

Strategies for Migrant Integration to Support Growth of Labour Productivity

The integration of migrants into the labour market is a key condition for increasing labour productivity and ensuring sustainable economic growth. According to the European Parliament, as of January 1, 2023, there were 41.2 million migrants residing in EU countries, accounting for 9.2% of the Union's population [9]. However, as noted in *New Approaches to Labour Market Integration of Migrants and Refugees* (F. Fasani, 2024), labour market integration remains incomplete: migrants are more often employed in low-paid jobs and face discrimination, non-recognition of qualifications, and language barriers [9].

Effective integration not only reduces unemployment among migrants but also unlocks their economic potential, thereby enhancing labour productivity and overall competitiveness. According to the World Bank, labour mobility helps reduce regional disparities and can increase labour productivity by 1.5–2% in the medium term [10]. The International Organization for Migration defines integration as “a two-way process of mutual adaptation between migrants and the society in which they live” [5]. The European Commission specifies economic integration as achieving a level of labour market participation by migrants comparable to that of EU citizens, taking into account their skills and potential [9].

Migrant labour market integration faces a set of interrelated barriers affecting both individual workers and the economy as a whole. The European Parliament notes that no EU country currently ensures full socio-economic integration of newly arrived migrants, especially refugees and those with low educational levels [9].

The main barriers to effective migrant participation in the labour market can be grouped as follows [9]:

1. Language barriers. Limited language proficiency hinders employment, restricts access to information, and reduces workplace communication efficiency. According to OECD [9], migrants who complete language courses within the first two years earn 12–15% higher wages and more often hold qualified positions.
2. Educational and qualification differences. Qualifications obtained outside the EU are often not recognised by employers. Due to overqualification, many highly educated migrants are forced to work in low-skilled jobs. Over 40% of third-country migrants work outside their field of expertise, losing human capital [2].
3. Low efficiency of active labour market policies (ALMPs). Public employment programs often fail to consider migrants' specific needs. Among refugees only about 30% have access to such programs in their first year of arrival, resulting in skill loss and prolonged unemployment [2].
4. Spatial segregation (ethnic enclaves). The concentration of migrants in low-employment areas limits access to quality jobs. According to Eurofound [3], this segregation reduces both integration and productivity levels.
5. Limited bargaining power in the labour market. Due to limited legal awareness and fear of job loss, migrants are less able to defend their rights and, on average, earn 20–30% less than local workers [5].
6. Discrimination and bias. More than 25% of employers in EU countries admit preferring local candidates even when qualifications are equal [5]. This restricts migrant opportunities and reduces motivation and work efficiency.
7. Limited access to social services. Migrants often face difficulties in obtaining healthcare, education, or housing, which negatively affects their productivity and psychological well-being [5].
8. Legal restrictions in migration policy. Lengthy procedures for obtaining work permits or refugee status hinder formal employment. The European Parliament [4] emphasizes that simplifying legalization processes is crucial for successful integration.
9. Delays in asylum procedures. Applications are reviewed over 12–18 months, during which individuals cannot work, leading to skill loss and dependence on social assistance (UNHCR, 2024).

These factors result in underutilisation of human capital, reducing labour productivity, and lowering economic returns.

The Interreg Europe program and its projects, namely MILEstone creating valuable solutions toward fostering social and economic inclusions of migrants.

A valuable contribution to the study of regional integration and demographic processes is made by the partners of the MILEstone project under the Interreg Europe programme. Academic and leading partners from Germany, Netherlands, Finland are contributing a lot towards more social Europe [1; 7; 8]. Their researches and analytical approaches provide an important foundation for developing strategies of migrant integration and improving local labour productivity, aligning with the goals of the MILEstone project and the broader objectives of sustainable regional development across Europe.

Hence, the main integration barriers are interconnected and can only be overcome through a comprehensive approach that includes linguistic, professional, social, and legal support for migrants. These will allow EU countries to make better use of the migrants' labour potential and raise national productivity levels.

Key directions of integration strategies:

1. Recognition of qualifications and human capital development.
2. Language training and vocational programs.
3. Active labour market policies (ALMP).
4. Promotion of entrepreneurship.
5. Social integration and anti-discrimination measures.

The figure below presents a labour productivity dynamics in the EU countries among migrants.

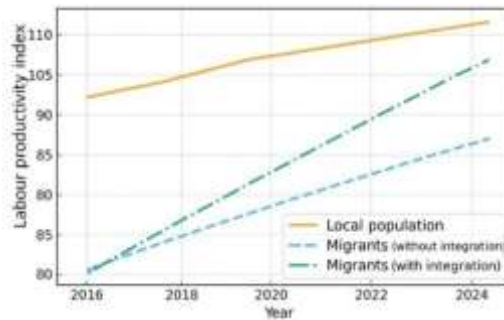


Figure 1 – Labour productivity dynamics in the EU

Source: formed by authors

The figure illustrates that effective integration strategies, such as language training, qualification recognition, employment support programs, entrepreneurship promotion, and anti-discrimination policies, reduce the productivity gap between migrants and native workers. With active integration policies, migrant productivity levels may reach those of native workers within 8–10 years, confirming the positive economic effect of investment in integration measures.

In conclusion, the integration of migrants into the labour market is a crucial factor for increasing labour productivity and fostering economic development. The effective implementation of mentioned above integration strategies contributes to human capital development, reducing unemployment, and improving economic competitiveness. Policy that includes social, educational and legal measures enables migrants to adapt to new conditions faster and realise their potential fuller. This also builds a more cohesive and inclusive society where labour mobility becomes a source of innovation and development. Thus, migrant integration should be viewed not as a cost, but as a long-term investment in the resilience and productivity of European economies.

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