ANNEX TO INTERIM REPORT - ATTREG PROJECT

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Within the activities included in WP2 (research), the work-plan of the ATTREG project includes the conduction of a number of case studies (Research Activity 4). You can refer to the Interim Report (draft attached) in order to revise the exact position and objectives of this stage of the research within the overall advance of the project towards its final objectives.

In brief, the TPG will use case studies to learn more about the relationship between “territorial assets” and “audiences” attracted into places, focusing on

- Aspects (captured by indicators) that were not included in the general analysis conducted in RA3, for a number of reasons (insufficient geo or time coverage, high level of correlation with other indicators, etc.)
- Different spatial levels, possibly finer than the general analysis consumed in RA3 (NUTS2) or cross-regional phenomena (spatial clustering of classes and relations derived form the analysis)
- Qualitative explanations, possibly related to policy developments and “mobilisation processes” (of territorial assets), that may explain local deviations from the model results (outliers and extreme values).

In order to illustrate the criteria that led to the selection of a number of potential case studies, we must make reference to the research conducted in Research Activity 3 of our project, whose results have been obtain, as according to the project work-plan, only after the delivery of the Interim Report (which, nevertheless, introduces the main dimensions of this analysis).

After concluding the analysis in RA3, we have come up with two typologies of regions based on scores regarding the attraction of six main “audiences”.

- “Flows” is related with the specialisation of that region to attract a certain group among those on which we focused our analysis (3 “cohorts” of migrants classified by age groups through a demographic model), traditional tourists disaggregated by international and domestic, and “unconventional tourists” (captured for the moment by the “Erasmus students” category). The classes derived from this typologies (through a clustering procedure are: 1 = NUTS2 region that is low flow region, 2 = NUTS2 region that is airport flow region, 3 = NUTS2 region that is ERASMUS flow region, 4 = NUTS2 region that is mid-level flow region, 5 = NUTS2 region that is large flow region.

- “Stickiness” is related with the capacity of regions to “retain” such groups, or a combination of them, once attracted there. Also in this case we obtained a certain number of classes: 1 = NUTS2 region that is mostly sticky for all ages, 2 = NUTS2 region that is generally unretentive, 3 = NUTS2 region that is very
sticky for young people, losing older age group, 4 = NUTS2 region that is
neither sticky nor retentive +/- 8 migrants per 1000, 5 = NUTS2 region that is
very sticky for all ages, 6 = NUTS2 region that is sticky for young people but
mixed at other age.

Thus any region can be more or less attractive (for some audiences) and more or less
sticky.

The process has involved a strong reduction of the indicators used through an analysis
of the correlation of residuals, so in the end we have 8 dependent variables (4 linked to
net migration rates and 4 linked to people flows) and 19 independent variables
(indicators of assets, covering our 5/6 “asset categories”). Details of this procedure will
be included in the draft final report but also in scientific documents to be circulated
earlier and presented at congresses and ESPON events.

A multi-equation model linking “territorial assets” to “flows” of selected groups
attracted into a region was then set up, and the analysis of regression residual yielded
two more categories:

- “Outliers” (related to stickiness and flows), that is regions that behave in a
different way (different sign) than what we expect given the general analysis, and

- “Extreme values”, that is regions that behave with the expected sign for the
attraction of each audience but “over-perform” (modify significantly the beta
coefficients in the regression).

This regression was satisfactory in that assets show to explain from 40 to 60% of the
variance in group attractiveness, which is a lot considering the issue we are studying.

The first criteria to select case study regions has this been that of covering the largest
possible number of “interesting” combinations of classes within the “flow”,
“stickiness”, “Outlier”, and “Extreme value” categories.

Other criteria, not related to our analysis but to inherent characteristics of the regions,
have been followed in the selection of cases:

- The correspondence and largest possible coverage of different ESPON
typologies (especially looking at DEMIFER classes) and geographical
specificities

- Different spatial scales (from city to whole countries or cross-border regions)

- Pragmatically, we also considered the nationality of the case study authors (PP
teams) in order to facilitate direct interviews and minimise travel costs - in fact
most of the “field work” will be based on interviews with policy stakeholders
and review of policy documents.

The various work-teams involved in case studies have received a “case study protocol”
and a format for case studies. The next TPG meeting in Bornholm is due to present the
first results and discuss a framework to streamline, compare and drive useful insight from the various cases.

So this is the proposal we came up with a proposal of 5 case studies closely fitting the above criteria:

1. **Provincia Autonoma Trento** (Italy, ITD2). This mountain region, moderately oriented to tourism, shows to be as a mostly “sticky” region for all age groups considered in our analysis (positive net migration rates) but overall a region with lower dimensions than predicted by our model in terms of flows in and out for all audiences. It has a peculiar administrative status in Italy as “autonomous province” which could have supported specific attraction policies.

2. **Algarve** (Portugal, PT15). This unevenly populated coastal region, strongly oriented to international tourism, is a mostly “sticky” region for all age groups considered in our analysis and attracts a higher movement of flows than predicted, especially over-performing in its capacity to attract foreign people aged 50 to 64. Second-homes development policies in coastal administrative delimitations may be at the base of this development and have produced interesting spatial effects.

3. **Lubelskie** (Poland, PL31). This sparsely populated rural region on the Poland border with two non-EU countries (Ukraine and Belarus) is generally un-retentive (negative net migration rates) and a low flow region, in spite of a partially reverse trend led by returning migration from Ireland. However, it’s been found to be one of the most popular destinations of illegal immigration. We aim at understanding the magnitude and potential impacts of this phenomenon, in order to generalise this findings to the “border belt” of Eastern Europe, and whether the “performance” of Lubelskie can be justified by specific governance conditions.

4. **Euro-metropole Lille** (Belgium, France). This cross-border metropolitan region includes parts of the Prov. West-Vlaanderen (BE25), Prov. Hainaut (BE32), and Nord - Pas-de-Calais (FR30) regions. All three regions come out as unretentive and attracting lower flows than predicted. The interest of this case study lies especially in the governance innovation (creation of a cross-border body) tackling the problem of lack of attraction at metropolitan scale with place-marketing policies.

5. **Istanbul** (Turkey, TR10). The interest to study this region in the CEC space (a mid-level flow region that attracts higher flows than predicted) lies in the fact that it includes the largest urban agglomeration in the combined ESPON-CEC space, in the proximity of the ESPON/CEC border. We will especially focus on its role as “migration gateway” to the ESPON space and its possible future role in different inclusion scenarios, but also on its proactive strategy of attracting foreign investments and the impact that this has in terms of a growing multicultural population of high skilled, creative workers balancing the quantitative aspects of out-migration.
The following 3 case studies, though fitting the above illustrated selection criteria based on the analysis output, will be treated in a slightly different way. In fact, they will be used within RA5 ("Scenario analysis") to test the prediction model “ATTREG FUTURE” (specified in the Interim Report) and thus the main criteria for selection has been the quality and completeness of the database allowing to produce fine-grained estimations of population change under the different scenarios devised by the ESPON programme and integrating the analysis produced for instance by projects such as DEMIFER with the mechanisms driving population change characterised in our project.

1. **Cornwall and Isles of Scilly** (United Kingdom, UKK3). This sparsely populated, coastal region in the EU core is a large flow, stickier region than predicted by our model, with exceptional performance in terms of attracting domestic tourists and new senior residents within the national context. We will focus on the more recent strategy to bring about a balance in attraction by developing the knowledge infrastructure to attract more of the younger cohorts within a scenario of “smart growth”.

2. **Slovenia** (whole country, SI0). Slovenia is a case which has been chosen mainly on the basis of availability of data rather than “outstanding” results from the analysis. This case develops a fine-grained (NUTS 5) analysis of the relation between accessibility, daily work-related commuting, internal migration, and residential choices, which will then be extended to the rest of the regions considered in this project.

3. **Bornholm** (Denmark, DK014). This NUTS 3 island region, included in the larger Hovedstaden (DK01) capital city region, is a rural area with declining and ageing population and a relatively underperforming economy, which suggests the existence of some sort of “threshold effect” to economic development. This case was picked because of the possibility of exploiting a very large and detailed database which will allow the research to formulate a test scenario analysis on the long-term effect of the attraction of new residents and tourists on the structure of the local work and real estate market.

The Table i in the next page summarises the key characteristics of the eight case studies.
<table>
<thead>
<tr>
<th>REGIONS / NUTS</th>
<th>“STICKINESS” CLASS</th>
<th>“FLOW” CLASS</th>
<th>“OUTLIER” CLASS</th>
<th>“EXTREME VALUE” CLASS</th>
<th>SCALE CRITERIA</th>
<th>OTHER GEO-SPECIFIC CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provincia Autonoma Trento (ITD2)</td>
<td>Mostly “sticky” region for all age groups</td>
<td>Low flow region</td>
<td>region that attracts lower flows than predicted</td>
<td>No</td>
<td>Region</td>
<td>Mountain region</td>
</tr>
<tr>
<td>Algarve (PT15)</td>
<td>Mostly “sticky” region for all age groups</td>
<td>Airport flow region</td>
<td>region that attracts higher flows than predicted</td>
<td>Extreme value for 1) foreign tourism, 2) n.m. cohort C (50-64), 3) total net migration rate</td>
<td>Region</td>
<td>Coastal region</td>
</tr>
<tr>
<td>Lubelskie (PL31)</td>
<td>Neither sticky nor retentive</td>
<td>Low flow region</td>
<td>No</td>
<td>No</td>
<td>Region</td>
<td>Border region, rural region</td>
</tr>
<tr>
<td>Euro-metropole Lille (crossing over three NUTS 2 regions: BE25, BE32, FR30)</td>
<td>Generally unretentive</td>
<td>Low flow region</td>
<td>region that attracts lower flows than predicted</td>
<td>No</td>
<td>Cross-border metropolitan region</td>
<td>Border region</td>
</tr>
<tr>
<td>Istanbul (TR10)</td>
<td>No data</td>
<td>Mid-level flow region</td>
<td>Region that attracts higher flows than predicted</td>
<td>No</td>
<td>Region (CEC)</td>
<td>Metropolitan region on the coast</td>
</tr>
<tr>
<td>Cornwall and Isles of Scilly (UKK3)</td>
<td>Mostly sticky for all age groups</td>
<td>Large flow region</td>
<td>Region that is stickier than predicted</td>
<td>Extreme value for 1) foreign tourism, 2) n.m. cohort C (50-64)</td>
<td>Region and city within it (Exeter)</td>
<td>Coastal, island region. Availability of fine-grained data base on tourist second homes</td>
</tr>
<tr>
<td>Slovenia (SI0)</td>
<td>Neither sticky nor retentive</td>
<td>Low flow region</td>
<td>No</td>
<td>No</td>
<td>Country</td>
<td>Coastal region. Availability of fine-grained database on commuting and residential choices</td>
</tr>
<tr>
<td>Bornholm (DK014)</td>
<td>Sticky for young people but mixed at other age groups</td>
<td>ERASMUS flow region</td>
<td>No</td>
<td>No</td>
<td>NUTS 3 region.</td>
<td>Island community. Availability of fine-grained database on tourism prices and job market</td>
</tr>
</tbody>
</table>
We now wish to provide specific clarifications regarding the points raised in the Response on Interim Report, version 13th May 2011.

1. How do the 8 case studies proposed perform in terms of levels of attractiveness? Please be aware that according to the project specification, the case studies shall consider regions and cities displaying different levels of attractiveness. Please see text and Table i.

2. How do the 8 case studies proposed ensure a full coverage of the project audiences as mentioned in the Interim Report? In particular it is important to ensure that regions/territories attractive for the “top workers/creative class” (first group of the project audiences) and also representative of “new forms of tourism” (fourth group) are covered by the case studies. In this respect, the TPG should assess to what extend has attraction of different groups been a determinant of regional growth and competitiveness? And whether it is a sustainable situation. The case studies selected ensure a balanced coverage of audiences attracted: young unskilled workers, skilled workers, mature and retires workers, and the three tourism groups. Though we did not specifically measure the attraction of creative class components, we do have data that we will use to test the hypothesis of the importance of the creative class as a form of “social capital” attracting other groups, as in the cases of Cornwall, Istanbul, and Euro-Lille. Similarly we are going to target the role of ERASMUS students in the cases of Istanbul, Lille, Trento.

3. How do the case studies selected ensure the analysis of possible relationships between territorial assets and flows of different audiences? We provide evidence of the ample coverage of combinations of asset endowments and flows in the text and in Table i.

4. At what scale of analysis are the case studies to be carried out? Please be aware that according to the project specification, the case studies shall include a more detailed and focused analysis and possible to overcome data problems encountered. For instance for Slovenia, the whole country is mentioned as a case study. However, it is also mentioned that Slovenia as been chosen “because of the possibility to develop a fine-grained analysis of the relation between daily work-related commuting, internal migration and residential choices”. What does it mean in practice? We provide evidence of the coverage of territorial scales in the text and in Table i. In all cases, we refer to one or more NUTS 2 region, but then the case studies may address finer territorial delimitations, and focus on the relation between cities or portions of territory and the rest, as in the case of Cornwall, Lille, Istanbul. As for the “national” Slovenian case, the intention is to test whether the relationship between endowments and stickiness / attractiveness of regions hold at smaller spatial scales, and whether accessibility influences migration and commuting within Slovenian regions.

5. Under section 2.6 in the Interim Report, while describing the project steps’ reference is made to the selection of seven case studies. However in the document delivered on 13 April there is a selection of 8 case studies. Please clarify this issue.
There was a final decision to do 8 case studies so as to cover an ampler set of situations. In practices, every partner carries out one case study except one partner (PP2) that coordinates and carries out the synthetic and comparative analysis of the eight cases.

6. **Finally, the Istanbul case study proposed should be replaced by another relevant urban agglomeration such as Berlin due to the fact that Turkey is not participating in the ESPON 2013 Programme.**

We are aware that Turkey is not a partner in the ESPON project but we insist to include the Istanbul case study for a number of reasons.

- a) As from the ToR of this project, we have first tested the possibility to develop our research in the CEC and West Balkan countries, and then decided to include the CEC countries in the project. Our database as illustrated in the Interim Report already includes a sufficiently large data cover for Turkey, Croatia and FYROM. Besides, we have been encouraged by the reviewers of our project (both at the stage of Inception Report and Interim Report) to do this integration. A Turkish subcontractor has collected these data and is available to develop a case study if needed.

- b) Based on the results of our analysis, we do identify Istanbul as an interesting case study, attracting high flows (but not being particularly retentive, which suggests that Istanbul could be envisaged as a “gateway” region for migratory flows). We also collected some initial evidence that countering the trend for unskilled work, Istanbul is attractive for international tourism, for top workers on international firms whose location in Istanbul has been actively promoted in recent years and for young creative workers, which is an interesting perspective for a country that is not part of the EU but is emerging as a regional economic powerhouse. The relation between the migration of these groups and the question of the sustainability of these processes will be studies at case study level.

- c) In terms of territorial challenges for the ESPON space, it is hardly the case to ignore the role played by Turkey as a generator of migration, and especially of its economic capital Istanbul, the largest metropolitan area in our study area and in Europe if the candidature will go through, opening a radical new scenario in terms of labour force mobility. But Turkey is also interesting a country “between cultures” that shows signs to be a potential “tiger” in the near future, and a very attractive tourist destination, especially for coastal tourism (and urban tourism i the case of Istanbul), challenging consolidated destinations in the eastern Mediterranean for its favourable price structure.

On these bases, we think that Istanbul offers a very important lookout on migration and attraction processes with a very relevant potential impact on the spatial development of the ESPON space, and we kindly suggest that the recommendation to substitute Istanbul with another case study be reconsidered.