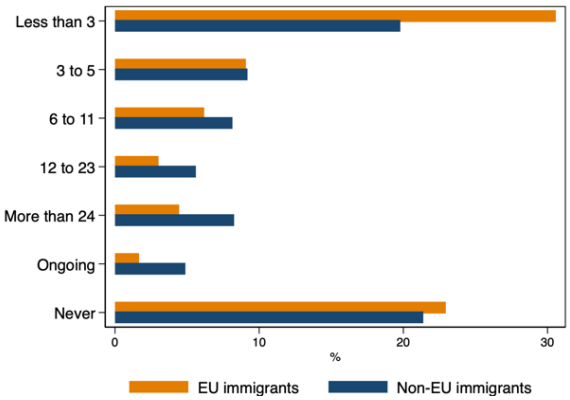
Immigrants without EU citizenship take much longer to find a job in their host country than those with EU citizenship. While around 31% of all EU immigrants find a job within the first three months after arriving, only 20% of non-EU immigrants manage to do so, as illustrated by panel (ii) of Figure 15. The shares of those who took 12 to 24 months or more than 24 months to get employed were respectively 3 and 4 percentage points higher among non-EU immigrants than among EU immigrants. Likewise, non-EU immigrants dominate among those who are currently looking for a job (5% and 2%, respectively).

Figure 15 / Labour market integration of immigrants (aged 15-74) in the EU27, 2021

(i) Shares of employed, by citizenship and reason for migration



(ii) Time it took to find first job (in months), by origin



Notes: The shares of the employed are estimated as a ratio between a number of employed individuals to the total population size in respective citizenship/migration reason group, which is then multiplied by 100.
Source: Labour market integration statistics (*lfsa_pfganwsm* and *lfso_21obst05*).

Refugees often face more challenges in finding employment, particularly during the asylum procedure, due to highly restricted access to the labour market in many EU27 countries, including Austria. In contrast, the majority of non-humanitarian migrants have immediate access to the labour market upon arrival as long as they had moved for reasons of family reunion, employment or education.[8] This is likely related to a shorter average time for them to enter the job market and be integrated into the economy more swiftly.

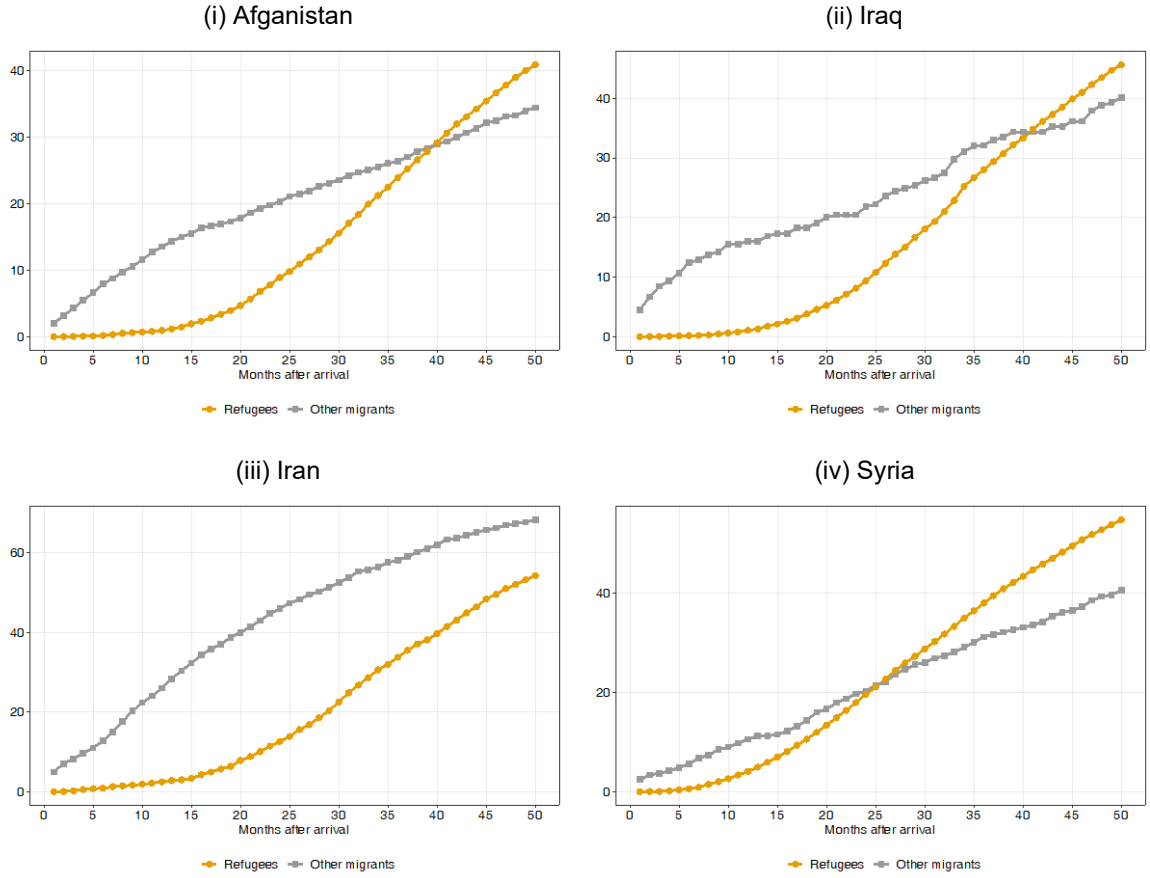
In Austria, refugees take longer to enter the labour market than immigrants from the same countries of origin who moved for reasons other than to seek asylum. Figure 16 illustrates the significant difference in labour market access for refugees and other migrants after arrival. The figure shows how many months it took to get the first job after arriving in Austria for the cumulative shares of immigrants from Afghanistan, Iran, Iraq and Syria while distinguishing between (a) refugees and (b) other non-humanitarian migrants who migrated for reasons of work, study or family reunion. While other non-humanitarian migrants entered the job market instantly after their arrival, refugees struggled to find a job at the very beginning of their stay in Austria. This result holds consistent for all countries of origin, with refugees' employment probability being zero over the first year after arrival. The heavily delayed

[8] In Austria, the worktime limitation and subsequent labour market check applies to third-country nationals who moved for education or training purposes.

labour market entry of refugees stems from the fact that access to the labour market is heavily restricted while the decision on the asylum application decision is pending.

However, after a difficult start (especially after the asylum procedure), refugees increase their employment participation considerably. In the case of refugees from Afghanistan, Iran and Iraq, they even close the gap with other non-humanitarian migrants. After the first year in Austria, the number of new job entries for refugees increases drastically, and they tend to catch up and even outperform other migrants when it comes to the likelihood that they will secure a job.[9]

Figure 16 / Cumulative share of immigrants who experienced a job entry over time after arrival in Austria by country of origin (arrived between January 2014 and December 2016), %



Notes: The graphs shows the proportions of refugees and other non-humanitarian migrants (non-refugees) who got a job during the observational period. The entry job is defined as either full- or part-time employment, marginal employment or self-employment. Immigants who arrived between January 2014 and December 2016 and resided continuously in Austria until May 2021 are considered.
Sources: Jestl and Tverdostup (2023). Data from Statistics Austria. Own calculations and illustration.

[9] To some extent, this observation is related to the different demographic profiles of refugees and other migrants. The latter group often consists of females who move to Austria for family reunions.

3. FORWARD-LOOKING POLICY MAKING DESIGNED TO EMBRACE NEW SOURCE COUNTRIES AND COMBAT POPULATION AGEING AND LABOUR SHORTAGES IN THE EU

This section summarises the key data-based observations presented in this report to identify major bottlenecks and challenges of migration policy. We then formulate a series of policy proposals, drawing on the most relevant observations highlighted in this report. Below, we outline what appears to be the essential factors that will shape migration policy in the future.

› Population growth in the EU has only been driven by positive net migration in recent decades. Given inevitable population ageing as well as stagnating, if not declining, fertility rates, migration will become increasingly important in efforts to level further population decline and narrow labour/skill shortages.

› The traditional countries supplying the EU with labour, including EU-CEE countries and EU candidate/potential candidate countries, are facing population declines themselves and have limited capacity to keep supplying the EU with much-needed workers.

› In contrast, the majority of Middle Eastern and African countries have steadily growing populations and appear to be the key source countries that can supply the EU with labour in the long run.

› The transition to an immigration flow of more heterogeneous origin has been ongoing over the last decade, both via regular migration channels and via an irregular immigration wave, which spiked in 2015 and 2016 and has been continuing ever since. At the same time, the distribution of third-country nationals – with an absolute majority of those originating from Middle Eastern and African countries – had been strongly skewed towards Western European countries.

› Thus, the current distribution of immigrants from third countries does not align with demographic and labour/skill demands, as there is no evidence of selective immigration in the countries with the most pronounced population declines, lower fertility rates, higher old-age-dependency ratios or more acute labour/skill shortages.

› On average, immigrants and refugees from third countries are younger than the EU native population, which signals their high potential to integrate into the labour force and effectively contribute to both an upward population dynamic and alleviating labour and skill shortages in the long run.

› However, the smooth labour market integration of migrants from regions farther away and especially of refugees in the EU is complicated by several factors, including: legal obstacles to labour market access; a mismatch between skills/education and host country labour market needs; a lack of networks and knowledge about the local labour market. This results in delayed labour market entry and hinders long-term labour market success.

Effective policy needs to identify the difficulties that immigrants face when trying to find work in the EU as well as the difficulties of navigating complex systems and overcoming barriers to employment. Understanding the experiences of immigrants will be essential for formulating effective policies and programmes to support their integration into the labour market.

For migration to serve as a demographic and labour market stabiliser, it will be necessary to adopt forward-looking immigration policies focused on the long-term impact of immigration and to identify effective pathways for immigrants to efficiently integrate into the labour market.

3.1. The EU-wide policy proposals

The policy steps outlined below are structured along **four blocks of action**, with each assuming a number of specific areas of policy action.

I. Legalising and managing migration pathways from Asia (including the Middle East) and Africa, including circular migration.

- **Establishing a common EU migration policy** applicable to all member states. The policy should promote legal immigration and specify the clear and transparent rules for entry and residence in the EU, provide information to potential immigrants and applicants, and ensure that individuals in both host and home countries receive support and assistance on complying with entry and residence conditions. At the same time, the policy needs to be flexible and consider the specific circumstances of each EU country.
- **Expanding legal migration channels** for immigrants from Asia and Africa, including by diversifying the types of visas (e.g. work visas, student visas and family reunification visas), in addition to simplifying visa requirements, reducing visa fees, expanding application possibilities in diplomatic missions and other certified authorities, and providing financial assistance for travel.
- **Promoting circular migration**, which would allow migrants to move back and forth between their home country and the EU. The EU can also create programmes that provide training and support for migrants who want to return home and start businesses, making it easier for them to reintegrate into the economy of their home country.

II. Balanced and managed distribution and reallocation of regular and irregular immigrants across EU countries that are based on the specific labour market needs and long-term opportunities for economic and social integration in the host country.

- **Developing common EU reallocation programmes** designed to create incentives for immigrants to move to less populated regions, regions with the most acute labour shortages, and regions where the immigrants' skills are in demand. Reallocation to less populated regions could help to mitigate population decline and depopulation, while lower living costs could reduce financial pressures on immigrants. This could help to reduce the concentration of immigrants in urban areas and promote a more balanced distribution of immigrants across EU countries. Distribution and reallocation to the regions with the strongest labour shortages should align with immigrants' skills and training, which would ensure that migrants settle in the regions where the jobs that match their competences and aspirations are available and accessible. This would promote faster integration, better job-to-qualifications matching and more successful long-term integration.
- **Developing a common EU database on needed skills and immigrant qualifications** (i.e. untapped skills and talents). The EU could develop a comprehensive database that contains information on the labour market needs of each EU member state and the human capital profile

(e.g. skills, acquired qualifications, training and past job experience) of immigrants who are currently looking for a job and are willing to reallocate to another EU member state. The database could be used to effectively match the immigrants' skills and job aspirations with the labour market needs in the host country and other EU member states.

III. Ensuring swift labour market access and reduced legal obstacles to employment for both regular and irregular immigrants.

› **Establishing the EU common approach to early labour market integration of irregular immigrants**. The goal of the policy should be to reduce, if not eliminate, employment bans and grant immediate access to basic training programmes, including language and integration courses. As the current laws concerning refugees' rights vary dramatically across EU countries, a unified legal framework needs to be established that has all EU member states following the same rules and procedures when dealing with irregular immigrants' access to education and the labour market. The policy needs to take into account the adverse effects of delayed labour market entry on the long-term employability and labour market outcomes of immigrants.

› **Harmonising EU legislation on visa/residence permits and expanding associated employment rights.** The EU legislation on visa/residence permits and the employment rights of regular migrants should be harmonised across all member states to ensure equal employment rights to all immigrants regardless of their background, reason for migration or other activities (e.g. education or volunteering). This would help to reduce the imbalance in employment rights across the EU member states. Restrictions on work hours and the types of occupations or jobs that can be applied for as well as the imposition of labour market checks need to be reduced so as to expand employment opportunities for regular migrants and improve their long-term employment outcomes.

IV. Facilitating labour market integration, with a focus on long-term outcomes and balancing the needs and interests of both the supply and demand sides.

› **Developing a common EU procedure for recognising immigrants' competencies and past work experience,** especially when immigrants from third countries are concerned. One of the main obstacles to getting a job that matches immigrants' education and skill levels is the recognition of education credentials obtained in non-EU countries as well as foreign work experience. The EU countries need to follow the same procedure and adhere to the same standards when it comes to recognising foreign education, training or work experience. Additional validation efforts, such as competence checks and examinations, need to recognise foreign degrees or experience equivalent to the local ones. These should be standardised across the EU countries as well as transparently administered and communicated.

› **Designing the EU common policy for identifying immigrants' skill profiles and career aspirations** in close alignment with the needs and opportunities of local labour markets. This policy action aims to effectively evaluate the potential of immigrants and critically assess the degree of matching with the local labour market. It also aims to establish an immigrant's skill profile, which could be further stored in a common EU database. This profile could be used to identify potential relocation opportunities within and across countries in pursuit of suitable jobs (see Block II above).

› **Systematised approach to providing training and additional education to fill the skill gaps and develop existing qualifications**. To improve the match between immigrants' skills and the needs of local labour markets, the gaps and insufficiencies detected when formulating immigrants' skill profiles need to be effectively addressed via additional education and training. An individualised approach and two-way communication would be essential in designing the most effective training programme and incentivising immigrants' involvement in educational activities.

› **Continuous support in searching for jobs, mentoring and monitoring the stability of subsequent employment**. The high employment instability of immigrants (part-time and marginal jobs as well as fixed-term employment contracts), particularly at the early stages of integration, suggests that immigrants may need longer-term support in their efforts to integrate into labour markets. Therefore, public employment services and state agencies for integration assistance need to provide continuous mentoring until the individual immigrant gets a stable job. Immigrants should also acquire a sufficient set of skills, including language skills and knowledge about the host country's labour market as well as its social and legal systems.

3.2. Austria-specific policy proposals

Below, we list several Austria-specific policy recommendations tailored to address the most acute immigration-related issues, including: the delayed and challenging employment entry of refugees, especially from the Middle East and Africa; the bureaucratically tedious and sometimes impossible recognition of education credentials from non-EU countries; the low degree of occupation-to-qualifications matching, especially among refugees; and the complex and prolonged procedures for visa and residency applications for third-country nationals, including skilled workers. These issues hinder efficient integration and keep much-needed workers out of the labour market or jobs that match their qualifications, skills and career aspirations. In light of looming skill shortages, it is crucial to address these issues and improve the integration of immigrants into the labour market.

› **Simplifying the processes for applying for visas and residency permits for all categories of immigrants and, most importantly, skilled workers.** For third-country nationals, the current process for applying for visas and residency permits is excessively long and complex in addition to often lacking clarity concerning requirements and application steps. Streamlining the immigration process in Austria could involve simplifying the visa/residence permit application process, reducing the waiting time for visa approval, putting in place a digital platform for visa applications, and revising the requirements. These efforts would make Austria more attractive to skilled immigrants as a host country.

› **Shortening the waiting times for asylum decisions and expanding the employment rights of asylum seekers.** Under the current law, asylum seekers remain in a limbo state for, on average, one and a half years after their arrival in Austria (Expertenrat für Integration 2018), as they are not allowed to engage in gainful employment while the decision is pending.[10] This restriction takes a heavy toll on the employment entry and longer-term job stability of refugees who remain in Austria. While unrestrained access to the job market upon arrival could be problematic and, to a certain extent, unrealistic, immediate access to basic integration services and training opportunities, including language and integration courses, could enable asylum seekers to leapfrog to employment, so to speak, once their asylum status has been approved.

[10] One of the very few exceptions to this rule relates to seasonal works in agriculture and services.

› **Addressing the untapped skills and talents of irregular migrants**. The challenging labour market entry of refugees from the Middle East and Africa as well as displaced persons from Ukraine, which often involves overqualification and precarious employment, results in a failure to tap the skills and knowledge of immigrants. While hindering the long-term employment prospects of refugees, this also keeps much-needed skills from entering the labour market. An active labour market policy that includes (a) a personalised approach to identifying immigrants' competencies and skill gaps, (b) designing training and (re)education programmes to address the skill gaps, and (c) continuous mentoring and monitoring of education and employment activities would be one of the essential components of a forward-looking integration programme.

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IMPRESSUM

Herausgeber, Verleger, Eigentümer und Hersteller:
Verein „Wiener Institut für Internationale Wirtschaftsvergleiche“ (wiiw),
Wien 6, Rahlgasse 3

ZVR-Zahl: 329995655

Postanschrift: A 1060 Wien, Rahlgasse 3, Tel: [+431] 533 66 10, Telefax: [+431] 533 66 10 50
Internet Homepage: www.wiiw.ac.at

Offenlegung nach § 25 Mediengesetz: Medieninhaber (Verleger): Verein "Wiener Institut für Internationale Wirtschaftsvergleiche", A 1060 Wien, Rahlgasse 3. Vereinszweck: Analyse der wirtschaftlichen Entwicklung der zentral- und osteuropäischen Länder sowie anderer Transformationswirtschaften sowohl mittels empirischer als auch theoretischer Studien und ihre Veröffentlichung; Erbringung von Beratungsleistungen für Regierungs- und Verwaltungsstellen, Firmen und Institutionen.

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