LUISS

Double Degree in Business Transformation

with Paris Dauphine University

Course of International Economics

Migration in a post-Brexit Europe and its impact on EU labour markets

Mr Luca De Benedictis

SUPERVISOR

Mr Gianfranco Di Vaio

CO-SUPERVISOR

Juliette Béguin

CANDIDATE

Academic Year 2024/2025

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List of Acronyms and Abbreviations

AIC	*Akaike Information Criterion*
BIC	*Schwarz Bayesian Information Criterion*
CES	*Constant Elasticity of Substitution*
EU	*European Union*
GAM	*Global Approach to Migration*
GAMM	*Global Approach to Migration and Mobility*
IOM	*International Organization for Migration*
ILO	*International Labour Organization*
MENA	*Middle East and North Africa*
NA	*Not available*
OLS	*Ordinary Least Squares*
ONS	*Office for National Statistics*
RLMT	*Resident Labour Market Test*
TCNs	*Third Country Nationals*
UK	*United Kingdom*
UN	*United Nations*
UNHCR	*United Nations High Commissioner for Refugees*
UNWTO	*United Nations World Tourism Organization*
US	*United States*

Introduction

On 23 June 2016, the Brexit referendum marked a major turning point for both the EU and the UK, with direct consequences on migratory dynamics. On that day, 52% of Britons voted to leave the EU, putting an end to decades of free movement of people between the UK and the European continent. Following the announcement of the results, waves of uncertainty arose among European and non-European citizens living and working in the UK. In response, thousands of them decided to leave the country, leading to a redistribution of migration flows across Europe (European Policy Centre, 2022).

To fully grasp the extent of this reconfiguration of migratory movements, it is essential to place Brexit within the broader context of the history of immigration in Europe. Since the 19th century, Europe has transitioned from a continent of emigration, with millions of Europeans leaving for new territories, to one of mass immigration in the aftermath of the Second World War. From 1945 to 1973, significant migration flows, often from former colonies or partner countries, shaped European labour markets, particularly in the construction, agriculture, and services sectors. In 1985, the Schengen Agreements then enabled a unique form of free movement globally, further facilitating intra-European migrations (Colucci, 2020). However, by the 1990s and 2000s, concerns about immigration began to intensify across Europe, with growing debates on the economic and social pressures associated with migration. These tensions were amplified by the 2015 migration crisis, which saw a large influx of asylum seekers into the EU, amplifying the political discourse on immigration (Geddes et al., 2021). This growing scepticism was reflected in the 2016 Brexit referendum, where the UK's decision to leave the EU represented a significant break from the ideals of free movement enshrined in the Schengen framework. Brexit thus marked a turning point, both politically and symbolically, in Europe’s approach to migration.

Research on the economic motivations for migration, such as that of Blanchflower et al. (2007), has shown that individuals choose to migrate primarily in response to wage differentials and economic opportunities. This dynamic had long favoured the settlement of many European workers in the UK. Many workers were attracted by the UK’s strong economy and the promise of stable, well-paying jobs. As a result, the UK became a major destination for both skilled and

unskilled workers across Europe. However, Brexit has disrupted this trend, reversing migration flows. Although most research has focused on the economic effects of Brexit in the UK, as highlighted by Portes (2021), the consequences for other European countries have received less attention. At the same time, Nica (2020) highlights that immigration affects local economies, particularly in terms of employment. Therefore, the post-Brexit migration flows – with citizens returning to their home countries or migrating to other member states – could have significant effects on EU labour markets, warranting further analysis.

This study aims thus to answer the following question: **how have post-Brexit migrant workers impacted EU employment rates?**

It is essential to understand how a significant event like Brexit has impacted the countries to which migrants leaving the UK have relocated, and how these changes influence overall employment trends and labour markets across Europe. This study aims to address this gap by analysing how the redistribution of migrants has reshaped labour market dynamics throughout the continent.

Therefore, methodologically, this thesis employs a combination of quantitative and qualitative methods. The quantitative analysis uses panel data from Eurostat and other relevant sources, covering key employment indicators in EU countries from 2015 to 2020. Econometric models are applied to this data to identify trends and correlations between post-Brexit migration flows and employment rates. The analysis focuses on three categories of migrants: native returnees leaving the UK to return to their home countries in Europe, EU migrants relocating from the UK to other EU countries that are not their country of origin, and non-EU migrants leaving the UK to settle in EU countries. Qualitatively, the study interprets these results through a review of existing literature, examining how factors as labour market flexibility and socio-demographic distribution influence the observed trends. By contextualizing the quantitative findings with theoretical insights and prior research, this approach helps to explain the diverse impacts of post-Brexit migration on employment across different European labour markets. This combined methodology allows for a more nuanced understanding of how the redistribution of migrants affects employment dynamics throughout the continent.

The contribution of this study is thus its ability to address key gaps in existing research by providing a more complete picture of how post-Brexit migration has affected European labour markets. While most studies focus on the short-term economic impacts within the UK,

this research looks at how changes in migration patterns have influenced employment across different EU countries. In a context where Europe is becoming increasingly restrictive towards migration and populist narratives are gaining ground, this thesis aims also to assess whether the concerns about migration's impact on employment are justified. By combining data analysis with insights from the literature on labour market flexibility and socio-demographic factors, this study helps to explain how different groups of migrants adapt to various job markets in Europe.

This thesis is structured to explore the multifaceted effects of post-Brexit migration on European labour markets. Chapter 1 sets the theoretical foundation, reviewing key migration theories and examining trends and policies that have shaped migration flows and public perceptions, particularly in the context of Brexit. Chapter 2 outlines the research methodology, detailing the data collection and econometric models used to analyse the impact of these migration changes on employment rates across EU countries. Chapter 3 presents the empirical findings, discussing them in relation to the initial hypotheses and highlighting the influence of factors such as labour market flexibility and demographic variations. Together, these chapters provide a comprehensive analysis that aims to deepen our understanding of how Brexit has reshaped labour dynamics across Europe.

Chapter 1: Literature review

1. Understanding migration

1.1. Different types of mobility and migration

The UN defines migration as any movement lasting more than twelve months from one nation-state to another, irrespective of the reasons or legal status in the host country. Although "migration" lacks a formal definition under international law, it is commonly understood as the process of leaving one's usual place of residence, whether within a country or across an international border, either temporarily or permanently, for various reasons (IOM, Glossary). In 2011, as part of the transition from the GAM to the GAMM, the European Commission introduced the term "mobility". This notion is distinct from "migration" as it refers to the movement of foreigners for short periods, such as students, visitors, businesspeople, researchers, and family members (European Commission, 2011). While migration often involves long-term relocation, mobility is a broader concept that covers temporary and varied movements.

1.1.1. Mobility

European mobility is connected to the EU's free movement policy. The fundamental right to free movement for EU citizens, established by the Treaty of Rome in 1957, has been strengthened by various subsequent treaties and laws. This allows EU citizens to move freely for work, education, or personal reasons (Geddes et al., 2021). In 2009, nearly 11 million Schengen visas – created under the framework of the 1985 Schengen Agreement – were issued, highlighting the importance of this policy in facilitating temporary travel (European Commission, 2011).

"Professional mobility" involves individuals who move temporarily for job opportunities, ranging from low-qualified workers to specialized professionals (Wallace, 2023). This type of movement is common, especially among nationals from neighbouring countries with less advanced economies. These movements contribute to economic exchanges and the spread of skills among member states. According to Wallace, this mobility is distinct from that

of “traders and small businesses” who regularly cross borders to buy and sell goods. This economic mobility, particularly present in border areas, is a response to market opening. These “suitcase traders”, active since the 1980s, saw their numbers increase in the 1990s, taking advantage of cross-border markets to conduct their activities. Beyond professional and economic mobility, tourism represents another significant form of movement within the EU. The UNWTO defines this notion as travel and stays outside an individual's usual environment for a period not exceeding one year, undertaken for leisure, business, or other non-remunerated purposes. In academic literature, some authors employ this definition, including Recchi in his working paper (2019), to study cross-border human mobility flows in Europe. The EU also benefits from significant student mobility, especially through its Erasmus+ program, which plays a major role in enhancing educational opportunities. This initiative by the European Commission allows students to participate in study exchanges or internships abroad, improving their professional, social, and intercultural skills (European Commission, 2023). This movement not only benefits individual students but also strengthens educational connections and cultural understanding between member states. Additionally, family reunification and the free movement of EU citizens facilitate the movement of families. Family members, such as spouses, children, and dependent ascendants, can accompany or join EU citizens in other member states. These rules aim to preserve family unity and support social integration in host countries (European Parliament and Council, 2004).

1.1.2. Migration

According to Geddes et al. (2021), migration in Europe often conjures images of individuals moving from TCNs to settle in the EU. However, in 2020, the European Commission defined migration as the act of establishing residence in an EU member state for more than a year, after having resided in another EU country or a TCNs. Migration by TCNs is a recent phenomenon in EU policy, particularly since the Maastricht Treaty in 1992, which established European cooperation in the fields of justice and home affairs. The 1997 Amsterdam Treaty subsequently laid the foundation for a common EU policy on asylum, visas, and migration, including the harmonization of asylum procedures and reception conditions for asylum seekers.

As we have seen previously, there is no internationally recognized legal definition of migration. Although the term “refugee” is often lumped together with “migrant”, the UNHCR (2016) makes a clear distinction. Refugees benefit from specific legal protections. They cannot

safely return to their country of origin because of persecution or conflict. The term “migration”, on the other hand, is often understood as a voluntary process, such as an individual crossing a border in search of better economic opportunities. This includes “migrant workers”, who primarily move to enhance their financial situation. Similarly, Düvell and Jordan (2002) draw a distinction between “migrants” and “asylum seekers”. As we have said, migrants may be seen as workers, whether as legal migrant workers filling labour shortages in the EU, or as “illegal” migrant workers. They can be integrated into labour market policies and economic immigration frameworks. In contrast, asylum seekers are viewed as persons seeking protection from persecution but have not yet been legally recognized as refugees and are awaiting a decision on their asylum application. Their arrival is often seen as undesired in the destination country, necessitating strict controls to limit their movement across the EU.

It is however interesting to notice that at the turn of the century, European countries began to actively manage the flow of foreign workers to remain competitive and respond to demographic change resulting in falling birth rates (Laubenthal, 2017). As previously mentioned, these flows can be legal or illegal, significantly impacting their working conditions and access to social rights. Additionally, a distinction can be made regarding the qualifications of migrant workers. Qualified workers are employed to meet the demand for specialized skills in various sectors across Europe. Unlike medium- or low-skilled migrants, they are seen as a “brain drain” (Bhagwati and Hamada, 1974). However, even if they possess high skills, they are often recruited in low-skill sectors or as self-employed workers (Blanchflower et al., 2007). We will explain this point further in the following section.

1.2. Theories of migration

Migration is a complex phenomenon that cannot be explained by a single uniform theory. Existing theories, developed independently, offer essential perspectives for understanding its dynamics and their impact on labour markets. Neoclassical theories provide foundations for analysing the economic and social motivations of migrants. These should be put into perspective with theories revived by more contemporary authors, considering new factors explaining migratory movements. Finally, it is essential to empirically verify these theories by studying their application to migrant workers in the EU.

1.2.1. Comparing past and current migration theories

The theories of international migration, explored by Massey et al. in 1993, provide a comprehensive analysis of migration flows by combining various perspectives. The macroeconomic neoclassical theory, developed by Lewis in 1954 and Todaro in 1970, asserts that workers migrate from low-wage countries to high-wage countries and that governments can influence these flows by regulating labour markets. Similarly, the microeconomic neoclassical theory, also formulated by Todaro, views migration as an individual decision based on a cost-benefit evaluation, where individuals migrate to where the expected net returns are highest. However, these theories do not account for all the complex mechanisms at play. The new economics of migration, formulated by Stark and Bloom in 1985, expands the analysis by integrating the family dimension. They consider that migration decisions are made at the household level to maximize revenues and minimize economic risks, rather than by isolated individuals. Another notable approach is Piore's dual labour market theory in 1979, which posits that immigration is mainly caused by a permanent demand for labour in low-paid and unstable jobs typically abandoned by local workers. This persistent demand in advanced economies attracts migrants regardless of local wage variations. Consequently, even if the supply of immigrant workers decreases, the low wages in these sectors do not necessarily increase. Wallerstein's world systems theory from 1974 offers another perspective, explaining that international migrations are the result of economic globalization. Former colonial powers and their ex-colonies, having established cultural, linguistic, and economic ties, experience significant migration flows. Additionally, the network theory developed by Massey in 1990 shows that migrations are perpetuated through social networks that connect migrants with each other and their home communities. These networks diminish the costs and the risks associated with migration, thereby increasing the expected benefits, and encouraging further movement. The institutional theory, also discussed by Massey, highlights the difficulties governments face in controlling migrations once they become institutionalized. In 1957 and in 1990, Myrdal and Massey respectively propose the theory of cumulative causation, where each act of migration creates conditions that favour future migrations, making the process self-perpetuating. Finally, migration systems theory, as proposed by Fawcett in 1989 and Zlotnik in 1992, posits that migration flows are determined by political and economic relationships between countries rather than geographical proximity.

Another fundamental aspect of migration dynamics is the “brain drain” phenomenon mentioned above. Bhagwati and Hamada posit in 1974 that the emigration of skilled workers

negatively impacts the economic growth of their home countries. Conversely, more recent research by Docquier in 2006 supports the “diaspora” option, suggesting that the movement of human capital can have positive effects on economic development and ongoing education in the countries of origin. By exporting skills and enhancing the international reputation of the home country, the author argues that “brain drain” can be beneficial. He considers that the migration of skilled individuals is becoming the predominant model of international migration.

Transitioning to more recent theories, the concept of “welfare magnets” has emerged. Though this hypothesis, Borjas has suggested in 1999 that the generosity of a country's welfare system can influence individual migration decisions, with more migrants being attracted to regions offering better social protection benefits. This idea is explored in studies like those by Borjas in 1999, highlighting how social policies play a significant role in determining migration patterns.

Furthermore, other contemporary theories focus on “push and pull factors” to understand migration flows. These modern approaches acknowledge that migration decisions are influenced by a combination of economic, social, and institutional factors. They also highlight the importance of global dynamics and social networks, thus providing a more robust framework for analysing and managing international migration in today's context. Mohamed et al. (2020) identifies three motivating factors (push and pull) for migration: economic, psychological (personal), and situational (caused by the surrounding environment). Similarly, Ogujiuba et al. (2019) highlight three “push and pull factors”: economic, followed by politic, and then the effect of migrant networks. To take the example of student mobility, Khanh et al. (2022) find that students from Asian countries choose to study in Vietnam due to push factors like economic conditions and pessimistic employment expectations in the country of origin and pull factors such as Vietnam's economic prospects and the reputation of the host university.

Finally, the study of Drbohlav (1996) challenges the neoclassical theories of migration systems, which posits that geographical distance is not a predominant factor in the decision-making process. According to this author, migrant workers leave their home country when they encounter insufficient opportunities there and imagine far more prospects elsewhere. If the combination of these factors outweighs considerable difficulty of leaving their homeland and family, they opt to migrate. Drbohlav notes that the choice of destination country for migrant workers is largely constrained by financial means, meaning that the poorest are not able to migrate long distances. This explains why 40% of migrant workers move to the nearest country.

In the same way, the recent thesis Modelling Migration by Ramos (2024) confronts theories of migration systems by illustrating the variable effects of income gains on migration as a function of distance. For instance, an increase of 1,000$ in per capita income in the US would lead to an 8% rise in Mexican immigrants, a 5.2% rise in Irish immigrants, and only a 3.1% rise in Chinese immigrants. This new literature also explores factors such as network effects, linguistic closeness, cultural boundaries, climatic variations, and policy instruments such as visa regulations, which were previously difficult to analyse using static dyadic models. These findings highlight the necessity of incorporating a wide array of factors to accurately study and understand international migration today.

1.2.2. Migration theories applied to migrant workers in EU

As outlined above, in response to falling birth rates, Europe needed to increase investment in human capital, and thus open its markets to the MENA regions (Nica, 2015). For example, temporary mobility was stimulated after German reunification to meet labour needs, particularly in the domestic care sector (Hofmeester and Van der Linden, 2018). In this context, as the theory of Piore suggested, labour migration was essentially driven by demand, reflecting the extent to which the domestic workforce is unable to meet the economic needs of the country.

In Africa, the challenges are quite the opposite, with rising fertility rates. UN forecasts indicate that Africa's population could reach 3 billion before the end of the century. This demographic growth would exert increased migratory pressure towards other regions of the world, notably Europe (Poutvaara, 2021). In fact, migration tends to revolve around areas of influence, such as colonial history, as indicated by both old and recent theories. Yahaya (2020) emphasizes the impact of colonization, attributing it as a cause for the late industrialisation in sub-Saharan Africa. This delay has led to a significant lack of economic prospects, particularly affecting young people. Consequently, many of these individuals seek better employment opportunities abroad, resulting in a substantial “brain drain”. Adesote and Peters (2018) stress that losing talented individuals hinders development and urge African leaders to ensure good governance to prevent state collapse. In terms of destination for highly skilled migrants, Oliinyk et al. (2022) demonstrated that Luxembourg, the Netherlands, Denmark, Finland, Sweden, and Ireland are the most attractive countries in EU. In fact, skilled workers hoped for a good salary relative to the offers in their home countries. This is not straightforward: Docquier and Rapoport (2012) argue that immigrants, whether highly skilled or not, are generally less productive, partly due to language, cultural, and geographical barriers. Kivisto and Faist (2010) believe that

immigrants typically take jobs that nationals avoid because they are considered dangerous and/or dirty. Consequently, they often work in positions that require fewer skills than they have. Restrictive migration policies can also lead to unequal distribution of migrant workers and issues like unstable and undeclared work (Nica, 2015). These reasons can be explanations for the Piore's dual labour market theory.

The author Hager (2021) demonstrates that in the context of immigration to Europe, pull factors surpass push factors. In addition, he specifies that migration models could be enhanced by integrating both pull and push factors, instead of focusing more on one over the other. Khalid and Urbański (2021) study the push factors for migrants in Thailand and Poland to make comparisons. They find common reasons for these flows, including unemployment and poverty (though not the poorest migrate), wars, political instability, and social factors. However, contrary to recent theories taken cited by Ramos, environmental issues did not significantly influence migration decisions. Additionally, the study emphasises that higher education levels increased individuals' mobility, leading them to seek better pay abroad rather than accepting any job under poor conditions. If we now consider the case of German migrants moving to other EU destinations, based on the study by Verwiebe et al. (2020), we can observe that workers with medium qualifications were particularly pull and push by economic factors such as differences in unemployment rates, wages, and working conditions. Nevertheless, social networks are less significant factors for German migrants, which contradicts network theory. This could be explained by free movement in Europe, which allows for easier movement and reduces reliance on social networks for migration. In contrast, Dago and Barussaud (2021) shows that for young Ivorians, migration networks encourage them to leave for the EU by sharing of experiences.

Finally, the influence of welfare on migration decisions is a debated topic in the literature regarding Europe. On the one hand, some researchers propose that generous welfare states, particularly in Northern and Western EU countries, can attract migrants (Mooyaart and de Valk, 2021). They note that economic and social security serves as both a push and pull factor for Estonian and Latvian emigrants moving to those EU countries. However, Mooyaart and de Valk (2021) temper their argument by suggesting that the social conditions in the country of origin play a more significant role in migration decisions than the welfare benefits available in the destination country. Additionally, they point out that migrants, such as those from the UK, Poland, and Spain moving to the Netherlands, often have limited knowledge of the social welfare systems in their destination country, as they typically migrate at a stage in life when

they are not reliant on social benefits. Giulietti (2014) shares this view, arguing that the role of social benefits in the destination country is limited and that the "welfare magnet" is not a supported argument in the literature. Blanchflower et al. (2007) support this perspective, emphasizing that migrants do not typically move to countries like the UK with the intention of seeking social benefits: "they have come to work".

2. Trends in migration flows and policies

2.1. Overview of migration data in Europe

The population of the EU has seen significant growth in recent years. This trend is mainly due to a relatively high net migration rate, which in 2021, indicated that over a million more people have moved to the EU than have left it (Eurostat, 2023). This demographic shift is shown by the increase in the proportion of migrants in the European population, rising from 6.9% in 1990 to 11.6% in 2020, highlighting both increasing intra-European migration and continuous immigration from the rest of the world (Poutvaara, 2021). In 2022, non-nationals accounted for 8% of the EU-27's population, with 3% being citizens from other European countries and 5% from non-European countries. Certain destinations are particularly favoured, with 60% of non-EU-27 nationals residing in Germany, France, Spain, and Italy. Furthermore, considering the ethical aspects of migratory dynamics can provide an interesting perspective for analysis. According to Eurostat (2023), Luxembourg has the highest proportion of non-nationals in its population at 47%, followed by Malta at 21%. Despite this, it is seen as ethnically homogeneous because most non-nationals come from other European countries, sharing cultural traits and languages similar to Luxembourgers (Wolff, 2009). Malta population do not include large ethnic minorities either.

In 2022, the EU received 875,000 asylum requests in 2022, mainly from Syrians, Afghans, Venezuelans, and Turks, with Germany, France, and Spain being the primary host countries. This marks a 63% increase compared to 2021 and is the highest figure recorded since the peak of the refugee crisis during the Syrian war in 2015 and 2016, which we will discuss further later. Additionally, in the same year, 3.5 million first residence permits – which are official documents allowing foreigners to live legally in a country – were issued in the EU-27, with 1.2 million (36%) granted for employment purposes. In fact, work is the principal motive for issuing residence permits, followed by family reunification and education (Eurostat, 2023).

In 2023, the employment rate for EU natives aged 20 to 64 was 76.2%, which is higher than the 63.3% employment rate for non-EU citizens in the same age group. For instance, in Sweden, the employment rate for natives aged 20 to 64 is 85.6%, compared to 76.4% for non-EU citizens. In Germany, this rate is 86.4% for natives versus 73.4% for non-EU citizens. Conversely, some countries like Croatia deviate from this trend, where natives have an employment rate of 74.5%, lower than the 93.3% for non-EU citizens (Eurostat, 2024). Migrant workers are disproportionately represented in the construction sector, particularly in restaurants and hotels. As mentioned earlier, according to Blanchflower et al. (2007), this is attributed to a lack of professional training. These authors also note that foreign workers predominate in the automotive sector due to high turnover rates and low wages. According to Kajzar (2023), the industrial distribution of employment for non-EU citizens varies significantly across countries. He explains that migrant workers are heavily represented in household and service jobs, comprising 23-33% of foreign employment in many countries. In Germany, the Netherlands, Austria, over 20% are employed in mining, energy, and manufacturing sectors. In Spain, 12% work in hotels and restaurants, while over 10% in Sweden are in education. In Sweden, Denmark, and the UK, 15-18% are in health and community services. Generally, Kajzar considers that immigrants tend to occupy more blue-collar jobs due to lower educational levels and challenges in skill transfer, except in the Netherlands, the UK and Belgium.

Finally, we can examine the gender distribution of migrants, first globally, then within the labour market. A slight male predominance is observed among migrants, with 51.9% men and 48.1% women from third countries in 2020. However, some countries like Cyprus, France, and Ireland had more female migrants. In 2022, non-nationals aged 20 to 49 in Europe included 29% men and 27% women, compared to 18% each for the natives. This highlights a younger demographic among non-nationals compared to the national population. In contrast, non-nationals over 50 years old had lower proportions (12% men, 13% women) compared to locals (20% men, 24% women) (Eurostat, 2023). The migration of women to Europe is a recent trend. Historically, women typically migrated to follow their husbands. Today, however, many women migrate independently, often in search of employment, like men. Despite this shift, gender biases and discrimination frequently obstruct migrant women from accessing the same formal job opportunities available to men. Consequently, they are often relegated to informal employment and roles traditionally considered “feminine” such as domestic work, caregiving, and positions in restaurants or hotels. These jobs, which often have a high demand for labour, are frequently characterized by precarious and poorly paid working conditions (European

Parliament, 2023). This same study compares migrant women with native women, revealing that 40.7% of migrant women between the ages of 20 and 64 are employed in positions for which they are overqualified, compared to only 21.1% of native women. This contrast highlights the significant barriers migrant women face in securing employment that matches their qualifications. Finally, to further underscore these challenges, Eurostat data from 2023 shows that the employment rate among native men aged 20 to 64 is 80.8%, while it is 75% for non-native men. In contrast, the employment rate for native women is 71.6%, whereas only 51.6% of non-native women are employed. These figures illustrate the severe employment disparities faced by migrant and non-national women, highlighting the dual challenges posed by both gender and non-national status.

2.2. Evolution of migration policies and its consequences on migration flows and public perception

Migration policies in Europe have undergone significant changes over the past decades, profoundly impacting public perception and migration flows. The increase in refugee movements, poor policy management, and media influence have led to increasingly restrictive migration policies and a rise in populism. Brexit initially fuelled anti-immigration sentiment, leading to tighter controls and a decline in migration from the EU to the UK. However, over time, public opinion has shifted towards a more balanced approach, focusing on both economic needs and social concerns, which has contributed to a decline in support for the Conservative party.

2.2.1. The case of the EU

The enlargement of the EU has transformed several Western European countries into major destinations for immigrants. Spain and Italy experienced an acceleration of migration from the late 1980s, prompting their governments to call for a stronger EU role in migration management. In Italy, this sentiment was echoed by the Lega during the 2018 elections, where Matteo Salvini closed Italian ports to migrants to demand a more equitable distribution of migration responsibilities among EU member states (Geddes et al., 2021). In the same way, Wallace (2002) indicates the opening of borders in Central and Eastern Europe after 1989 transformed Poland, Hungary, the Czech Republic, and Slovakia into destinations for short-term circular migration flows. Conversely, their citizens have largely benefited from EU free movement, with many Poles moving to the UK before often returning to Poland or relocating

to other member states. Soon after Bulgaria and Romania joined the EU in 2007, the financial crisis struck Europe in 2008. According to Mooyaart and de Valk (2021), this crisis prompted some Polish migrants to return home earlier, while others became more determined to stay in the UK, Ireland, Germany, and the Netherlands. Additionally, the intentions of Latvian returnees significantly decreased, from two-thirds before the crisis to only 16% planning to return within five years post-crisis. This is mainly due to negative perceptions of economic situation and job prospects in the country of origin. Concurrently, South-North migration increased, with countries like Spain, Italy, Greece, and Portugal witnessing a rise in emigration due to high unemployment and job insecurity. For example, the emigration of young Italians to the UK and Germany was partly attributed to slow economic growth and labour market deregulation, resulting in low-paid jobs. The author ultimately notes that all migration strategies towards the UK are now significantly disrupted by Brexit. A few years after the financial crisis, the EU faced a major "migration crisis" in 2015, prompting significant changes in EU migration policies. This crisis, marked by a massive influx of primarily Syrian refugees, led Germany to open its borders, creating a domino effect across Europe (Geddes et al., 2021). As previously mentioned, 2015 was a record year for asylum applications in the EU, with approximately 1.2 million people applying, 35% of whom applied in Germany (Eurostat, 2023). This openness was quickly followed by strengthened controls within the Schengen Area to limit secondary movements of migrants. In 2016, an agreement between the EU and Turkey was signed to reduce arrivals via the Eastern Mediterranean. This agreement entailed the return of migrants whose asylum applications were rejected in Greece to Turkey, in exchange for EU financial support to Turkey for managing refugees. These restrictive policies led to a significant decrease in Mediterranean crossings, from over one million in 2015 to 141,000 in 2018 (Geddes et al., 2021). However, they also often resulted in precarious living conditions in overcrowded camps, such as Moria in Greece, which Geddes et al. described as intentional strategies by governments to discourage migrants. Ciulla (2018) particularly criticizes the Dublin system, which unevenly distributes the responsibility for asylum application processing among EU member states. In fact, under the Dublin system, the first EU country a migrant enters is responsible for processing their asylum application. According to Ciulla (2018), the 2015 crisis is a consequence of this deadlock.

Overall, public perception of crisis management by policymakers has been negative. According to Wallace (2002), the EU's restrictive policies, in collaboration with non-member countries, have not only reduced migrations but also turned these countries into "buffer zones"

for migrants trying to reach the EU. For example, Hungary received many asylum seekers from the Yugoslav border regions in the early 1990s, but these individuals generally returned home once the situation calmed down. Public perception of immigration in these countries has been influenced by rising xenophobia, partly due to the belief that migrants increase crime rates and take jobs from nationals. In fact, surveys show that 82% of Czechs and 78% of Hungarians believe that migrants increase crime rates, figures much higher than in Western European. This xenophobia is often exacerbated by the perception that governments are failing to effectively control immigration, leading to a decline in public trust in political institutions. Another example that supports this view is the re-election of Angela Merkel. According to Ciulla (2017), it was not due to her welcoming of migrants but rather because she demonstrated her government's ability to effectively manage borders, highlighting the importance for governments to show control over the situation rather than choosing a specific political response. Geddes et al. even argue that the 2015 “migration crisis” turned into a real “political crisis”, which increased support for anti-immigration and populist parties.

The hardening of migration policies aimed at controlling migration flows to EU member states has been widely covered by the media. According to Meltzer et al. (2017), media representations play a significant role in shaping public opinion. They explain that restrictive policies and negative representations of migrants in the media tend to reinforce attitudes of mistrust and rejection, while inclusive policies and positive representations can promote better integration and more favourable attitudes. In fact, the media do not simply report facts: they select and interpret them, thereby influencing public perception. Firstly, Meltzer et al. indicate that media portrayals of migrants as potential threats to security can create or amplify feelings of fear and rejection among the population. They report that media coverage of crimes committed by foreigners is often exaggerated, contributing to a negative image of migrants. For example, Silverstein (2005) discusses the specific racialization of Muslim immigrants in Europe after September 11, 2001, showing how global political events influence local racial discourses. Secondly, Meltzer et al. consider that the media often frame immigration either as an economic burden or a potential benefit, profoundly affecting public attitudes. When migrants are presented as competitors for jobs and resources, it reinforces feelings of economic threat. Conversely, media coverage highlighting the positive economic contributions of migrants can generate a more favourable perception. For instance, Silverstein notes a shift in the perception of migrants, who were once simply seen as a labour resource and are now viewed through various racial lenses, often influenced by stereotypes and media narratives. Thirdly, Meltzer et

al. emphasize that media focusing on cultural and religious differences can reinforce prejudices and negative perceptions. For example, Leveau and Mohsen-Finan (2005) discusses the case of France, where issues like the wearing of the headscarf and radical Islamism, although marginal, crystallize tensions around the integration of "second generations" and secularism. Finally, Meltzer et al. warn that individuals with negative attitudes toward migrants are more likely to consume media that share their views, amplifying their prejudices. This creates a cycle where public perception and media coverage reinforce each other, leading to increased polarization on migration issues.

Finally, Geddes et al. (2021) emphasizes that the image of migrants conveyed by policies and media is often reductive, portraying them as passive victims of uncontrollable forces. He recalls that in 2015, media and political representations of migration were dominated by images of mass movements, human misery, and tragic deaths during the Mediterranean crossing to Europe. Thus, it is important to note that, although this thesis aims to study migrant workers, the overall perception tends to homogenize the experiences and motivations of migrants, confining them to a uniform and simplistic category.

2.2.2. The case of the UK and Brexit consequences

The expansion of the EU in 2004 and 2011 significantly altered migration dynamics between the UK and the rest of Europe. Following this, the number of UK residents born in EU member states rose to over 3.6 million, making up just over 5% of the population, a figure that more than doubled in two decades (Portes, 2021). This significant increase was largely driven by the UK's immediate decision to open its labour market to new EU members in 2004, particularly attracting migrants from Central Europe, especially Poland (Geddes, 2021). Migration patterns were not uniform across the UK, with a high concentration of EU migrants in London and the East of England, drawn by economic opportunities. However, this surge also fuelled anti-immigration sentiments and nationalist rhetoric, which became central issues in the Brexit debate (Portes, 2021). The 2016 referendum framed the economic costs of leaving the EU against the political appeal of ending free movement, a message that resonated strongly with voters who supported the Leave campaign, eager to "take back control" over immigration (Geddes et al., 2021).

The impact of Brexit on immigration was immediate and significant. On the one hand, the referendum result led to a sharp decline in EU immigration to the UK, driven by several

factors including economic uncertainty, the depreciation of the pound sterling making the UK less attractive, and concerns among EU citizens about their future rights (Portes, 2021). Portes notes that even before the referendum, the UK's job growth was already slowing, while unemployment rates in other parts of the EU were declining, further diminishing the UK's appeal as a destination. Mooyaart and de Valk (2021) note that post-Brexit migration policies have led EU migrants in the UK to adopt different strategies. For instance, many migrants, particularly those of Latin American origin residing as Spanish citizens, have sought permanent residency to secure their future. Others, facing uncertainties about their rights under the new immigration policies, have opted to shorten their stay. Additionally, the new points-based immigration system, introduced on January 1, 2021, significantly tightened controls on EU immigration compared to the previous free movement regime. Under this new system, EU citizens (except for Irish nationals) must meet strict criteria, including salary thresholds and skill requirements. As a result, low-skilled and low-paid EU workers are now largely unable to obtain work visas. Even those who qualify must navigate additional barriers, such as requiring their prospective employers to sponsor their visas, paying higher fees, and facing reduced rights, including limited access to public benefits (Portes, 2021).

On the other hand, the new immigration system is more accommodating to non-EU migrants. It has lowered the barriers for these individuals by reducing the required salary and skill levels, and it no longer imposes a cap on the total number of non-European immigrants allowed to enter the UK (Portes, 2021). This change contrasts sharply with the past system, which imposed strict limits on non-EU immigration, including quotas and the RLMT to prioritise local workers. In fact, the RLMT required employers to prove that a job could not be filled by a local or EEA worker before hiring a non-EU migrant. The reforms now mean that nearly half of the full-time jobs available in the UK meet the criteria for a work visa, broadening opportunities for non-European workers.

Therefore, despite the sharp decline in EU migration, non-EU immigration has increased, partially filling labour shortages caused by the reduction in European workers – a paradox considering Brexit's aim to “take back control” of immigration (Hampshire, 2024). According to the ONS (2024), following the Brexit referendum, nearly 130,000 European citizens left the UK in 2016 alone, with this number rising each year. As a result, in 2019, over 200,000 departures of EU migrants were recorded. Later, the number of EU migrants in the UK has fallen below 200,000 by mid-2022, while non-EU migration has surpassed 1 million in the same period (Figure 1.).

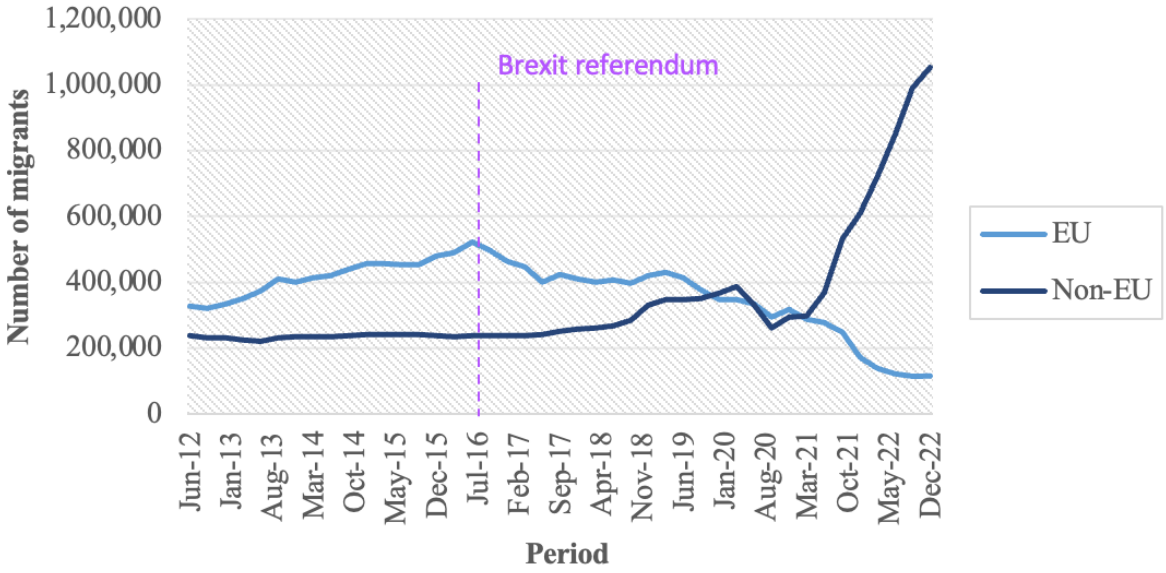

Figure 1. Evolution of EU and non-EU immigration to the UK
(ONS, 2024)

The ONS points out that the effects of Brexit on immigration to the UK have been coupled with the COVID-19 restrictions. In fact, travel restrictions and lockdowns led to a sharp decrease in migration during 2020. However, non-EU immigration rebounded quickly after restrictions eased, with a notable rise in students coming to the UK post-pandemic.

In parallel, public perception of immigration, particularly among voters, has shifted significantly since Brexit. Traditionally, most British voters were opposed to immigration and supported restrictive policies (Ford, 2024). According to Mayblin and al. (2024), Brexit created a political opening for the Conservative right to advocate for even stricter asylum measures. For instance, under Rishi Sunak's leadership, the UK entered into an agreement with Rwanda in April 2022 to deport asylum seekers arriving in Britain to Rwanda. In contrast, the Labour Party has indicated its plan to end this deportation policy, preferring to negotiate a return agreement with the EU that promotes a more collaborative approach to asylum and immigration. Mayblin and al. (2024) argue that this conservative campaign was intended to placate anti-immigration sentiments and divert attention from other governmental shortcomings, but the strategy has largely backfired, as many voters view the policy as both harsh and ineffective. Today, shifts in demographics, such as increased education levels, the expansion of ethnic minority populations, and the influence of more socially liberal younger generations, have fostered more progressive attitudes towards immigration (Ford, 2024). Thus, Labour's victory in July 2024 can be attributed in part to their more nuanced approach to

immigration, which seeks to balance the country's economic needs with social concerns, in contrast to the Conservative stance (Moghal, 2024).

3. Impact of immigration and restrictive policies on EU and UK labour markets

3.1. Impact of increased immigration on employment

In Europe, the effect of immigration on native unemployment rates appears to be generally minimal, as highlighted by Nica (2015). In fact, she argues that immigrant workers, both from EU and non-EU countries, often fill specific jobs that natives tend to avoid. Migrants from non-EU countries face even greater challenges in securing stable, well-paid jobs, even when they possess a high level of education. Therefore, this reduces direct competition between the two groups in the labour market. Brücker and Jahn (2011), in their study on the German labour market, suggest that immigration could even benefit the natives by reducing their risk of long-term unemployment. Their findings show that the increased supply of labour in lower-skilled segments does not displace native workers but instead creates complementary roles, thereby enhancing overall market efficiency. As migrants take on low-paid or lower-skilled jobs, it allows national workers to concentrate on higher-skilled positions. This also stimulates demand for goods and services, which promotes economic growth and creates new job opportunities for the native population. Moreno-Galbis and Tritah (2016) reach similar conclusions for the EU-15, highlighting that this effect is particularly pronounced with the arrival of new immigrants, especially those from non-EU-15 countries or from regions where significant disparities in unemployment benefit take-up rates exist between comparable immigrants and natives. However, Angrist and Kugler (2003) challenge this view, estimating that a 10% increase in the foreign-born population within the EU would lead to a 0.2 to 0.7 percentage point decline in native employment. They highlight that, in many Western European countries, the increase in immigrant employment has coincided with very low native job creation, suggesting that immigrants may be securing jobs at the expense of native workers. Blanchflower et al. (2007) provide a nuanced view, indicating that even large migration waves – such as those after the 2004 EU enlargement – have had minimal effects on native employment according to global evidence.

Nevertheless, previous literature is more negative about the impact of immigration on the employment rate of other migrants within the same host country. More precisely, Nica (2015) observes that new waves of migrants tend to compete more with earlier groups of migrants. Furthermore, Blanchflower et al. (2007) observe higher unemployment rates among recent immigrants from the newly joined EU countries, which they attribute primarily to age differences, as these migrants tended to be younger. These new entrants often lack host-country-specific skills and networks, which makes them more vulnerable in the labour market, especially in the context of economic downturns or sectors facing structural changes. The ability of immigrants to integrate successfully into the labour market is often influenced by broader social policies and economic conditions in the host country. In fact, social policies, such as access to education, vocational training, and language courses, play a significant role in enabling immigrants to enhance their employability and align their skills with labour market demands (Moreno-Galbis and Tritah, 2016). Furthermore, during periods of economic growth, labour markets tend to be more absorptive, facilitating the entry of both native and migrant workers into employment. Tilly (2011) examines the opposite case of economic downturns by focusing on the 2008 financial crisis. during the 2008-2009 period, the unemployment gap between immigrants and natives expanded by roughly 3 percentage points across the EU-15. This trend was particularly pronounced in Spain, where immigrant unemployment rates were significantly higher – by 12 percentage points – compared to native workers during the first quarter of 2009. France also showed similar patterns, while the differences were less stark in Germany, the UK, and Belgium. Tilly emphasizes that this growing gap primarily affected male immigrants, who were more likely to be employed in sectors prone to economic fluctuations, such as construction, whereas female migrants generally worked in more stable fields. Finally, Brücker and Jahn (2011) demonstrated that the increase in immigration has not always had a negative impact on the employment rate of migrants already present in the host country. In fact, they show that the qualifications of the immigrant workforce in Germany have progressively increased over the years. They have thus suggested that the new wave of immigrants may not adversely affect the previous lower-skilled immigrants. Nevertheless, Brücker and Jahn conclude that they have only observed this effect in segments of labour market with greater wage flexibility. In such segments, where wages can adjust more easily to changing labour supply, the additional immigrant labour force is absorbed without causing a significant rise in unemployment. In this scenario, the increase in immigration does not raise either the overall unemployment rate or the unemployment rate among the foreign workforces.

3.2. Impact of restrictive migration policies on employment

Recent changes in migration policies across Europe have brought significant shifts in employment and labour markets. These restrictive measures, which aim to control migration flows, as is the case with Brexit, often overlook the role that migrants play in the economy. As a result, concerns over job security and unemployment have grown, affecting both native and migrant workers. These policies can make labour markets less flexible, impacting companies' ability to respond to economic changes. This, in turn, influences employment rates and reveals the broader effects of policy decisions on national and regional economies.

3.2.1. The case of the EU

As we have seen, migrants often face challenges due to labour market rigidities and restrictions imposed by host countries. More broadly, Brücker and Jahn (2011) explain that fears regarding immigration's impact on job prospects for natives are prevalent across continental Europe, which cause labour market rigidity. Angrist and Kugler (2003) note that in the European context, where firing costs, initially designed to protect native workers, are often high, companies find it difficult to adjust their workforce to economic conditions. This amplifies the negative impact of immigration on native employment, as companies are reluctant to hire because of the high costs associated with firing. It is within this context that the authors observed the slightly negative impact of immigration on native employment, as discussed in the previous section. On the other hand, in more flexible labour markets, where these costs are lower, this impact is much more limited, as companies can more easily adapt their workforce to shifts in the market. This is what Brücker and Jahn have observed in certain segments of the German labour market. In the same way and as previously explained, Nica (2015) notes that the concerns of destination countries about immigration, along with the restrictions they impose, lead to an unequal distribution of migrant workers in the labour market. These limitations do not stop migration flows but instead promote undeclared work with dangerous social consequences. Furthermore, the author explains that migration flows rapidly increase the demand for services such as education, housing, and healthcare in host countries. Therefore, in the long term, countries that restrict immigration and close their labour markets miss out on the economic benefits and job opportunities that migrant workers could have brought. In addition, the study of Cangiano (2014) shows that an immigrant's status when they arrive has a major impact on their job market participation, chances of unemployment, and finding work that matches their skills. Even though family migrants and refugees integrate better with time, they

still face higher unemployment rates in most European countries. This issue is particularly pronounced when considering both gender and immigration status: in fact, migrant women, as we have seen, are the most affected by unemployment. Fromentin (2011) points out that many recent arrivals struggle with the local language, and their limited social and professional networks put them at an even greater disadvantage. These factors not only impede their integration into the workforce but also increase their exposure to exploitative working conditions and social exclusion. He also notes that discrimination in hiring processes further hinders their chances of securing work. Tilly (2011) agrees and emphasizes the significant employment disparities based on ethnic origin. For instance, in the UK, Pakistanis and Bangladeshis encountered more difficulties finding employment than Europeans or Indians. In Spain, migrants from Europe and Latin America had better employment prospects compared to those from Africa.

Finally, Chojnicki and Ragot (2016) emphasize the importance of immigration within the European labour markets, highlighting the potential risks of imposing restrictive measures. They sought to estimate the unemployment rate in France in a scenario where immigration would cease entirely. According to their projections, the unemployment rate, estimated at 4.5% in the reference scenario for 2060, would rise to 4.7% in the absence of new migratory flows and could even reach 4.9% by 2100. This rise, although modest, reflects an imbalance in the labour market caused by the reduction in available workforce. Without immigration, the ageing of the active population and the decline in the number of young workers would limit the capacity of the French economy to adapt to labour market demands. This phenomenon is not unique to France, as many European countries face a similar aging population, making immigration of workers essential for the stability of the labour market and long-term economic growth. To go further, Brücker and Jahn (2011) suggest that implementing policies aimed at enhancing the substitutability between native and immigrant workers could help balance wage and employment disparities between the two groups. Such policies might include better labour market integration programs and initiatives to facilitate the recognition and utilization of immigrants' skills and qualifications. While these measures may reduce some of the immediate economic benefits that native workers gain from immigration, such as higher wages and lower unemployment due to the availability of low-cost labour, they would foster greater social cohesion. By helping immigrants to integrate more fully into the labour market, these policies would also lower the potential long-term social and financial burdens on the welfare system, ultimately benefiting the host country.

3.2.2. The case of the UK and Brexit consequences

The existing literature largely focuses on the consequences of Brexit for British workers and the labour market in the UK. In fact, Brexit-related restrictions have created new uncertainties for British expatriates regarding their residency status and employment prospects in EU countries (Fesenko and Mukha, 2021). In addition, and as previously mentioned, the number of EU migrants to the UK gradually decreased, while the number of non-European migrants to the UK increased, reversing pre-Brexit migration trends. Fesenko et al. (2021) highlight that the departure of Eastern European migrants from the UK has disrupted the British market, as they played a key role in the country's economic development. Furthermore, Lazutka and Navicke (2020) focus on Lithuania in their study and confirm that Brexit has hastened the return of Lithuanian migrants to their home country. This has strengthened Lithuania's labour market while simultaneously contributing to a reduction in the workforce in the UK.

An in-depth analysis by Sargent (2023) highlights the differentiated impact of the Brexit on two groups of workers: natives and migrants, in both the UK and the EU (which is considered as a single country), as well as the repercussions on the labour markets of these two regions. The author examines a post-Brexit increase in costs, particularly related to visa requirements for migrating workers, where all costs rise by 50% compared to the pre-Brexit situation. She draws conclusions regarding the changes in unemployment rates in the UK and the EU after Brexit, as illustrated in the bar chart below (Figure 2.).

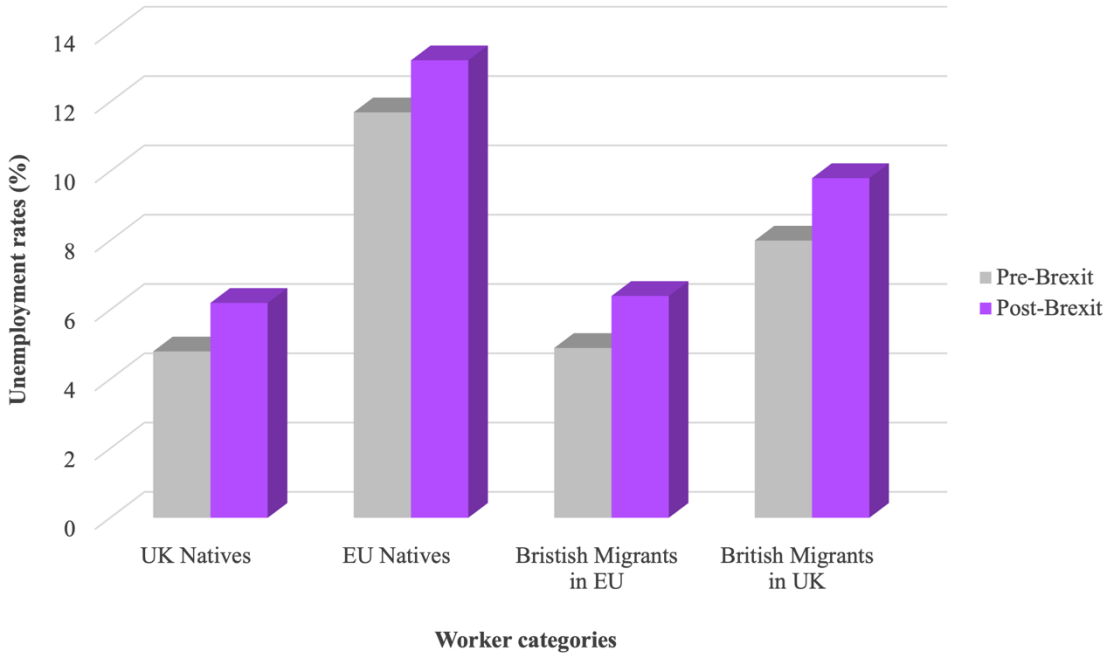

Figure 2. Changes in unemployment rates pre-and post-Brexit for native and migrant workers in the UK and the EU
(Sargent, 2023)

It appears that for natives, before Brexit, the unemployment rate was 4.8% in the UK and 11.7% in the EU. After Brexit, a slight increase is observed, with the unemployment rate reaching 6.2% for British natives and 13.2% for EU natives. Concerning migrant workers, before Brexit, the unemployment rate for British migrants in the EU was 4.9%, while it stood at 8% for EU migrants in the UK. Post-Brexit, these rates increased slightly more than for natives: the unemployment rate for British migrants in the EU reached 6.4%, while for EU migrants in the UK, it rose to 9.8%. Specifically, unemployment rose by 1.4 percentage points for British natives and 1.5 percentage points for EU natives, compared to increases of 1.5 percentage points for British migrants in the EU and 1.8 percentage points for EU migrants in the UK. In conclusion, Sargent observes a general rise in unemployment rates after Brexit for both native and migrant workers in the UK and the EU. She notes that migrant workers, whether British or European, have been slightly more affected by this increase.

4. From literature review to hypotheses: assessing the employment impact of Post-Brexit Migration in the EU

In summary, this literature review has covered various aspects of migration dynamics in Europe before and after Brexit, as well as their impact on employment rates in host countries.

At the end of the 20th century, intra-European migration saw a significant increase, primarily driven by declining birth rates and a growing demand for labour in shortage sectors. This trend was further amplified by successive EU enlargements and the free movement of workers. Migrants often filled roles avoided by local workers, such as those in construction, hospitality, and domestic services (Blanchflower et al., 2007; Kajzar, 2023). This overrepresentation in lower-skilled jobs helped balance the labour market by addressing unmet needs. With the announcement of Brexit, political and economic uncertainty prompted a significant number of European citizens to leave the UK, not necessarily for better economic opportunities elsewhere—as suggested by the "push and pull" theories—but to avoid potential negative consequences related to the loss of their residence and work rights in the UK (Blanchflower, 2007; Khalid and Urbański, 2021). Data shows that nearly 130,000 European citizens left the UK in 2016, with annual departures exceeding 200,000 by 2019. Conversely, new Brexit regulations have facilitated the migration of non-Europeans to the UK, previously subject to stricter restrictions. Consequently, by the end of 2019, their numbers surpassed those of European migrants (ONS, 2024). This return migration or relocation to other European countries raises important questions about its impact on the labour markets of destination countries, especially since the EU enlargements, the 2008 financial crisis, the 2015 migrant crisis, and more recently, Brexit, have continuously disrupted migration flows, fuelling negative perceptions of migration and the rise of populism within the EU (Mooyaart and de Valk, 2021; Geddes et al., 2021).

Our literature review has provided initial insights into the impact of these post-Brexit migrations on employment rates. Contrary to common concerns, studies show that increased migration flows do not have a significant negative impact on the employment of native workers. Migrants tend to occupy positions that natives avoid, even when they possess high qualifications (Nica, 2015). Researchers such as Blanchflower have also emphasized that, even during periods of high immigration, such as those observed in the early 2000s, the impact on

native employment remained minimal, as new arrivals did not directly compete with local workers. In fact, Brücker et al. (2011) even noted positive effects for native workers in certain situations, as the presence of low-skilled migrants can stimulate economic activity and create new job opportunities for nationals. However, the arrival of new waves of migrants can potentially affect the employment of existing migrants, particularly in sectors where competition is high. Nevertheless, Brücker demonstrated that in Germany, the demand for low-skilled labour helped balance these effects, thus avoiding a negative impact on overall employment. Furthermore, restrictive migration policies in Europe, often motivated by fears of the negative impact of immigration on employment, have exacerbated labour market rigidities (Angrist and Kugler, 2003). During periods of economic crisis, these restrictions complicate migrant integration due to limited substitutability with native workers (Brücker, 2011). Migrants, already vulnerable, are often confined to precarious, low-paying, or dangerous jobs, limiting their socio-economic inclusion (Nica, 2015; Tilly, 2011). Furthermore, factors such as discrimination and limited recognition of qualifications hinder their access to jobs that match their skills (Cangiano, 2014). This deepens inequalities, especially during recessions, making integration even more challenging. The case of Brexit illustrates these dynamics well: the reduction of European migrants in the UK has affected key sectors, while the return of nationals to their home countries has strengthened local labour markets, as seen in Lithuania. However, this situation has contributed to a general increase in unemployment in both Europe and the UK, with migrants being the most affected by this economic deterioration.

To contribute to the existing literature, this thesis aims to explore the effects of post-Brexit migration flows on employment rates in European countries. While studies such as those by Blanchflower et al. (2007) and Portes (2021) have extensively documented the impacts of Brexit on the UK labour market, the consequences for other European countries have received less attention. Yet, these migration shifts could have significant repercussions on the employment structures in these countries. Similarly, while some research, such as that by Mooyaart and de Valk (2021), has analysed the return of European workers to their home countries, the impact on overall employment rates remains underexplored.

Firstly, reversed migration flows post-Brexit could potentially stimulate the labor markets of origin countries by bringing back skills acquired in the UK. However, it is also possible that these markets may be saturated, complicating the reintegration of returning workers. Our first hypothesis (H1) posits that the return of these workers will positively impact the overall employment rate in origin countries by improving the match between the skills of

returning workers and local needs, particularly in specialized sectors where skills acquired abroad can be leveraged.

H1: The return of nationals from the UK will positively and significantly affect the overall employment rate.

Subsequently, research by Nica (2015) and Blanchflower et al. (2007) shows that migrants tend to occupy different roles than natives, thereby reducing direct substitution effects on employment. However, with the influx of new post-Brexit migrants, it is likely that already saturated sectors, such as construction or hospitality, will be particularly affected. Research by Brücker et al. (2011) indicates that in contexts of increased demand for low-skilled workers, the impact may be mitigated. However, when these sectors can no longer absorb additional labour, competition for jobs increases, negatively impacting the overall employment rate. Our second hypothesis (H2), suggesting a negative impact on overall employment, is based on the idea that this increased competition could destabilize labour markets in host countries, particularly when local labour and new arrivals compete for the same types of positions.

H2: The arrival of EU migrants from the UK will negatively and significantly affect the overall employment rate.

Finally, as noted in studies by Cangiano (2014) and Fromentin (2011), non-EU migrants face numerous integration challenges, including recognition of qualifications and discrimination. This post-Brexit dynamic is still under-researched, although it could increase labour market segmentation and exacerbate employment disparities. Our third hypothesis (H3) is based on this observation, positing that the arrival of these migrants will negatively affect the overall employment rate, due to their difficulty in quickly integrating into the formal labour market. This hypothesis explores how the shift in migration flows, coupled with a lack of adequate integration policies, could intensify social and economic tensions in host countries.

H3: The arrival of non-EU migrants from the UK will negatively and significantly affect the overall employment rate.

By formulating these hypotheses, this thesis aims to shed new light on post-Brexit migration dynamics and their effects on employment in Europe, thereby contributing to the research question: “how have post-Brexit migrant workers impacted EU employment rates?”.

By examining the differentiated effects of returning nationals, the arrival of EU migrants, and the influx of non-EU workers, this research seeks to better understand the necessary adaptations for integration and employment policies across various European countries.

Chapter 2: Methods

We aim to focus our study on the impact of post-Brexit migratory flows on employment rates in various EU countries. The objective is to determine how changes in the share of native, EU (European), and non-EU migrants affect the labour market in host countries. To achieve this, we have opted for a Pooled OLS econometric model in panel data with a log-log transformation, inspired by the work of Angrist and Kugler (2003). This model allows us to quantify the effect of migrants on employment rates while controlling for country-specific and year-specific effects, as well as other macroeconomic factors.

1. Model selection considerations

The choice of the Angrist and Kugler (2003) model is mainly driven by its ability to capture imperfect substitution between native workers and migrants, unlike perfect substitution models like those of Borjas (1999) or Sargent (2023), which treat workers as fully interchangeable. Brücker and Jahn (2011) argue that models using CES production functions better reflect real labour market interactions. As highlighted in our literature review, even migrants with similar skills can have a distinct impact on overall employment compared to natives.

In addition, the use of a log-log specification is particularly suitable for several reasons. Firstly, it helps stabilize data variance, thereby mitigating heteroscedasticity issues often encountered in economic analyses. Secondly, the log-log form allows for direct interpretation of coefficients in terms of elasticity. In other words, a 1% change in the migrant share translates into a proportional change in the employment rate, which facilitates policy analysis.

Finally, the Angrist and Kugler model, which focuses on the impact of migration on native employment by using the migrant share in the labour force as an explanatory variable, provides a useful foundation for constructing our own model. We aim to extend this approach by differentiating the effects of natives, intra-EU migrants, and non-EU migrants returning from the UK after the Brexit announcement. Additionally, our model will explore the broader economic impact by studying global employment rates and by incorporating additional control

variables such as GDP and working hours to better capture post-Brexit dynamics. Further details will be explained later.

2. Data collection process

Our analysis of migration flows between the UK and European countries is based on Eurostat data covering the period from 2015 to 2020. This timeframe was chosen to capture migration dynamics before and after the 2016 Brexit referendum, allowing us to assess any anticipatory and transitional effects. As highlighted by Ponzano (2015), the consequences of Brexit were already foreseeable in 2015, when David Cameron initiated the first steps to renegotiate the UK's relationship with the EU and announced a future referendum, laying the groundwork for the UK's exit process. Our analysis concludes in 2020, as from 2021 onwards, Eurostat no longer includes the UK in its data as an EU member state. It is important to keep in mind for our future interpretations that the British are considered EU nationals in the data up until 2020.

Eurostat data are renowned for their methodological rigor and for harmonizing demographic and economic information across EU member states (Rees et al., 2017). However, it is important to acknowledge certain limitations, such as variations in data collection practices between countries and gaps in data availability for specific periods (Eurostat, 2020).

The study primarily uses five Eurostat datasets. The first, "Immigration by Age Group, Sex, Group of Citizenship and Group of Country of Previous Residence (2015-2020)", helps identify migrants based on age, gender, and nationality, whether they are natives or from other EU countries, arriving from the UK. This dataset is essential for distinguishing between the two categories of migrants we aim to study in relation to our hypotheses, namely immigrants of their own nationality or from another EU country coming from the UK. Then, the dataset "Immigration by age group, sex, and country of previous residence" provides information on all migration flows from the UK, regardless of nationality. We assume this dataset includes all nationalities. To verify this, we compared Eurostat figures with Italy's ISTAT data. We summed ISTAT data of foreign nationals (excluding Italians) and Italians migrating from the UK to Italy from 2015 to 2020: the total matched Eurostat's data for the same period, showing that the dataset indeed encompasses all nationalities without distinction. Thus, it can be confirmed that this dataset encompasses all nationalities. Furthermore, we use the "Employment rates" dataset,

which provides information on the employment rates of natives, EU nationals, and non-EU nationals. These data are fundamental for assessing the economic integration of migrants and calculating labour market participation indicators for each group. We also consider data of the "Population by sex, age, nationality, and employment status (2015-2020)" dataset, which provides the total of active population in each country. These figures are essential for estimating how many returning migrants from the UK might be active in the labour market, based on the existing employment patterns observed. As controlled variables will be further added to our initial regression, we collect data from "GDP and main components (production, expenditure, and income)" dataset, which is measured in current prices in millions of euros and analyses the Gross Domestic Product at market prices. We finally include data from the "Average number of actual weekly hours of work in main job, by sex, age, professional status, full-time/part-time and occupation" dataset, which measure the average weekly working hours based on demographic and employment characteristics.

All the data we have collected is based on the age range of 15 to 64, which is generally considered the working-age population. According to the ILO, this age group is typically used to measure employment and economic activity rates because it represents the primary workforce. This classification helps in standardizing labour market comparisons across different countries and regions. Moreover, the employment rate and the population data specifically pertain to the active labour force, meaning those who are either employed or actively seeking work (Angrist and Kugler, 2003).

Additionally, data on the active population by sex and age were collected from these three datasets to support the interpretation of our regression results. Eurostat data distinguishes between two sexes: men and women. We chose to divide the 15-64 age group into two segments, using 40 years as a cut-off, following the approach used in Angrist and Kugler's study. This allows us to replicate the distinction we explored in our literature review between "young migrants" (aged 15-39) and "older migrants" (aged 40-64).

3. Model construction and specification

Angrist and Kugler (2003) estimate the impact of immigration on native employment by employing the following log-log equation:

$$\ln(y_{ijt}) = \mu_i + \delta_t + \beta_j + \alpha_i \ln(s_{jt}) + \epsilon_{ijt}$$

$\ln(y_{ijt})$is the employment-to-population ratio for natives and for demographic group *i*, in country *j*, and year *t*. μ_i represents group-specific effects. δ_t accounts for year-specific effects. β_j captures country-specific effects. s_{jt} is the immigrant share, defined as the immigrant proportion of the labour force. ϵ_{ijt} is the error term. This model allows for the evaluation of how changes in the immigrant share s_{ijt} influence native employment outcomes, while accounting for variations due to group, country, and time-specific factors.

Our goal is to assess whether the arrival of migrant workers from the UK after Brexit discussions began in 2015 will impact global employment rates in country *j*. We will adapt and extend this model to analyse three distinct categories of migrant workers leaving the UK post-2015. These categories are: (1) those returning to their home country in Europe. They will be treated as "natives" in that country; (2) European citizens leaving the UK to move to another European country, referred to as "EU migrants"; and (3) non-European citizens leaving the UK to settle in a European country, classified as "non-EU migrants". We can therefore construct our log-log equation, based on the Angrist and Kugler model:

$$\ln(y_{ijt}) = \mu_i + \delta_t + \beta_j + \alpha_i \ln(s_{jt}) + \theta_i \ln(sEU_{jt}) + \nu_i \ln(snonEU_{jt}) + \epsilon_{ijt}$$

s_{jt} is the share of returning native immigrants who come back to their home country after leaving the UK. is defined as the proportion of these returning native immigrants relative to the total labour force in their home country. Similarly, sEU_{jt} is the share of immigrants originating from an EU country who arrive in another EU country after leaving the UK. $snonEU_{jt}$ is the share of immigrants originating from a non-EU country who arrive in an EU country after leaving the UK.

As we have the employment rate for natives, EU nationals, and non-EU nationals in country *j*, we use the same rate to estimate how many migrants returning from the UK will be active in the labour market. This approach implies that, in our model, migrants arriving from the UK in country *j* will have the same employment opportunities as the other individuals in their respective categories (natives, EU nationals, non-EU nationals). Thus, we consider that s_{jt}, sEU_{jt} and $snonEU_{jt}$ calculated as follows:

$$s_{jt} = \frac{\text{Native migrants in country } j \text{ arriving from the UK in the labour force}}{\text{Total number of people in the labour force}}$$

$$sEU_{jt} = \frac{\text{EU migrants in country } j \text{ arriving from the UK in the labour force}}{\text{Total number of people in the labour force}}$$

$$snonEU_{jt} = \frac{\text{Non} - \text{EU migrants in country } j \text{ arriving from the UK in the labour force}}{\text{Total number of people in the labour force}}$$

4. Regressions and analytical procedures

We aim to conduct regressions to assess the impact of our three categories of migrants (natives, EU, and non-EU) arriving in a European country post-Brexit on that country's overall employment rate.

We use the Gretl software for our regressions. We employ Pooled OLS regressions, focusing on the impacts of our three categories of migrants arriving from the UK on the employment rates of the host countries. Our dependent variable is the log of the employment rate $\ln(y_{ijt})$, while the independent variables include the logarithmic forms of the migrant shares $\ln(sn_{jt})$, $\ln(sEU_{jt})$, $\ln(snonEU_{jt})$. This log-log specification enables us to interpret the coefficients as elasticities, which are useful for understanding proportional changes in employment rates relative to changes in migrant shares.

Our dataset spans five countries over six years (2015-2020), but the minimum and maximum time lengths indicate that not all countries have data for every year. This variation can arise due to missing data or inconsistencies in data collection across countries. We address this issue by specifying the panel structure with the country as the group index and year as the time index. This setup allows us to control for unobserved heterogeneity over time and across countries, ensuring that our results are not biased by the absence of data for certain periods or countries. Besides, we use clustered standard errors by unit (country) to account for potential correlation within each country over time. This method corrects for heteroscedasticity and serial correlation that may arise when observations within the same cluster are not independent. By

clustering errors at the country level, we enhance the reliability of our coefficient estimates, making our findings more robust and generalizable across the sampled countries.

Our core equation aims to evaluate how changes in the migrant shares – $\ln(sn_{jt})$, $\ln(sEU_{jt})$, $\ln(snonEU_{jt})$ – affect the overall employment rate $\ln(y_{ijt})$, considering country-specific, time-specific, and group-specific effects. This approach reflects the theory that migrant inflows interact with the host country's labour market dynamics differently depending on their origin and category.

In a secondary stage, we incorporate two control variables to conduct a second regression: GDP and working hours, inspired by Haider et al.'s (2023) approach. In their analysis, the authors argue that including economic control variables such as GDP and working hours is essential for understanding the relationship between employment and economic growth across different countries. These variables help to capture underlying economic conditions that influence employment rates beyond just migration flows. Our goal is to ensure that our results capture the true effects of migrant flows, considering contextual economic variables that influence employment outcomes. Therefore, by incorporating these controls, we can better isolate the specific impact of migration on employment, minimizing biases from broader economic trends.

Applying this to our model, we expand our initial equation:

$$\ln(y_{ijt}) = \mu_i + \delta_t + \beta_j + \alpha_i \ln(s_{jt}) + \theta_i \ln(sEU_{jt}) + \nu_i \ln(snonEU_{jt}) + \gamma_1 \ln(GDP_{jt}) + \gamma_2 \ln(hours_{jt}) + \epsilon_{ijt}$$

GDP_{jt} indicates the overall economic health and wealth of a country and γ_1 shows how changes in economic prosperity impact employment opportunities. $hours_{jt}$ indicate the intensity and distribution of labour across a population and γ_2 demonstrates how changes in average working hours relate to variations in employment levels.

Then, to ensure the robustness and reliability of our results, several diagnostic tests were carried out before the final analysis, in accordance with methodological recommendations in the literature (Haider et al., 2023). By conducting these diagnostic tests on both models, we will also retain the model that demonstrate greater explanatory power and robustness for the rest of our analysis and discussion: first, we want to ensure that the independent variables in our model

are not excessively correlated, which would undermine the precision of our coefficient estimates and complicate the interpretation of the results. Multicollinearity occurs when independent variables are highly correlated, leading to unstable coefficient estimates and difficulties in interpreting the model. We used the VIF test to quantify this issue, with a value above 10 indicating problematic multicollinearity. Second, the AIC and BIC are fundamental tools for evaluating the fit of a statistical model. Both criteria serve to balance the trade-off between model complexity and accuracy by penalizing models that include unnecessary variables. Lower AIC and BIC values indicate a model that provides a better fit without overfitting the data. Third, the Durbin-Watson test is designed to identify autocorrelation within the residuals of a regression model. Autocorrelation, or serial correlation, occurs when residuals are not independent across observations, which can suggest model misspecification. A value of the Durbin-Watson statistic close to 2 indicates no significant autocorrelation, confirming that the residuals are independent. Finally, and as previously explained, to address potential heterogeneity across the countries in our study, we employed clustered standard errors by unit. This method adjusts for intra-group correlations, such as those at the country level, which could otherwise bias the results.

To conclude, and to best interpret and inform the discussion around our regression results, we rely on two key dimensions derived from our literature review: labour market flexibility and socio-demographic dynamics, particularly gender and age. labour market flexibility refers to the ability of economies to adapt to fluctuations in labour supply and demand, which in turn influences the professional integration of migrants. A more flexible labour market can provide greater employment opportunities for migrants, while a rigid market may limit their access to formal positions, thereby increasing their vulnerability (Angrist and Kugler, 2003). At the same time, socio-demographic dynamics play a significant role in migrant integration. The literature indicates that men and younger migrants, due to their mobility and adaptability, tend to integrate more easily into high-demand sectors such as construction (Blanchflower et al., 2007). Conversely, women and older migrants face specific barriers, such as the non-recognition of their qualifications and occupational segregation, which often confine them to precarious and unstable jobs (Eurostat, 2023). We aim to explore and discuss these aspects in two distinct sections of our results and discussion. This methodological approach will allow for a more nuanced analysis, highlighting the complex interactions between national labour market characteristics and the specificities of migrant subgroups to better understand the impact of post-Brexit migration on employment rates across European countries.

Chapter 3: Results and discussion

1. A comprehensive analysis of post-Brexit migrant impacts on employment: results and hypothesis testing

This first results section presents a detailed analysis of how post-Brexit migration patterns have influenced employment rates in five European countries (Belgium, Italy, Spain, Estonia, and Sweden) from 2015 to 2020. We begin by examining the results of our initial regressions without control variables and then proceed to analyse outcomes when GDP and average weekly working hours are included as controls. The final part justifies why interpretations will be based on the models with control variables, supported by a discussion on model robustness and hypothesis validation. We restate our three hypotheses:

H1: The return of nationals from the UK will positively and significantly affect the overall employment rate.

H2: The arrival of EU migrants from the UK will negatively and significantly affect the overall employment rate.

H3: The arrival of non-EU migrants from the UK will negatively and significantly affect the overall employment rate.

1.1. Initial regression analysis: mixed effects of migrant on global employment rates

The initial regression results, displayed below, reveal the direct impact of post-Brexit migration on the employment rates in the five selected countries, focusing solely on the effects of returning natives, EU, and non-EU migrants without considering additional economic variables.

```
Model 1: Pooled OLS, using 27 observations
Included 5 cross-sectional units
Time-series length: minimum 4, maximum 6
Dependent variable: ln_y
Standard errors clustered by unit

              coefficient    std. error    t-ratio    p-value
  ------------------------------------------------------------
  const        1.08787       0.232980      4.669      0.0095  ***
  ln_s         0.0992833     0.0251239     3.952      0.0168  **
  ln_sEU       0.0476533     0.0247950     1.922      0.1270
  ln_snonEU    0.000145413   0.0250863     0.005797   0.9957

Mean dependent var  -0.319992   S.D. dependent var   0.094867
Sum squared resid    0.043132   S.E. of regression   0.048951
R-squared            0.815671   Adjusted R-squared   0.733747
Log-likelihood       48.61964   Akaike criterion    -79.23927
Schwarz criterion   -67.57674   Hannan-Quinn        -75.77139
rho                  0.780772   Durbin-Watson        0.441206
```

Table 1. Pooled OLS initial regression results

This regression confirms that the coefficient for the return of natives from the UK ($\ln(s)$) positively and significantly influences the overall employment rate (coefficient = 0.099, p-value = 0.0168), supporting H1. This finding is consistent with the literature review, which suggests that the presence of arriving immigrants can stimulate economic activity and generate new job opportunities for native workers (Brücker et al., 2011). This dynamic occurs as migrants – from EU and non-EU – occupy fewer desirable positions, which, in turn, can free up opportunities in higher-skilled sectors for natives, ultimately enhancing overall employment rates.

Contrary to H2, the coefficient for EU migrants ($\ln(sEU)$) is positive but not significant (coefficient = 0.047, p-value = 0.1270). This result suggests that EU migrants do not exert a negative effect on employment. Unlike previous studies (Angrist and Kugler, 2003) that indicated increased competition for jobs, our findings may reflect the study of Nica (2015) which explain that EU migrants tend to occupy niche sectors or roles that do not directly compete with native workers. This integration into specific labour market segments could explain the absence of a significant negative impact.

In the same way, contrary to H3, the coefficient for non-EU migrants ($\ln(snonEU)$) is near zero and non-significant (coefficient = 0.0001, p-value = 0.9957). This finding implies that non-EU migrants have not significantly affected overall employment rates. As for the EU migrants, it could be explained by an integration of non-EU migrants of specific sectors, that natives do not want to occupy (Blanchflower, 2007). In addition, barriers such as institutional, cultural, and linguistic differences often prevent these migrants from fully integrating into the

formal labour market (Cangiano, 2014), thus minimizing their impact on employment. Their limited presence in the formal labour market means they do not create substantial downward pressure on global employment rates.

1.2. Controlled regression analysis: revealing positive migration impacts on employment rates

As previously explained, Haider et al. (2023) explain that controlled variables could capture macroeconomic conditions that are pivotal in shaping employment outcomes.

```
Model 2: Pooled OLS, using 27 observations
Included 5 cross-sectional units
Time-series length: minimum 4, maximum 6
Dependent variable: ln_y
Standard errors clustered by unit

               coefficient   std. error   t-ratio   p-value
  ---------------------------------------------------------
  const          14.2087      3.25202      4.369    0.0120   **
  ln_s            0.0788151   0.00374667  21.04     3.02e-05 ***
  ln_sEU          0.0173775   0.00399177   4.353    0.0121   **
  ln_snonEU       0.0301175   0.00532060   5.661    0.0048   ***
  ln_GDP         -0.173504    0.0439352   -3.949    0.0168   **
  ln_hours       -3.21361     0.782129    -4.109    0.0147   **

Mean dependent var  -0.319992   S.D. dependent var   0.094867
Sum squared resid    0.020046   S.E. of regression   0.035396
R-squared            0.914332   Adjusted R-squared   0.860790
Log-likelihood       58.96395   Akaike criterion    -95.92789
Schwarz criterion   -81.67369   Hannan-Quinn        -91.68937
rho                 -0.165051   Durbin-Watson        1.386960
```

Table 2. Pooled OLS controlled regression results

The negative coefficient for GDP ($\ln(GDP)$) in our regression suggests an inverse relationship between overall economic growth and employment rates in the context of post-Brexit migration. It can suggest a phenomenon often referred to as "jobless growth", where economic expansion does not translate into increased employment opportunities (Haider et al., 2023). Haider et al. highlight this issue in European contexts, noting that while some G-7 countries, like the US, experience growth that generates jobs, many European economies, including Italy and Sweden, show a disconnect between GDP growth and job creation. In these countries, employment elasticity – the responsiveness of employment to changes in GDP – can be negative, indicating that economic gains are achieved through productivity improvements or structural changes that reduce the need for additional labour.

The negative and significant coefficient for average weekly working hours $\ln(hours)$) in our regression suggests that longer working hours are associated with lower overall employment rates. This aligns with Haider et al.'s concept of a substitution effect, where employers prefer to extend the hours of current employees rather than hire additional staff, treating employment and working hours as interchangeable. This trade-off is often seen in economies where constraints or rigidities prevent easy expansion of the workforce. As a result, longer working hours do not translate into more jobs but instead reflect intensified utilization of existing labour, indicating a potential barrier to employment growth despite increased labour demand.

The coefficient for returning nationals ($\ln(s)$) remains significant after including control variables (coefficient = 0.078, p-value < 0.001), indicating a robust positive impact on employment and supporting H1. This suggests that, regardless of economic conditions, returning nationals contribute positively to job creation. While a growing GDP typically supports labour market absorption, the negative GDP coefficient in our model indicates that economic growth does not always correlate with increased employment. The positive impact of returning nationals on employment could thus be due to their ability to enter less affected sectors, where their skills and experience directly contribute to job creation, counteracting broader economic trends that do not favour employment growth.

With the inclusion of control variables, the coefficient for EU migrants ($\ln(sEU)$) becomes positive and significant (coefficient = 0.017, p-value = 0.0121), rejecting H2. This outcome can suggest that EU migrants are more likely to take on temporary, seasonal, or part-time roles that are essential for sectors that cannot rely on standard full-time employment patterns. This means that, even if overall GDP growth does not create jobs uniformly across the economy, migrants can still positively influence employment by entering these specific segments, thereby compensating for the general lack of job creation.

The coefficient for non-EU migrants ($\ln(snonEU)$) becomes significant and pronounced after adding control variables (coefficient = 0.030, p-value < 0.01), rejecting H3. It is also indicating a stronger positive impact on employment than that of EU migrants. In fact, non-EU migrants probably take on even more challenging positions, such as in agriculture, construction, or other labour-intensive industries. These sectors benefit significantly from their presence, as EU workers could be less inclined to work under the same conditions.

1.3. Robustness of results: validating the chosen model

To ensure the reliability of our results, we conducted diagnostic tests for both regression models, with and without control variables. Multicollinearity tests indicate that all variance inflation factors (VIFs) are below 10, confirming the absence of serious multicollinearity issues among the explanatory variables. This means that the estimated coefficients are stable and there is no significant redundancy among the variables.

The adjusted R-squared values show that the model with control variables explains a larger portion of the variation in the employment rate (above 0.85) compared to the initial model, demonstrating its superior robustness. Furthermore, the AIC and BIC information criteria are lower for the model with controls, further confirming that it is better fitted to the data.

The Durbin-Watson test results for both models do not indicate any problem of autocorrelation in the residuals, strengthening the credibility of the results. In addition, the use of clustered standard errors by unit, despite the potential heterogeneity among the countries studied, ensures that the results are valid and robust for both models.

Given the superior explanatory power and better fit of the model with control variables, we will use this model as the basis for interpreting our hypotheses and discussing the research question. The summary table below will provide a concise overview of the chosen regression results in relation to our hypotheses, focusing on the model that includes control variables:

Hypothesis	Coefficient	Result	Significance	Conclusion
H1: the return of nationals from the UK will positively and significantly affect the overall employment rate	0.078	Positive effect	Yes ($p < 0.001$)	Supports H1
H2: the arrival of EU migrants from the UK will negatively and significantly affect the overall employment rate	0.017	Positive effect	Yes ($p = 0.0121$)	Rejects H2
H3: the arrival of non-EU migrants from the UK will negatively and significantly affect the overall employment rate	0.030	Positive effect	Yes ($p < 0.01$)	Rejects H3

Table 3. Hypothesis testing based on regression model with control variables

2. Labour market flexibility to explain the findings

In the literature review, we emphasized the significant role of labour market flexibility in shaping the impact of migration on employment outcomes. Studies such as Brücker and Jahn (2011) and Angrist and Kugler (2003) suggest that in flexible labour markets, the impact of immigration is more effectively absorbed because firms can easily adjust their workforce, and workers can find jobs that match their skills. Conversely, in more rigid labour markets, characterized by high employment protection and limited worker mobility, the arrival of new migrants can intensify competition for available jobs, especially between existing migrants and new arrivals (Nica, 2015).

Based on the results obtained from our regressions, we can make an initial assumption about the five countries in our study. We observed a significant negative relationship between hours worked and employment rates. Haider et al. (2023) provide a potential explanation for this finding, suggesting that in rigid labour markets, where adjusting the workforce size is challenging due to high employment protection, companies may opt to reduce working hours instead of laying off employees during economic downturns. This strategy allows firms to retain their workforce while adapting to changing economic conditions, thereby reflecting a negative correlation between hours worked and employment.

It is thus beneficial to delve deeper into our regression results by examining the existing literature that explains the varying degrees of labour market rigidity across the five countries in our study. This will help us better understand how these structural differences may influence the positive impact of migration on employment rates and provide a nuanced interpretation of our findings. By exploring specific labour market characteristics and institutional frameworks, we can gain valuable insights into how the rigidity or flexibility of these markets affects the absorption and integration of migrants, ultimately shaping their contribution to overall employment outcomes.

2.1. Migration context and labour market flexibility of the studied countries

First, Sweden has long been a significant destination for those seeking asylum and refuge, particularly from the late 1970s onwards. With a relatively modest population of around 10 million, Sweden recorded a substantial 163,000 asylum applications in 2015, making it one

of the EU countries with the highest rates per capita (Ahlén and Palme, 2020). The country's integration policies are designed to ensure equal access to social services and labour markets for everyone, contributing to the economic benefits migrants bring, even during times of high inflows. However, the changes implemented in 2016, which aimed to restrict eligibility for permanent residency, temporarily hindered the integration process, especially for non-EU migrants. Despite these obstacles, Sweden continues to be a highly appealing destination in Europe for qualified professionals (Oliinyk et al., 2022), showcasing a labour market that can effectively incorporate skilled immigrants.

Furthermore, since the 1970s, Italy has shifted from being primarily a country of emigration to one of immigration. By 2019, the number of foreign residents reached around 5.8 million, including approximately 3.7 million from non-EU countries (IDOS, 2019). The Italian labour market, known for its inflexibility and segmentation, has faced challenges in integrating these migrants effectively. Many migrants find themselves in unstable or informal employment due to restrictive regulations and the absence of a comprehensive integration framework (Chiaromonte, 2020). This situation is in stark contrast to Sweden's more inclusive policies, highlighting the distinct difficulties faced by migrant workers in Italy.

In addition, Spain has swiftly transformed into an immigration hub, with over 12% of its population being foreign-born by 2021, predominantly from Latin America, North Africa, and Eastern Europe (Moreno Fuentes, 2017). The economic recession from 2008 to 2013 severely impacted migrant employment, creating an unemployment gap of up to 12 percentage points between migrants and native workers (Tilly, 2011). Despite these challenges, migrants remain vital to sectors such as agriculture and construction, although their integration into the formal labour market continues to be uneven.

Then, Belgium's immigration approach has often paralleled that of its neighbours, such as Germany and the Netherlands. Following the workforce recruitment strategies of the 1960s and subsequent tightening of immigration laws, the country has predominantly used family reunification as a key pathway for new immigrants (Melin, 2020). Unlike other countries like Spain, Belgium has maintained greater labour market stability during economic downturns, with a smaller disparity in employment rates between native-born citizens and immigrants (Tilly, 2011). Nevertheless, despite progressive integration policies, non-EU migrants continue to face significant obstacles to full economic participation.

Finally, Estonia has traditionally maintained a cautious stance on migration but is now addressing demographic issues associated with an aging population by loosening immigration regulations to attract highly skilled workers, especially in the technology sector (Ainsaar and Roots, 2020). This strategic approach aims to alleviate skills shortages and positively influence employment levels. Despite these efforts, the relatively small number of non-EU migrants means the overall effect on the labour market remains limited, with net migration figures still hovering near zero.

2.2. Cross-country analysis and discussion

This section analyses the positive impact of migration on employment rates across the five countries in our study, focusing on how specific labour market conditions and migration policies shape these outcomes. We will group countries based on shared patterns and then explore unique factors influencing each context. We will finally provide main conclusions.

2.2.1. High labour market flexibility with divergent contexts: Sweden and Estonia

The positive impact of both EU and non-EU migrants on employment in Sweden, as demonstrated by our regression results, can be attributed to several factors. First, the flexible labour market structure allows for swift adaptation to changes in labour supply, reducing the risk of unemployment among new arrivals. This is supported by Ahlén and Palme (2020), who highlight Sweden's comprehensive integration policies that facilitate access to education and employment for migrants, which enhances their ability to contribute to the labour market. Despite the restrictive 2016 reforms, Sweden's overall approach remains inclusive, enabling migrants to integrate into high-demand sectors, thereby boosting overall employment. Additionally, Sweden's demand for skilled labour, particularly in sectors like technology and healthcare, aligns well with the qualifications of many EU migrants, as noted by Oliinyk et al. (2022). This alignment helps mitigate the displacement of native workers and supports the positive employment outcomes observed in our study. For non-EU migrants, while there are barriers to recognition of qualifications, the general openness of the labour market still allows for positive contributions, especially in sectors facing labour shortages.

In Estonia, the positive effect of migrants on employment, though significant, is more nuanced due to the smaller scale of migration. The country's targeted policy approach to attracting skilled labour in technology and start-ups has been effective in filling specific labour

market gaps (Ainsaar and Roots, 2020). However, the positive impact observed in our regression may be more concentrated in these high-skill sectors, rather than reflecting a broad-based effect across the entire labour market. The limited scale of migration also means that while the impact is positive, it may not be as pronounced or widespread as in countries like Sweden.

Overall, while both countries benefit from high labour market flexibility, the specific sectors absorbing migrant labour and the scale of migration differ significantly, suggesting varying degrees of positive impact.

2.2.2. Moderate to high labour market rigidity: Italy, Spain, and Belgium

The positive impact of EU and non-EU migrants on employment in Italy, as indicated by our results, can largely be attributed to migrants filling low-skilled and informal roles that are often avoided by native workers. Chiaromonte (2020) emphasizes that a significant portion of the migrant workforce is engaged in informal employment, particularly in agriculture and domestic services. While this contributes positively to employment figures, it also highlights the limitations of Italy's rigid labour market, where high levels of protection and segmentation prevent migrants from accessing formal and stable jobs. This dynamic explains why migrants can impact employment positively without necessarily competing with native workers in formal sectors.

Similarly, Spain's labour market rigidity and high levels of segmentation lead to a positive but limited impact of migration on employment. The results of our regression suggest that migrants, especially non-EU nationals, are important in filling roles in sectors like agriculture and construction, where there is a consistent demand for labour that native workers are less likely to meet. Despite the positive impact observed, the persistence of high unemployment among migrants, as noted by Tilly (2011), indicates that their contributions are constrained by structural barriers and discrimination. This suggests that while migration positively affects overall employment, it does not resolve underlying issues of labour market rigidity and exclusion.

Belgium presents a slightly different scenario, where the positive impact of EU migrants on employment is more evident due to their easier access to the labour market and recognition of qualifications. However, non-EU migrants face significant barriers, which Melin (2020) attributes to complex regulatory frameworks and limited integration policies. Despite these

challenges, our results show that non-EU migrants still contribute positively to employment, likely due to their engagement in sectors with persistent labour demand, such as hospitality and services. This highlights the duality of Belgium's labour market, where structural barriers coexist with opportunities for specific migrant groups.

2.2.3. Concluding discussion: flexibility and migration's impact on employment

In both Sweden and Estonia, high labour market flexibility combined with targeted migration policies has enabled these countries to effectively integrate migrants into high-demand sectors, contributing positively to overall employment. In Sweden, the impact is more widespread due to its well-established infrastructure for migrant integration, including robust social support systems and pathways to employment for both EU and non-EU migrants. This explains why our regression results show a strong positive effect of migration on employment in Sweden. In contrast, Estonia's smaller labour market and focused approach on attracting skilled workers in specific sectors, like technology, result in a more localized but still significant impact. This demonstrates that while both countries benefit from flexibility, the broader effect on employment is modulated by the scale and sectoral focus of migration flows.

In Italy, Spain, and Belgium, the positive impact observed in our study is primarily driven by migrants filling roles in less desirable sectors such as agriculture, construction, and low-skilled services. These sectors often experience labour shortages that native workers are unwilling or unable to meet. Despite contributing positively to overall employment, this dynamic reveals a deeper issue: the inability of these labour markets to fully integrate migrants into formal, stable employment, thereby limiting their potential economic contributions. This is particularly evident in Italy and Spain, where stringent migration policies and labour market rigidities exacerbate challenges such as discrimination and informal employment, as noted in the literature. Belgium, on the other hand, while facing similar structural challenges, shows a relatively better integration of EU migrants, possibly due to more accessible pathways and recognition of qualifications.

These country-specific dynamics highlight a complex interplay between labour market characteristics and migration policies. While the positive impact on employment is obvious when these five countries are studied in the same regression, the mechanisms by which this effect materialises differ significantly. For Sweden and Estonia, labour market flexibility and

strategic policy frameworks allow migrants to contribute effectively in high-demand sectors, suggesting that these markets are more capable of leveraging migration for economic growth. In contrast, the rigid labour markets of Italy, Spain, and Belgium, despite showing positive employment impacts, indicate a more constrained and segmented absorption of migrant labour. Overall, these findings reflect a nuanced picture of how labour market structures and policy environments shape the economic contributions of migrants. Addressing structural barriers and enhancing labour market flexibility could further optimize the benefits of migration, particularly in countries with more rigid labour markets, while enabling migrants to avoid precarious employment.

3. Socio-demographic factors shaping migrant employment

Analysing employment rates among migrants based on gender and age reveals dynamics that are not visible in a more generalized analysis. These two dimensions are important to understand how different subgroups of migrants integrate into the labour market, especially in contexts shaped by varying immigration policies. The literature review has shown that men and young migrants are often better represented in high-demand sectors such as construction or logistics (Blanchflower et al., 2007; Kajzar, 2023). In contrast, women and older migrants face additional barriers, such as the non-recognition of their qualifications and occupational segregation. Furthermore, migrant women are often confined to precarious jobs, such as domestic work or caregiving, where working conditions are less stable and more vulnerable to economic downturns (Blanchflower et al., 2007). These structural differences, compounded by migration restrictions and the previously studied rigidities in labour markets, can influence the interpretation of our study's results and open new avenues for discussion.

3.1. Presentation and analysis of Tables

In the following three tables, we present employment data for native (Table 4.), EU migrants (Table 5.), and non-EU migrants (Table 6.), all from the UK in the five countries under study – Belgium, Italy, Spain, Estonia, and Sweden. The data is segmented by sex and age, providing insights into the composition of the labour force over time. This organization reflects our regression variables: *s* (returning natives), *sEU* (EU migrants), and *snonEU* (non-EU migrants). By examining these categories, we can observe how different subgroups of migrants

integrate into various labour markets and how their employment outcomes have evolved post-Brexit announcements.

		2015	2016	2017	2018	2019	2020
Belgium		**246**	**323**	**355**	**360**	**354**	**367**
Males	15-39 years	88	123	140	139	146	132
	40-64 years	79	102	94	107	99	105
Females	15-39 years	51	56	78	73	70	85
	40-64 years	31	46	43	42	39	43
Italy		**1 223**	**1 758**	**2 141**	**2 462**	**1 982**	**4 588**
Males	15-39 years	459	721	806	903	733	1 648
	40-64 years	323	368	462	563	528	1 050
Females	15-39 years	300	467	597	686	472	1 184
	40-64 years	133	160	211	230	217	539
Estonia		**398**	**328**	**353**	**404**	**242**	**417**
Males	15-39 years	137	109	75	127	65	72
	40-64 years	90	56	68	104	34	29
Females	15-39 years	120	104	124	96	89	220
	40-64 years	36	45	73	72	42	57
Spain		**1 981**	**2 305**	**2 985**	**2 902**	**3 312**	**2 651**
Males	15-39 years	665	787	896	896	1 036	749
	40-64 years	318	386	602	605	657	567
Females	15-39 years	728	780	976	880	1 009	793
	40-64 years	243	311	463	470	536	474
Sweden		**1 139**	**1 237**	**1 193**	**1 037**	**1 094**	**1 139**
Males	15-39 years	323	333	326	282	307	280
	40-64 years	165	185	175	154	180	147
Females	15-39 years	455	505	493	402	420	471
	40-64 years	161	175	159	165	153	198

Table 4. Native immigrants from the UK in the labour force by country, sex, age, and year

		2015	2016	2017	2018	2019	2020
Belgium		**322**	**332**	**407**	**455**	**544**	**461**
Males	15-39 years	119	134	162	186	207	183
	40-64 years	57	42	55	101	80	78
Females	15-39 years	122	127	154	136	203	153
	40-64 years	25	30	38	38	53	44
Italy		**90**	**101**	**171**	**193**	**235**	**263**
Males	15-39 years	26	25	43	62	69	72
	40-64 years	16	16	41	39	53	71
Females	15-39 years	29	37	48	49	64	66
	40-64 years	16	17	33	36	41	44
Estonia		**3**	**0**	**5**	**18**	**34**	**24**
Males	15-39 years	1	0	2	9	11	11
	40-64 years	1	0	0	3	6	4
Females	15-39 years	1	0	1	5	9	6
	40-64 years	0	0	1	1	7	3
Spain		**775**	**1 041**	**1 450**	**1 525**	**1 797**	**1 440**
Males	15-39 years	298	392	581	579	643	480
	40-64 years	124	177	240	258	307	313
Females	15-39 years	275	347	476	491	579	419
	40-64 years	77	123	146	179	248	223
Sweden		**328**	**347**	**456**	**431**	**374**	**366**
Males	15-39 years	142	146	211	177	158	157
	40-64 years	34	35	48	58	40	46
Females	15-39 years	130	136	161	163	134	139
	40-64 years	20	26	34	32	34	19

Table 5. EU immigrants from the UK in the labour force by country, sex, age, and year

		2015	2016	2017	2018	2019	2020
Belgium		**774**	**646**	**670**	**827**	**905**	**NA**
Males	15-39 years	363	272	306	369	439	NA
	40-64 years	195	190	187	211	291	NA
Females	15-39 years	167	129	127	170	148	NA
	40-64 years	67	66	61	80	83	NA
Italy		**784**	**914**	**1 097**	**1 143**	**2 043**	**2 486**
Males	15-39 years	220	238	320	285	602	741
	40-64 years	221	288	339	405	687	983
Females	15-39 years	154	172	208	210	330	352
	40-64 years	174	204	221	239	440	470
Estonia		**74**	**63**	**131**	**136**	**129**	**NA**
Males	15-39 years	36	42	59	59	54	NA
	40-64 years	30	18	51	44	55	NA
Females	15-39 years	12	8	21	28	20	NA
	40-64 years	1	1	8	10	6	NA
Spain		**8 011**	**9 885**	**11 502**	**12 632**	**15 295**	**15 022**
Males	15-39 years	1 712	1 968	2 305	2 274	2 821	2 615
	40-64 years	2 971	3 732	4 297	4 967	6 252	6 256
Females	15-39 years	1 344	1 597	1 849	1 959	2 139	2 007
	40-64 years	2 097	2 749	3 249	3 664	4 420	4 517
Sweden		**941**	**1 128**	**1 237**	**1 279**	**1 164**	**1 130**
Males	15-39 years	500	594	662	654	580	556
	40-64 years	168	218	237	235	214	262
Females	15-39 years	197	236	274	301	259	247
	40-64 years	72	74	77	93	100	85

Table 6. Non-EU immigrants from the UK in the labour force by country, sex, age, and year

This analysis allows us to connect the macro-level impacts observed in our regression results with more detailed socio-demographic dynamics. It also provides a deeper understanding of how factors such as age, gender, and nationality influence labour market integration in each context, helping to explain the nuanced effects of migration on employment rates across these countries. Finally, this approach helps to clarify whether the positive effects of migration observed in our study are distributed evenly across different groups or concentrated segments of the population.

3.2. Gender and age dynamics in migrant employment patterns

This section delves into how these socio-demographic variables shape the experiences of migrants in the labor market, providing insights into both their contributions and the challenges they encounter in different European contexts.

3.2.1. Gender disparities in migrant employment

The data reveals significant gender disparities in employment outcomes across all countries studied. Male migrants, particularly those aged 15-39, dominate high-demand sectors such as construction. In Belgium, for instance, the employment rate for non-EU males aged 15-39 was 439 in 2019, compared to just 148 for females of the same age group. This reflects a broader trend observed in the literature, where male migrants are often better integrated into sectors experiencing labour shortages (Blanchflower et al., 2007).

In Italy, the employment rate for non-EU females aged 40-64 remained consistently low, reaching only 539 in 2020 compared to 1,648 for males aged 15-39. This disparity highlights the persistent challenges faced by female migrants, such as occupational segregation and limited recognition of qualifications. Many women are confined to low-paid, unstable jobs in the domestic or caregiving sectors (Kajzar, 2023), which are particularly vulnerable to economic fluctuations and lack pathways to upward mobility.

In Spain, non-EU women aged 15-39 saw their employment rates increase from 728 in 2015 to 793 in 2020, suggesting a slight improvement in labour market participation. However, these figures still lag those of their male counterparts, who consistently occupy more stable positions in sectors like agriculture and hospitality. The structural barriers highlighted by Kajzar

(2023), such as limited access to professional networks and discrimination in hiring processes, continue to limit the full integration of female migrants into the formal labour market.

3.2.2. Younger migrants leading employment gains

The employment data shows that younger migrants (aged 15-39) generally have higher employment rates compared to older migrants (aged 40-64). This contradicts Blanchflower et al. (2017), who, as noted in our literature review, observed higher unemployment rates among younger migrants compared to older ones. However, our findings do not align with this conclusion. For example, in Sweden, the employment rate for non-EU males aged 15-39 was consistently above 200 between 2015 and 2020, while for older males it hovered around 50-60. This suggests that younger migrants are more adaptable to the demands of the Swedish labour market, which favours flexibility and skill acquisition.

In Estonia, the employment rates for non-EU males aged 15-39 were lower compared to Sweden, reaching a peak of 137 in 2015 but dropping significantly in the following years. This decline could be linked to Estonia's limited labour market capacity and stricter migration policies. However, Estonia's targeted focus on attracting young, skilled migrants in specific sectors such as technology suggests that the observed employment rates may reflect a selective absorption of high-skilled individuals rather than a broad-based integration.

Conversely, in countries with more rigid labour markets like Belgium and Italy, older migrants face significant challenges in securing employment. For example, in Belgium, the employment rate for non-EU males aged 40-64 fluctuated between 190 and 291 from 2015 to 2019, with a noticeable drop in 2020, indicating difficulties in adapting to labour market demands. We can suggest that older migrants often lack the necessary skills or experience recognized in the host country, making their integration into formal employment challenging.

3.2.3. Concluding discussion: socio-demographic factors in migrant employment outcomes

This analysis extends our initial discussions on labour market flexibility, offering deeper insights into why our regression results showed positive impacts of EU and non-EU migrants on employment. By examining specific socio-demographic factors such as gender and age, we can better understand how migrants navigate different labour market conditions. This detailed exploration helps explain why flexible labour markets like Sweden and Estonia facilitate better

employment outcomes for migrants, while more rigid markets like Italy and Spain still show positive effects, albeit through less stable, often informal roles.

In fact, in Sweden, the employment rate for non-EU males aged 15-39 remained relatively high and stable, reaching 280 in 2020, compared to 147 for older males aged 40-64. This suggests that younger migrants are slightly better integrated into the Swedish labour market, but this difference is not that big. In Estonia, the employment rate for non-EU males aged 15-39 decreased from 137 in 2015 to 72 in 2020, while non-EU females of the same age group showed a remarkable increase from 104 in 2016 to 220 in 2020. This significant rise in female employment could suggest that Estonia is becoming more open to integrating women into its workforce.

Conversely, in Italy and Spain, the positive impact of non-EU migrants on employment can be attributed to their role in filling labour gaps in sectors like agriculture and low-skilled services. For example, in Italy, the employment rate for non-EU males aged 15-39 surged from 459 in 2015 to 1,648 in 2020, while older non-EU males aged 40-64 saw a similar but less pronounced increase, from 323 to 1,050 over the same period. This trend highlights how non-EU migrants, mostly males, are essential in addressing labour shortages, though often in precarious and informal jobs, as noted by Chiaromonte (2020).

Overall, the socio-demographic analysis reveals that young male migrants, especially from non-EU countries, tend to integrate more successfully into high-demand sectors, while women and older migrants face significant obstacles. For example, in Spain, while male EU migrants aged 15-39 had an employment rate of 643 in 2019, older male migrants aged 40-64 only reached 307, or less than half. These findings challenge our initial hypotheses, which suggested a uniformly negative impact of EU and non-EU migration on employment. Instead, the results show that migrants often fulfil essential labour needs in both flexible and rigid labour markets, though the quality and stability of their employment vary significantly.

4. Limitations of the study and recommendations for future research

Although this thesis provides an in-depth analysis of the impact of post-Brexit migration flows on employment rates across various EU countries, several limitations must be acknowledged to refine the interpretation of the results and guide future research.

First, the study is based on Eurostat data from 2015 to 2020. As of 2020, Eurostat no longer includes the UK as a member of the EU, which prevents tracking migration trends and employment impacts beyond this date. This limits our understanding of the long-term effects of Brexit on labour markets in both the UK and Europe, particularly as the gap between EU and non-EU migration flows in the UK has widened significantly since then. Additionally, changes in migration and economic policies in response to the COVID-19 pandemic could have altered the dynamics observed in this study. The pandemic has notably disrupted key sectors that often employ migrants, such as construction, agriculture, and services, impacting both migration patterns and employment rates.

Furthermore, the econometric model used in this research cannot capture all the complexities of the interactions between migration and employment. For instance, it assumes that the effects of migration on employment are consistent over time and across countries, which is not always the case. Moreover, the study includes only a few control variables, such as GDP and average working hours, while other critical factors, like integration policies or labour market flexibility (Angrist and Kugler, 2003), could have influenced the results.

It is also important to note that the countries studied, despite being part of the EU, have vastly different migration policies and labour market structures. These differences can significantly affect how migrants integrate into the labour market and, consequently, influence our findings. For example, some countries better recognize foreign qualifications or provide more opportunities in specific sectors, facilitating migrant integration. In contrast, other countries, with more rigid labour markets or restrictive migration policies, may limit employment opportunities for newcomers. These variations make it challenging to generalize the conclusions to all of Europe.

Another point to consider is that the study primarily focuses on employment rates without addressing other essential aspects, such as the quality of jobs occupied by migrants,

their level of remuneration, or job security. A positive impact on employment rates might obscure the fact that many migrants find themselves in precarious or low-skilled jobs, which could hinder their long-term economic integration.

Finally, although the study considers differences in gender and age, it does not delve into the types of jobs occupied by migrants. For example, young men are often better integrated into sectors like construction, while women and older migrants face more difficulties in securing stable employment. We relied on existing literature and collected data to draw these conclusions, but a deeper understanding of these differences could enhance the reliability of our findings.

To improve future research, it would be beneficial to extend the study period beyond 2020 to account for the effects of the pandemic and recent policy changes. Utilizing more sophisticated analytical models could also help to better understand the complex relationships between migration and employment. Additionally, including more control variables and sector-specific data would provide a more nuanced view of the economic impacts of migration. Finally, combining quantitative analysis with qualitative approaches, such as interviews with various migrant groups, would offer a more comprehensive perspective on their experiences and the challenges they face in their professional journeys.

Conclusion

This study has investigated the effects of post-Brexit migration on employment rates in five European countries – Belgium, Italy, Spain, Estonia, and Sweden – by examining the impact of returning natives, EU, and non-EU migrants from the UK. The analysis contributes to the academic discussion on migration and labour markets by providing a detailed understanding of how different migrant groups influence employment in diverse economic contexts.

The main findings indicate that the return of natives moving from the UK positively affects employment in their home countries, confirming our first hypothesis. This is consistent with existing literature which suggests that the presence of returning migrants can stimulate economic activity and generate new job opportunities for native workers by filling labour gaps and boosting overall productivity. Moreover, contrary to the second and third hypotheses, which predicted negative impacts from increased EU and non-EU migration from the UK, the findings show positive effects across all the countries studied. This suggests that these migrants often fill labour shortages in sectors less attractive to local workers, complementing rather than competing with the native workforce.

The positive effects of EU and non-EU migrants on employment can be partly explained by varying degrees of labour market flexibility. In more flexible markets, migrants are better integrated into high-demand sectors, reducing competition with native workers, and contributing to overall employment growth. Conversely, in more rigid markets, structural barriers may limit migrants' access to formal and stable employment, yet they still fulfil essential roles in sectors that face labour shortages. Additionally, socio-demographic factors such as gender and age influence employment outcomes, with younger and male migrants generally faring better. In fact, they tend to find easier access and are more willing to take on physically demanding jobs or those that require irregular hours. This combination of labour market dynamics and migrant characteristics helps explain the observed positive impacts, despite initial hypotheses predicting negative effects.

Overall, this study answers the research question, “How have post-Brexit migrant workers impacted EU employment rates?” by showing that, contrary to initial suppositions,

post-Brexit migrants contribute positively to European labour markets, particularly in countries with specific sectoral needs. The findings suggest that enhancing labour market flexibility and targeted integration strategies, especially for vulnerable groups, can optimize the benefits of migration and support sustainable economic growth in the EU. As Europe grapples with increasing restrictions on migration and a surge in populist sentiment, it's essential to develop strategies that not only enhance labour market flexibility but also actively dismantle barriers to formal employment. By promoting the recognition of migrants' skills and qualifications, European countries can counter the logic of exclusion that often dominates public discourse and instead, emphasize the economic and social contributions of migrants.

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