



Attract and retain highly skilled labour and innovative companies

Innovative companies are leaders in creating new innovative jobs, whether by means of product innovation (more common) or process innovation. Along with it, highly skilled labour is in great demand to support innovation and innovative job creation. That is why the agglomeration of skilled labour and technological growth are positively correlated.¹ Likewise, the geographical concentration of skilled workers naturally leads to industrial specialization across regions and territories, supporting the building of competitive advantages, capitalizing on the economies of scales, and increasing the productivity with a possibility to create not only more but also better jobs. In view of the above, attracting, stimulating, and retaining highly skilled labour and innovative companies is essential for the labour market, employment generation, innovation, and economic development. This should be of particular attention of policymakers in disadvantaged/peripheral areas.

Provide legislative and institutional frameworks that facilitate integration of migrants

Legislative and institutional frameworks that encourage immigration (either within the same country or between countries) of highly skilled labour, innovative entrepreneurs and companies is essential, as it creates trustful and transparent conditions for immigrants and companies. Some of the preferred measures that could be put in place include a fast process of visa application, simplified permit registration format for foreigners, acceptance of foreign education certification schemes, streamlined procedure for a single permit for combined work and residence². In addition, the revision of the Long-term Residents Directive could make it easier to acquire the EU long-term residence status by simplifying the admission conditions or establishing the first EU-wide platform and matching tool, an EU Talent Pool. Such measures and supportive institutions could reduce the costs of migration, increase the attractiveness of the destination locations, thereby increasing the matching of skills and labour market.

Offer economic and education/training incentives

Favourable economic/financial conditions represent one of key factors to attract and retain highly skilled workers, innovative entrepreneurs, and companies. Possible instruments to achieve this include specific grants, tax reduction schemes, wage criteria (threshold) and

¹ Ikari, H., Kono, T., & Zhou, Y. (2022). Industrial specialization patterns across cities, agglomeration of skilled labour and technological growth. *Spatial Economic Analysis*, 17(3), 311–331.
<https://doi.org/10.1080/17421772.2021.2014944>

² European Commission. (2019). *Legal migration: Attracting skills and talent to the EU*. European Commission. Retrieved December 21, 2022, from https://ec.europa.eu/commission/presscorner/detail/en/IP_22_2654



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other economic/financial incentives. Besides the above, the workforce education/training programmes have taken on increased importance in recent years. Innovative, high-quality education/training programmes, which benefits both employers and employees, have been attracting talent and then supporting the integration of migrants into workplaces.

Disseminate information on opportunities for highly skilled migrants and innovative companies

To attract highly skilled migrants and innovative companies, it is necessary to raise awareness about the opportunities and benefits of migration to a new location. Thus, information should be available and shared before the arrival. To achieve the above, it is suggested to use various communication tools and institutions, such as online platforms, communication materials (e.g., brochures, factsheets, reports), diaspora and professional national/international networks, migration and employment agencies, industry and innovation organisations (e.g. enterprise agencies, EEN Network).

Ensure stable political environment and supportive social infrastructure (e.g., medical and education institutions)

Stable political environment is crucial for both attracting and retaining innovative companies and high skilled migrants, since it affects all aspects of living, working and doing business. The political environment determines the quality of policies, laws and regulations that either support the social and business environment or impede them³. Thus, it impacts the level of bureaucracy, corruption, government and socio-economic stability, conditions for participating in international trade etc. Moreover, a corrupt system of governance in a country stifles business by creating an uneven playing field where only some/corrupt individuals can achieve their business/personal goals. An unstable government cannot provide entrepreneurs with the security they need to transact peacefully and to make long-term business development plans. Besides the political environment, migrants pay attention to social infrastructure – quality and accessibility of education, medical care, social security for themselves and for those that accompany them (e.g., partners, children).

Encourage a migrant-friendly culture

The culture of openness and acceptance of migrants, celebration of diversity are all parts of the migrant-friendly and business-friendly conditions that can attract and retain highly skilled migrants and companies. Creating a migrant-friendly culture is not easy, fast, and straightforward, as it concerns perceptions and values of individuals and of the society at large. However, among the supportive instruments are listed information campaigns and events that promote a migrant-friendly culture, social innovations and projects that seek to support migrants, courses on migration at education/training institutions, explicit support

³ Maiello, F. (2022). Role of Political Environment in Business. Review Pub Administration Manag. <https://doi.org/10.35248/2315-7844.22.10.334>



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among policymakers, public organisations, and social influencers (e.g., famous individuals that could shape public opinion). In addition, policymakers should encourage acceptance of the local culture by migrants by, for example, familiarizing them with local traditions, facilitating accessibility to language courses, offering peer-to-peer meetings between foreigners and citizens. The same can be facilitated for the foreign companies through, for example, organisation of networking/matchmaking sessions and events.

Consider the following PILLARS and external resources to attract and retain highly skilled labour and innovative companies:

Title and weblink	Authors and year	Description
<u>The Migrant Integration Policy Index (MIPEX)</u>	MIPEX, 2011	The MIPEX project is a distinctive, ongoing initiative that assesses and contrasts government efforts aimed at fostering the integration of migrants across EU Member States and various non-EU nations.
<u>Robots, AI, and Immigration – A Race for Talent or of Displaced Workers</u>	Yvonne Giesing and Britta Rude, 2022 (PILLARS REPORT)	New technologies can widen the gap between migrant and native populations by affecting skill groups differently, leading to potential inequality. While creating skill shortages, these advancements favour native workers over migrants, especially industrial robots and AI. As AI adoption correlates with increased immigration, policymakers must specially consider the migrant workforce when designing mitigation policies in response to automation.
<u>Labour market integration of highly skilled refugees in Sweden, Germany and the Netherlands</u>	Micheline van Riemsdijk and Linn Axelsson, 2021	This article introduces a special issue focusing on the labour market integration of highly skilled refugees in Sweden, Germany, and the Netherlands, countries that experienced a significant influx of asylum seekers in the mid-2010s. It critically examines commonly accepted assumptions about refugees and the underlying causes behind their low employment rates, especially among highly skilled refugees, who encounter challenges in securing jobs that match their education and expertise. Notably, this is a pressing issue considering that one in five refugees in Europe has attained tertiary education.
<u>The Impact of Technological Change on Immigration and Immigrants</u>	Yvonne Giesing and Britta Rude, 2022 (PILLARS REPORT)	The study examines how technological advancements impact immigration and labour outcomes for migrants and natives, focusing on industrial robots and AI. Using data from Germany, a highly automated economy and a major migrant destination, the research shows that robots reduce migrant wages across skill groups, while AI widens wage gaps and unemployment for both groups. AI also drives increased immigrant inflows. Policymakers need to consider migrants in strategies addressing technological shifts to prevent widening inequality between migrant and native populations.



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<p><u>Mobile Internet Access and the Desire to Emigrate</u></p>	<p>Joop Age Harm Adema, Cevat Giray Aksoy and Panu Poutvaara, 2022</p> <p>(PILLARS REPORT)</p>	<p>The study explores how mobile internet access impacts migration intentions, indicating that increased access heightens the desire to emigrate. Analyzing data from over 600,000 individuals across 2,120 districts in 112 countries and global 3G mobile internet expansion from 2008 to 2018, the research reveals that improved mobile internet access influences migration plans. Particularly, this effect is stronger in high-income countries and among higher-income individuals in lower-middle-income nations. The study proposes that mobile internet access reduces the cost of obtaining destination information, influencing migration decisions. Additionally, heightened internet access diminishes perceptions of material well-being and trust in government. The research also highlights a link between 3G rollout and increased emigration using Spanish municipal data.</p>
<p><u>Incentives for attracting foreign direct investment: An overview of OECD work</u></p>	<p>OECD, 2002</p>	<p>The OECD has conducted substantial analytical research on encouraging foreign direct investment (FDI). This list, assembled during a 2002 project by the Investment Committee, offers an overview of the work conducted in this domain. It provides a glimpse, rather than a comprehensive compilation, of the extensive research undertaken by various OECD bodies in this field.</p>
<p><u>How Can Europe Deliver on the Potential of Talent Partnerships?</u></p>	<p>Kate Hooper, 2021</p>	<p>Europe is grappling with an imminent scarcity of skilled workers, primarily due to increasing demand in knowledge-based sectors alongside an aging population and declining workforce. Education systems are tasked with preparing individuals for future roles, while migration policymakers aim to attract and retain skilled foreign workers to alleviate the shortage. As the European Commission plans to introduce Talent Partnerships in 2022, this policy brief by MPI Europe investigates their potential in addressing Europe's labour market needs. Drawing insights from the EU's migration pilot projects and past mobility initiatives, it examines crucial aspects such as partner country selection, flexibility in mobility programs, and their alignment with broader policy measures.</p>
<p><u>Brain Drain from Europe to China in a Digital Economy Era?</u></p>	<p>Chao Ma and Zhong Zhao, 2022</p> <p>(PILLARS REPORT)</p>	<p>In the era of the digital economy, labor organization transcends geographical limitations, allowing for a broader scope of employment dynamics. The progression in China's development has led to an escalated need for high-skilled workers. Our model proposes a scenario wherein European high-skilled workers offer their services to Chinese domestic firms remotely. This increase in demand for high-skilled labour from China impacts the tightness of the high-skilled labour markets in Europe, while leaving the low-skilled labour markets relatively unaffected. This stands in stark contrast to the conventional model where a European worker relocates to China to secure employment there.</p>



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<p><u>We Are a Welcoming Europe</u></p>	<p>Migration Policy Group</p>	<p>The "We Are a Welcoming Europe" initiative, launched as the first European Citizens' Initiative on migration, aimed to build national and European alliances to engage one million EU citizens and drive policy changes at the EU level. Beginning in February 2018 and concluding in February 2019, the campaign yielded significant impact. Advocacy efforts resulted in the European Parliament's adoption of guidelines to prevent criminalization of humanitarian aid on July 5, 2018. Moreover, the European Commission committed to collecting and sharing cases through a European Observatory. The initiative garnered support from numerous organizations across Europe, forming a coalition to advocate for a more welcoming Europe and to assist citizens and NGOs facing legal issues for providing humanitarian aid to refugees and migrants.</p>
<p><u>Immigrant Narratives</u></p>	<p>Kai Gehring, Joop Adema and Panu Poutvaara (PILLARS REPORT)</p>	<p>In contemporary politics, immigration remains a divisive issue influenced by media narratives framing immigrants' societal roles. Introducing an innovative approach, advanced language tools and dictionaries are combined to assess sentiment in seven immigrant narrative themes within a dataset of 107,428 newspaper articles from 70 German newspapers (2000-2019). Evaluated by 16 human coders, this method outperforms basic word-matching methods and sentiment dictionaries. Findings highlight prevalent cultural narratives over economy-related ones, with positivity in work-related themes and negativity in foreign religion and welfare narratives. Through analysis of three events, the study demonstrates how shocks impact sentiments via theme-composition and within-theme changes.</p>