



MATILDE

# Migration as a Chance for Rural Economies

MATILDE Policy Brief 2

POPULATION & POLICY

## BRIEF No. 2

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## INTRODUCTION

The MATILDE regions in Austria (AT), Bulgaria (BG), Germany (DE), Finland (FI), Italy (IT), Norway (NO), Spain (ES), Sweden (SE), Turkey (TR), and the United Kingdom (UK)<sup>1</sup> face different economic challenges, like many other rural and mountainous regions across Europe. The **demographic change with overall depopulation processes, outmigration of young people and the increase in the proportion of the elderly population result in a labour shortage**. Economic branches, such as **agriculture, fishing, tourism and care**, which are of high importance in particular in rural regions, are negatively affected by the shrinkage of work force. There is a risk of **supply insecurities and shortages** – for example in agriculture, when agricultural products are not harvested anymore, in tourism, when guests can no longer be served, or when staff caring for elderly and sick people are missing. On the other hand, migrants living in rural areas, would be mainly of working age, but are facing **bureaucratic hurdles and legal restrictions to enter the rural labour markets**, even though economic integration is allocated as “markers and means” of integration according to Ager and Strang’s (2008) mid-level theory. Restrictions and obstacles for different groups of migrants in several MATILDE countries (AT, DE, IT, NO, UK) further tightens the labour supply. Others countries, such as Spain and Turkey are **lacking regulations and face irregular/informal work**. Additionally, a problematic dealing with **gender issues and discrimination** (DE, SE, TR) exists, especially in rural labour markets and rural economic branches, e.g. in hiring migrants or in returning to trainings after parental leave.

The second policy brief offers **policy recommendations to increase the labour market integration of migrants in rural and mountainous areas, aiming to counteract the aforementioned challenges caused by the demographic change, such as depopulation and labour shortage**. In this policy brief, we are discussing required framework conditions to profit from immigration and an early labour market integration of migrants. Therefore, the elaborated measures and governance processes at all political levels in the MATILDE countries and at European level will be considered to contribute towards shaping the legal framework on economic integration of international workforce.

## METHODOLOGICAL PROCESS

The main problems and policy recommendation of every MATILDE country are the outcomes of a **continuing analysis process with a multidimensional approach** basing on the results of the previous work packages and policy roundtables with stakeholders at different governmental levels<sup>2</sup>. A **qualitative content analysis after Mayring (2000)** of the policy recommendation reports was conducted with dual control principle of the coding. At this stage of analysis, the focus was to identify the most important problems, based on the quantity of coding, in the MATILDE regions. Out of numerous challenges in the areas of integration, corresponding with the integration model after Ager and Strang (2008), the **four with the highest quantity of coding** were selected and refer to the integration areas of rural development, economy and employment, rights and citizenship as well as education. These four topics as well as the related policy recommendations and solutions were **further analysed and clustered in sub topics**. Hence, the four policy briefs base on the results of a qualitative content analysis. In the policy briefs, the arguments are linked to the mentioned MATILDE countries and regions, and good practices as well as possible solutions are presented. The second policy brief is dedicated to economy in rural regions and how migration can contribute to it.

## ECONOMY & EMPLOYMENT: PROBLEMS & RECOMMENDATIONS

The aforementioned specific challenges of the economy in rural and mountain regions across Europe were discussed in several interviews, focus groups and action research activities in the previous work packages as well as in the MATILDE regional policy roundtables. Migrants are often hindered to help to counteract the economic insecurities in rural regions, e.g., due to legal labour market restrictions, gender and ethnic discrimination, or the missing support for migrant entrepreneurs. To meet these challenges, different policy recommendations target at policy makers, but also private actors, were elaborated and validated within the policy roundtables. Nevertheless, rural regions have already found ways to tackle these challenges. Those initiatives are mentioned as “good practices”, which could be rolled out to other regions and hence have the potential to act as possible “solutions”.

## Restrictions for Labour Market Integration

Although facing huge labour shortages on local and regional labour market, many countries **restrict the access to it for different groups of migrants**, insisting on various legal frameworks at national level. For example, in Italy, the “Decreto Fussi” is active, which is a **quota system** and criticised by many experts as unrealistic, inefficient and inadequate. It does not meet the labour market needs and instead generates irregular work exploitation and drives migrants into seasonality, part-time and temporary occupations. In Turkey, a quota system complements the **spatial restrictions** of migrants under Temporary Protection Status. The spatial restrictions limit the percentage of temporary status beneficiaries with 10 % of e.g. Turkish citizens working in a company, which also leads to informal work. In Germany, recognised refugees face residence rule limits for three years and hence cannot choose their residential location freely. The United Kingdom and Austria<sup>3</sup> use **visa systems with high requirements**, e.g. with regard to language skills or salaries for specific labour migrants. In addition, in Austria, asylum seekers are de-facto excluded from the labour market: For the first three months of asylum procedures, they are completely banned from employment and afterwards the “substitute worker procedure” has to be completed, where an available person already integrated in the labour market is preferred to the asylum seeker (Deutsch 2021).

In order to meet the needs of the local and regional labour markets, the labour market access should be relieved, mainly at national level, as it holds the main competencies for labour markets regulations. As it has become clear from the empirical analyses, working visa permits need to be more **accessible** (AT, DE, ES, IT, UK) and more **flexible** (ES, FI, IT), to better meet the local and regional labour market demands and to achieve more permanence of (seasonal/temporary) migrant workers in rural economies. The cases of Italy and Turkey show that the national **labour laws should be reviewed and reformed**. For example, the Turkish Labour Law should implement rights for labour migrants working in agriculture, and the Italian quota system should base on the evaluation of the local and regional labour market needs. Also, for Spain and Sweden, it is recommended to assess the needs of local labour markets. A practical solution at local level in Spain or at regional level in Austria is to publish a catalogue of shortage occupations (SEPE 2022; BMA & BMI 2022). For Austria, on the other hand, it is recommended to eliminate the restrictions for asylum seekers to access the labour market by implementing the EU-Directive (2013/33/EU) in its true purpose.



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The general aim should be to increase the economic independency (with visa/work permits) among migrants (TR), because “employment has consistently been identified as a factor influencing many relevant issues, including promoting economic independence, planning for the future, meeting members of the host society, providing opportunity to develop language skills, restoring self-esteem and encouraging self-reliance (...)” (Ager & Strang 2008). From the perspective of rural regions, as the MATILDE results show, migrants integrated in the local labour markets foster the persistence of diverse economic branches in the region.

<sup>1</sup> Short references to the specific MATILDE countries/regions are made via country codes in brackets. For the detailed country and regional report please refer to the bibliography.

<sup>3</sup> These requirements in Austria only apply for the Red-White-Red Card (BMA & BMI n.y.)



## Lack of Work Force in Important Branches of Rural Regions

Labour shortage can be a consequence of the aforementioned demographic change and depopulation processes in rural regions, and additionally intensified through labour market restrictions for migrants in many MATILDE regions. While, e.g., Carinthia (AT) is **lacking (high-)skilled workers**, Karacabey (TR) is mainly in need of **unskilled agricultural workers**, like Bulgaria. In both examples, a high demand of seasonal and permanent migrants and refugees exist. Besides agriculture, Carinthia (AT), South Tyrol and the Metropolitan City of Turin (IT) as well as the region of Aragón (ES) request part-time and temporary migrant workers in **tourism and care**, who keep these key economies alive. Scotland (UK), in addition, needs to figure out, how to deal with the **labour market gaps due to Brexit**, mainly apparent in the fishing industry. Hence, all these aforementioned economic branches are lacking of work force in the rural regions and are facing the threat of supply shortages.

In order to counteract this trend of labour shortage, it is recommended to develop a **strategy and mechanism to integrate migrants in the local labour markets** (BG), at least in short-term positions. Therefore, the **economic developments and needs of specific regions and sectors** should be considered. In this sense, it is recommended for Spain to apply the **recruitment of migrants at origin**, which leads to safe labour migration, regular employment contracts, reduction of irregular work and finally help to counteract the local labour shortages. For long-term recruitment and integration in Germany, a **network** of existing staff and newcomers with target-group specific communication and a **relocation management** is recommended, in order to support new employees and their families. SMEs might need further support regarding the recruitment or the working permits. The **Carinthian International Center** is a practical solution of such a welcome hub (CIC-Network 2022a), which is organised as an association and sponsored by important (inter-)national companies in Carinthia (AT). In Vorarlberg (AT), so-called **“Refugee Coordinators”** were established in 2016, in order to support the labour market integration of recognised refugees.

### Labour Markets struggling with Under- and Over-Regulation increase migrant’s economic exclusion

Besides the labour shortage, Turkey and Spain face **problems with high informality of employment**, as one consequence of the labour market restrictions. The informal work in Turkey consists e.g. of seasonal agricultural jobs, which are not attractive for the local population. Hence, mainly Syrian workers are recruited as cheap work force, often working under precarious and unsafe conditions. By **improving the image of farming and agriculture** and **building awareness on the importance of agricultural migrant workers**, new and more working regulations should be elaborated. In addition, **structural problems** such as child labour, exploitation, low salaries, lack of official controls and support and a lack of jurisprudence exist.

Due to the inherent temporariness of agricultural jobs, social responsibility for these migrant workers is missing. Above all, it is difficult to give policy recommendations in this case, because previous attempts for better working conditions (e.g., on minimum salaries) had worsened the situation.

In Spain, the temporariness and informality of migrant workers is due to the **difficulties in the recognition of foreign qualifications**, which is a problem in other countries such as Austria, Germany, Norway, Spain and Turkey, too. In some MATILDE countries (AT, DE, UK) migrants and their employers generally are facing a **high bureaucracy**. For example, (especially insecure) stay and work permits are linked to a high level of bureaucracy in Germany, while employers, on the one hand, do not know about support mechanism, and TCNs, on the other hand, are not well-versed about employment and labour market structures. In the United Kingdom, the **post-Brexit migration system** requires a long and complex procedure with many bureaucratic obstacles.

To lower the threshold of labour market integration, the recognition processes of **foreign qualifications need to be simplified, standardised and supported by consultations, e.g. in public administrations or by NGOs** (AT, DE, FI, IT, TR), to tackle the labour shortage in rural areas. For Norway, it is recommended that non-formal skills, obtained by several years of work experience, should be **evaluated by structured support and recognition procedures to facilitate labour market integration**. The Norwegian Agency for Quality Assurance in Education (NOKUT n.y.) already **assesses and compares foreign qualifications** to the Norwegian craft and journeyman’s certificates. In addition, “job centrals” exist that collaborate with employment services to assess job seekers’ competencies. The IAM (Institute for Labour Migration; IAM n.y.) in Carinthia (AT), offers **competence checks of formal and informal skills** for refugees and beneficiaries of subsidiary protection. Markas, a private service company in South Tyrol, offers such **checks of competences for their employees** to foster an inclusive policy.

In general, it is a statutory right in Norway for anyone applying for upper secondary education, to receive an **assessment and evaluation of the formal, informal and non-formal skills**, even in another language than Norwegian. With the support of a piloted module-based qualification scheme, recognition procedures can be adapted by municipalities to support migrants. For Norway, it is recommended to use this right more often. For the other aforementioned countries, this might be a practical solution to **establish an institution with the responsibility to recognise foreign qualifications**.

## Gender and Ethnic Discrimination

As the results of the qualitative content analysis show, labour markets still struggle with discrimination regarding gender and ethnic. The **employment rates** of migrants and natives differ and within the group of migrants, **women often are less employed and have lower wages** as the examples for Austria, Sweden und Turkey show. Reasons might be cultural differences in family lives and traditional role models, but also childcare obligations. To overcome these hurdles, it is recommended to offer sufficient child care options<sup>4</sup> and job placement measures. For example, Vorarlberg (AT) promotes the labour market integration of women in the frame of the **competency check**, called “CHECK IN”, which is a modular workshop series on labour market orientation for women with refugee background.

In the case of **public administrations and employment services** in Austria, Germany and Sweden, public servants often are not sufficiently equipped with intercultural knowledge<sup>5</sup>. Besides the lack of intercultural understanding in employment services, **employers** themselves often act **discriminatory** as the case study results from Germany, which can also be applied to other regions, show – for example, when People of Color are required to work ‘behind the scenes’ without customer contacts. It is recommended to address employers as stakeholders in integration issues and to foster an intercultural opening, e.g. by the development of diversity-sensitive corporate mission statements and employers’ and employees’ trainings (AT, DE). The European Union is requested to support such **diversity processes for intercultural working environments with funding**. Additionally, minimum requirements for international businesses in diversity management in the European Union could be released.



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### Lack of Support for Migrant Entrepreneurs

Migrant entrepreneurs to-be are in a special working situation. They wish to become self-employed in a foreign country with a foreign language and foreign bureaucratic rules. This **requires solid information, how to start and run a business successfully**. However, as the results for Bulgaria, Italy and Norway show, migrants are often lacking of this information and are in a high **need of informative courses** adapted to their knowledge gaps in the bureaucratic system. In order to meet these bureaucracy and language barriers, a special guidance and support, e.g. a mentorship, should be established. In addition, the European Union could support this process by offering coachings, business forums or intercultural workshops to **share European best practices** and to support migrants in the **development and improvement of their start-up ideas**. The big aim is to empower migrants to become self-employed because of their **important roles as drivers for regional labour markets and rural development**. Migrant-led enterprises can contribute to the internationalisation of a region and contribute to its perception as being important and prospering. Furthermore, municipalities receive additional taxes through migrant led companies and their businesses help to secure jobs and services, which in turn makes the region more attractive for other people and companies to stay or to settle down.

<sup>4</sup> For further information and recommendation, see policy brief “Education of (young) migrants as Basis for Economic and Social Integration in Rural Areas”.  
<sup>5</sup> For further information and recommendation, see policy brief “The Interplay of Rural Regions, Migration and Legal Frameworks”.

## Lack of integration support and insufficient training offers

In the case of Harmanli (BG), the business sector is interested in the recruitment of migrant workers, but they face a lack of support from the state and in general **social enterprises are missing**, which offer consultation, coaching and network. In Sweden, e.g., social enterprises and an employment service exist, but lack offers for migrants. In Italy, on the other hand, a private service company implemented an **equity management policy** that offers staff training services to support talent development and psychological support.

Such an offer could be an effective way not solely for Bulgarian employers to enhance the migrant's competencies with professional or peer-to-peer trainings. For example, the Turkish roundtable discussions recommend the **establishment of migrant associations and unions** representing the target group and protecting their rights.

Then again, in Germany, Finland and Sweden, there is a high **demand for language trainings for labour migrants and elder migrants**. In addition, **work life integrated language courses** are requested as on-the-job learning options. Possibilities for employers should be elaborated to offer work in combination with language training (e.g. by the SFI-Swedish for Immigrants at local level, by the employers in Germany, or with quota in the Finnish public sectors with on-the-job-learning positions). Tandem language learning and mentoring programmes might also be support mechanisms for migrant employees and employers. For example, the aforementioned Carinthian International Center offer so-called "language swaps" for different languages (CIC-Network 2022b). Additionally, local training offers have to be adapted to the local labour market needs. For example, "**job centrals**" that exist in several Norwegian and Swedish municipalities (see 3.2.1), offer on-the-job language trainings as well as networks and connections for job seekers. Similar to this is one practical solution in Vorarlberg (AT), where the so-called "**integration paths**" for young refugees propose language and vocational trainings as well as assistance in the recognition procedures for foreign qualifications. In Carinthia (AT), the project "A:Life", which is implemented by a social enterprise, prepares young refugees for apprenticeships and accompanies them with special trainings during these apprenticeships (Diakonie n.y.).

## CONCLUSION

Migrants at working age living in MATILDE regions are often facing a vicious circle, when it comes to labour market integration – independent of **labour market restrictions or irregular/informal work**. In both cases, the access to official local labour markets with development chances is hampered, even though there is a high demand of work force in different economic branches, which are of high relevance for the rural regions. In consequence, migrants further **depend on the financial support of the region**, and they cannot contribute to the regional development and the rural supply, which increases the current negative trends in rural economies. By implementing the aforementioned policy recommendations, such as legal access to the labour markets, recognition of foreign qualifications, assessment of the local labour market needs or "on-the-job" trainings, the vicious circle can be broken and migrant workers will be recognised as **important actors for rural development, fostering the persistence of diverse economic branches in rural and mountainous regions**.



**MATILDE**

Migration ImpAct assessment To Enhance  
Integration and Local Development in  
European rural and mountain regions

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Work Programme

- H2020-EU.3.6.1.1. The mechanisms to promote smart, sustainable and inclusive growth
- H2020-EU.3.6.1.2. Trusted organisations, practices, services and policies that are necessary to build resilient, inclusive, participatory, open and creative societies in Europe, in particular taking into account migration, integration and demographic change

Deliverable 6.3 - Policy briefs for improved governance and policy arrangements

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