



Migration may stimulate the pace of innovative job creation

Innovation job creation across all examined EU regions is hampered by labour/skills shortages. As presented earlier, some regions face labour shortages across all skills levels or of only high-skilled workers.

To address this challenge, the regional/national policymakers have been using different approaches:

- Investing in upskilling/reskilling of local labour;
- Offering childcare and/or other services to increase participation of women and other vulnerable groups on the labour market;
- Facilitating labour mobility through the PES (Public Employment Services);
- Attracting labour from other regions/countries, in cases of more urgent need or acute shortages.

Some countries, like Hungary, have a more radical approach to labour shortages. To increase the availability of labour in the long-term, since 2015 the Hungarian government has developed a strong pronatalist agenda. Various financial incentives, such as writing off loans and the possibility of taking parental leave for up to three years, are provided for families that will have children or already have children. Such incentives, together with a lack of childcare services, decreased employment rates among women and increased gender pay gap.

In contrast, four above-listed policy approaches have been applied in most examined regions and proved to be effective. The education/training activities, support of the PES and other services to individuals to encourage participation on the labour market will be discussed later in the report, however, in this section the attraction of migrants is highlighted.

Based on the case studies, among the effective policy approaches to attract migrants are listed:

1. Marketing/promotion of employment and entrepreneurship opportunities in a region/country;
2. Provision of citizenship and removal of administrative barriers for employment and entrepreneurship;
3. Recognition of foreign education certificates and of skills;
4. Support in business development for foreigners.

Among the case studies, Malta has been most successful in attracting skilled migrants, foreign enterprises and FDI. The country has established the economic development agency, Malta Enterprise, to attract FDI and skills migrants, highlighting advantages of doing business and



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innovation in the country across different regions. The agency offers various support measures, including soft loans, training grants, tax incentives and innovation funding, for enterprise support, investment, research and innovation, SMEs, and start-ups. In addition, Malta has been attracting investors by offering citizenship for their contribution to the economy. For example, the current migration programme indicates that individuals that make an investment of at least 600 thousand EUR and have completed 36 months of residency in Malta are eligible for citizenship. Lastly, the PES in Malta have a fast review process of migrant applications for obtaining employment licenses.

Besides Malta, it is important to highlight a success case from Dolnośląskie region of Poland, namely the work of Concordia Design Wroclaw.

Concordia Design Wroclaw is a business-focused organisation in the Dolnośląskie region of Poland. It acts as a start-up accelerator for foreign companies. The companies are selected, based on their contribution to the regional smart specialization strategy and on a detailed business plans that outlines how a start-up will benefit and how it will contribute by moving to the region.

The steps of the accelerator programme are the following phases: “soft-landing” (1 month), development (2 months), acceleration (up to 10 months) and post-acceleration (3 months). Besides business support services, Concordia Design Wroclaw provides office spaces for local companies.

Some of the key figures of the accelerator programme for its participants:

- Grants of up to €65,000
- +5 VC's which could be potential investors in a project
- Access to 8 events
- Support of +20 mentors

The accelerator encourages collaboration between local and foreign companies and stimulates internationalisation of their activities. Overall, Concordia Design Wroclaw has been successfully stimulating entrepreneurship, innovation, internationalisation, and attracting highly skilled migrants that generate new innovative job opportunities.

Success factors of the Concordia Design Wroclaw are:

- It provides business services, access to relevant stakeholders and common space to stimulate collaboration, creativity and innovation;
- It strengthens international knowledge networks between the Wroclaw city and the wider region;



- It supports local economic development, as start-ups contribute to the regional smart specialisation strategy.

Despite that arrival of (highly-skilled) migrants might stimulate the economy, innovation and innovative job creation, some possible negative implications of rapid arrival of migrants should be accounted for to manage migration in an effective way. These include inflation of consumer good prices, of housing/renting costs, and overload of the systems connected to provision of public services.