

SPECIFICATION

ESPON Applied Research Project 2013/1/3

Demographic and migratory flows affecting European regions and cities (2008-2010)

(o) Territorial challenges relevant for the ESPON 2013 projects

The development of the European territory is facing several ongoing mega trends and impacts of policies:

- The integration of the EU in global economic competition is accelerating, offering regions and larger territories more options to decide their development path, as development is no longer a zero sum game for Europe.
- Interaction is growing within the EU territory and between the surrounding neighbour countries and other parts of the world. This is apparent through e.g. migration pressure on more developed countries, which are themselves confronted with population decline, and by access to and investment in new markets.
- Market forces and the evolution of society in general support a geographical concentration of activities.
- The ongoing demographic changes with an ageing European population, in addition to migration, affect regions differently and increase the competition for skilled labour.
- The occurrence of hazards due to climate change is increasing and different parts of Europe experience different types of hazards.
- Increasing energy prices and the emergence of a new energy paradigm have significant territorial impacts, some regions being more affected than others. This presents particular development opportunities for the production of renewable energy sources.
- The enlargement of the EU to 27 Member States, and potentially more, presents an unprecedented challenge for the competitiveness and internal cohesion of the Union.

ESPON results have revealed that territorial capital and opportunities for development are inherent in the regional diversity that is a characteristic of Europe. Consequently, different types of territories are endowed with diverse combinations of resources, putting

them in different positions for contributing to the achievement of the Lisbon and Gothenburg Agendas, as well as to Cohesion Policy. Territorial diversity, especially in the economic base, implies that strategies other than opting for a knowledge-based economy might be more appropriate and viable for some regions.

The ESPON 2006 Programme provided integrated analysis and long-term spatial scenarios which enriched the European policy debate and knowledge base. The results and observations on territorial structures, trends, perspectives and assessment of EU policy impacts had not been fully evident before and supported a better understanding of the European dimension of territorial dynamics. This has prompted interest among policy makers and practitioners for even more information, knowledge and understanding that ESPON can offer.

The ESPON 2013 Programme shall bring this knowledge base one step further through applied research and targeted analysis, indicator development and data collection, capitalisation events presenting results, etc. All these actions will be related to an improved understanding of territorial structures, development trends, perspectives and policy impacts.

The European-wide evidence provided by the ESPON 2013 Programme will potentially benefit stakeholders at all levels throughout Europe. Policy makers dealing with territorial development require sound evidence and comparable regionalised information in addition to medium and long-term development perspectives, in order to create sustainable and efficient integrated policy responses for their territories.

Given that the European Union is moving towards a more integrated policy approach, the territorial dimension is particularly important for policy makers. The aim of territorial cohesion proposed by the Commission supports this approach by taking the territory as an element within the framework of policy making. Due to the provision of evidence based on analyses of territorial units, the ESPON 2013 Programme is of strategic importance for European policy development and cooperation.

By further developing and expanding the existing knowledge and indicators, the ESPON 2013 Programme will play a strategic role in supporting the policy process of the 2007-2013 period, and contribute to the development of Cohesion Policy.

(i) General objectives of applied research projects under Priority 1

The general objectives of applied research projects within the ESPON 2013 Programme are the following:

- Building new evidence based on comparable information about European regions and cities, including information on dynamics and flows, and covering the entire territory of EU 27, Iceland, Liechtenstein, Norway and Switzerland.

- Addressing major territorial challenges and political priorities providing comparable information covering the entire European territory, its regions and cities.
- Providing comparable regionalised information and possible policy options for making use of opportunities inherent in territorial structures; anticipating and counter balancing negative trends and structures, taking into account the diversity of the ESPON territory and considering institutional, instrumental and procedural aspects.
- Identifying types of territories, regions and cities that share common development challenges and are affected most (positively or negatively) by the identified structures, trends, perspectives and/or policy impacts.
- Contributing to the further identification of structures within the EU territory that represent options for exploring comparative advantages and provide synergy through territorial cooperation arrangements, involving regions and/or cities.
- Contributing to the improvement of the scientific platform for European applied territorial research by refining existing concepts, methodologies, indicators, typologies, European maps and models and by defining new ones.
- Providing the knowledge and competence capabilities needed to ensure scientifically validated results of the applied territorial research with the support of Sounding Boards¹.
- Supporting the use and dissemination of results to an audience of policy makers, practitioners, scientist and experts.

This project shall contribute to these general objectives during its implementation, and in doing so make best use of existing ESPON results, new results in other ESPON projects as well as other research results and relevant studies.

(ii) Relation of this project to the ESPON 2013 Programme

The priorities describing the work-programme of the ESPON 2013 Programme are structured in four strands:

1. Applied research on territorial development, competitiveness and cohesion: Evidence on European territorial trends, perspectives and policy impacts

The applied research projects will create information and evidence on territorial challenges and opportunities for success in the development of regions. Cross thematic applied research will be a major activity integrating existing thematic analysis and adding future analysis of new themes. Territorial impact studies of EU policies will be another focus under this priority.

¹ For each applied research project a Sounding Board will be set up, accompanying the project throughout its life cycle and giving advice to the TPG on both, scientific issues as well as relevance for policy makers. Sounding Boards will normally be made up of one scientist and one practitioner. Their tasks will consist of assessing project proposals, giving continuous feedback to TPGs and commenting on their reports.

2. **Targeted analysis based on user demand: European perspective on development of different types of territories**

This priority responds to a clear demand of practitioners for user and demand driven actions within the ESPON 2013 Programme. By convening an analytical process where ESPON findings are integrated with more detailed information and practical know-how, new understanding of future development opportunities and challenges may arise, which could be transformed into projects and actions.

3. **Scientific platform and tools: Territorial indicators and data, analytical tools and scientific support**

The scientific platform and analytical tools built up within the ESPON 2006 Programme will be maintained and further expanded. New actions shall be undertaken to develop current achievements and make use of existing indicators, data and tools.

4. **Capitalisation, ownership and participation: Capacity building, dialogue and networking**

Under this priority, actions are foreseen that will make the evidence and knowledge already developed operational through raising awareness and involving stakeholders in the results and practical application of them.

A strong coordination and interlinkage with other ongoing ESPON projects is crucial for achieving comprehensive results. A close cooperation with the appointed Sounding Board and the Coordination Unit must also be established as part of the project implementation.

This project belongs to the first priority. It holds a key position in preparing a common ground for a better understanding of demographic and migratory flows, their causes and their impacts on different types of European territories, regions and cities. Knowledge on these issues is vital for targeted policy development in the light of Cohesion Policy aiming, inter alia, at territorial cohesion in growth as well as job creation and tackling social changes.

(iii) Thematic scope and policy context

The EU is facing substantial demographic changes that will have a major impact across society and the economy. People are living longer and in better health. Fertility rates have dropped to 1.5 children per woman, and in 2030 Europe will have 18 million children and young people fewer than in 2004. By then, the number of "older workers" (aged 55 to 64) will have risen by 24 million and the EU will have 34.7 million citizens aged over 80 (compared to 18.8 million today)².

As a consequence, there will be an increasing proportion of people at retirement age, while the available indigenous labour force will shrink. Due to sustained lower birth rates in previous years, insufficient entrants will be available to replace those leaving the

² According to Eurostat's baseline scenario for population forecasting (2004)

labour market, even though a decrease in unemployment will partially compensate for this.

Overall predictions indicate labour shortages in the EU after 2010. The Commission Staff Working Document on Europe's demographic future³ found that from around 2017 on the shrinking working age population will lead to stagnation and, subsequently, reduction of total employment. Projections show that, as employment decreases and productivity increase becomes the only source of future economic growth, the annual average potential GDP growth rate in the EU 25 will decline from 2.4% in the period 2004-2010 to only 1.2% in the period 2031-2050. This decline would come at a time when significant additional resources will be required to meet the needs of an increasing number of elderly people for whom adequate pensions as well as health and long-term care provision will have to be secured.

Against this backdrop, the EU Commission acknowledges the necessity of immigration from outside the EU in the years to come to meet the requirements of the European labour market. Although external immigration alone is unlikely to be sufficient in this respect it can contribute to ease labour shortages and hamper the effects of it.

The Fourth Cohesion Report indicates that already today, population growth depends on immigration. In fact, it is the main source of population growth in the EU, with 86% of population growth being due to migration in the period 2000 – 2005.⁴

The demographic and socio-economic discontinuities between Europe and its Southern and Eastern neighbours suggest that strong migratory pressures will persist over the coming decades. In this respect, the ESPON project on "Europe in the world" pointed out that the South Mediterranean and East European countries (namely the countries of the Maghreb, Balkan, as well as Turkey) are currently the main providers of migrants to the ESPON countries.

In the above mentioned staff working document, the Commission identified a need of further analysis for the effects of migration on Europe's demographic future. In this setting, the call for proposal for an applied research project on how demographic and migratory flows are affecting European regions and cities is very timely.

The key policy questions which the project should strive to achieve a better understanding of and for which it should produce supporting information and evidence are the following:

- How will the demographic development, i.e. natural development of population as well as migration, affect different types of regions and cities?
- How and to which degree will future effects of climate change influence migration flows?

³ Commission of the European Communities (2007): Commission Staff Working Document. Europe's Demographic Future: Facts and Figures. Brussels.

⁴ European Commission (2007): Growing Regions, growing Europe. Fourth report on economic and social cohesion. Brussels.

- What is the need for increasing the labour force in order to avoid negative impact on the economic performance and on the social cohesion of these regions and cities?
- Which skills are needed in different types of regions and cities in order to meet the demands of the economic base and to make better use of development opportunities?
- To what extent could such skills be provided by internal migration in Europe? What should be the profile of skills of migration to Europe to maximise the contribution of regions and cities to European competitiveness?
- Which factors could have a positive effect on natural population development in Europe?

The perspective of applied research under this measure shall be guided by the objective to identify broad development perspectives and trends for the different types of regions and cities, also in the light of the Lisbon/Gothenburg agenda.

Coordination and exchange should take place with other relevant ongoing ESPON projects (above all the projects on “Cities and urban agglomerations: their functionality and development opportunities for European competitiveness and cohesion”, “Development opportunities in different types of rural areas”, and “Climate change and territorial effects on regions and local economies”).

(iv) Analytical framework and deliveries expected

The project shall take its starting point from existing ESPON projects and other relevant studies dealing with demographic development and migratory flows by e.g. the European Observatory on Demography and the Social Situation, the World Bank, and the OECD. One major challenge of this project will be the limited and often not very robust data regarding the field of migration. Data regarding the countries of origin, for instance, are often missing, which will eventually require the use of estimates and proxies. However, data on in-coming migrants is usually available on NUTS 2 level. Due to these constraints, the project should concentrate on this territorial level.

The main research issue of the project includes demographic and migratory flows both, within Europe and coming from outside into Europe. By doing that, immigration from outside the EU should be treated separately from migration between European regions. Against the backdrop of data limitations, efforts shall be put on developing estimations/proxies that can nourish analysis and that can be used for forecasts/scenarios of demographic development and migratory flows. Concerning the latter, the project should tie in with the results of ESPON project 3.2 (see below), however, without entering into a major scenario exercise.

The project shall in particular be based on and make use of relevant results from the following projects:

- ESPON project 1.1.4 “Spatial effects of demographic trends and migration” already addressed the issue of migratory flows and their dimension and looked at suitable policy mechanisms to regulate these flows.
- ESPON project 3.2 “Spatial scenarios in relation to the ESDP and EU Cohesion Policy” also included demographic determinants into the different scenarios and analysed the respective implications.
- ESPON project 3.4.1 “Europe in the world” equally looked into aspects of population development and migration into Europe and their impact on the competitiveness of Europe within a globalised world.

The ESPON projects provided comprehensive data, indicators, typologies and maps on demographic development and migratory balances. The TPG should strive for a comprehensive and integrated research approach, taking into account social, environmental, and economic aspects. In addition, a 3-level-approach (European, transnational/national, regional/local) to the analysis, commonly used by all ESPON applied research projects, should be applied in order to support a clear presentation of results, which might vary depending on the geographical scale.

In the concrete design of the applied research project and its work packages, the project is expected to answer the following key research questions:

- What are current demographic and migratory flows like? How distinct are they? What are the regions of destination? Are there flows that are more pronounced than others, and if so, why?
- Why do some regions attract highly skilled people whereas others do not?
- What are the causes of migration (e.g. economic development, development on labour market)? What are the impacts on different types of European regions and cities (e.g. regarding regional competitiveness, provision of public services) and which effects will migration have on European cohesion?
- What are the relations between migratory flows to the ESPON countries and other major territorial challenges like accelerating globalisation and particularly climate change?
- What are the financial consequences for the regions of origin of migrants (e.g. size of remittances of migrants)?
- Who is migrating? What are the qualifications of migrants coming to Europe? Do they meet the need of the labour market as such? How does their profile fit different types of regions and cities of Europe?
- How and to which degree does the development of different individual factors (economic, social, environmental) impact on demographic and migratory flows?

Analysis within this project should take place on three levels, looking into flows a) within ESPON countries, b) between ESPON countries, and c) between ESPON countries and the world. Wherever possible and appropriate, project results should take into account geographical features of certain areas.

The development of simple scenarios is considered to be very important and instructive in the framework of this project. They could, for example, give evidence on the influence of different economic developments within the ESPON territory/the individual ESPON countries on the degree and direction of migratory flows. By doing that, account should be taken of the impact of EU Cohesion Policy on the economic development, which will in turn also impact on migration, as well as of the effects of climate change on different types of regions (see ESPON applied research project on this issue, running parallel to this project).

Furthermore, a limited number – to be defined by the TPG in their inception report – of national case studies could be developed in support of the applied research, based on migration data at regional level, where these are available.

In order to create coherence with project findings of other ESPON applied research projects, the project should present the main final results in relation to different types of regions and cities, using existing typologies for the urban system, rural areas, mountain areas, islands, coastal areas and outermost regions. The final results should also be presented for transnational cooperation areas under Structural Funds, and - where appropriate and possible - also for cross-border cooperation area and inter-regional cooperation areas.

The geographical coverage of the project should encompass all the countries participating in the ESPON 2013 Programme. Furthermore, the TPG should assess the data situation for their field of research in the EU candidate countries, the Western Balkans and Turkey, and report on their findings in the inception report. Depending on the respective data situation these countries would then be included in the analysis.

The deliveries of the project should make use of and complement the existing scientific platform and tools of ESPON, which are accessible on the ESPON website.

The project is expected to enhance the scientific platform of ESPON with at least the following deliveries:

- Data input to the development, update and extension of the ESPON database by additional data on migratory flows gathered within the project, particularly in relation to the new Partner States Iceland and Liechtenstein. Indicators need to offer compatibility with a map-making facility, to provide a consistent, homogenous, reliable, and up-datable database.
- Indicators offering additional information on the qualification of migrants to the ESPON countries, on the financial flows between host country and country of origin, and new complex indicators, revealing regions' socio-economic situation as well as change in competitiveness due to migratory flows.
- Typologies of European regions classifying (1) the degree/strength of migratory flows affecting them (both, in-coming and out-going), (2) those benefiting from migration and those losing out because of it, and (3) the possibilities for enhancing competitiveness through receiving migrants.

- European maps revealing (1) current demographic and migratory flows, (2) their distinction (who is going where and why and for how long?), (3) financial flows between host country and country of origin and (4) development opportunities of [cities and] regions for competitiveness and cohesion in the wake of migratory flows.

Regarding the development of new data and maps and/or the use of existing data, the TPG is expected to cooperate closely with the TPG being in charge of the development of the ESPON 2013 Database.

The results and conclusions of the applied research within the project should be formulated in relation to policy orientations present at European level and make use of the new typologies – if applicable – and maps resulting from the project.

Following the logic of the Territorial Agenda of the EU, orientations for policy makers should refer to the respective territorial development opportunities and the available options to mobilise these for the benefit of the cities, urban agglomerations and surrounding regions in question. In this respect, references to future policy options should take account of European Cohesion Policy orientations, in particular expressed in the Community Strategic Guidelines on Cohesion 2007-2013 and the Fourth Report on Cohesion.

Project findings should make clear which impact the likely demographic and migratory flows could have on the competitiveness and socio-economic situation of European regions and cities as well as on the realisation of economic, social and territorial cohesion in Europe.

Finally, the project should consider avenues for further applied research on the theme.

(v) Outputs and timetable

One of the main objectives of the ESPON 2013 Programme is to focus on research with policy relevance and to contribute to the development of relevant policies. Therefore, the outputs of the research project should be highly operational and coordinated in time, as far as possible, to fit into the relevant political agenda.

The proposal for the project is expected to reveal individual work packages on project coordination, research activities, and dissemination, as well as a schedule for project implementation based on the following timetable and specification of outputs:

August 2008 (Inception report):

Twelve weeks after the award of contract, a more in-depth concept should be submitted by the TPG allowing for a detailed overview on the research approach to be applied, the methodology and hypothesis for further investigation, as well as a review of the main literature, data sources, etc. The Inception report shall also indicate a concept for the

development of scenarios. It shall as well include an overview of more detailed deliveries and outputs envisaged by the project as well as an indication of likely barriers that the project implementation might face. The report shall give clear orientation for the applied research previewed towards the Interim report. The research team should also report on the findings regarding the assessment of the data situation in EU candidate countries, the Western Balkans and Turkey and, on that basis, determine the geographical coverage of their research. Finally, the TPG should outline how it envisages making use of existing ESPON results that are relevant for this project.

February 2009 (Interim report):

The content of the Interim Report shall reflect the orientations given in the Inception Report as well as the results of the discussions having taken place with the Sounding Board. The report is envisaged to include elements such as:

- a) Preliminary results on the basis of available data, developed indicators, typologies, and European maps, including
 - First assessment of how European regions are affected – both, positively and negatively – by demographic and migratory flows.
 - First assessment of causes and impacts of migration on European regions, particularly regarding regional competitiveness.
 - First indicative identification of types of regions that are benefiting from migration and those that are losing out because of it.
 - First indicative outcomes of the simple scenarios developed.
 - Data collection achieved, including an overview on statistical and geographical data collected by EUROSTAT, and national Statistical Institutes etc.
 - Draft typologies and European maps.
 - First indications on the conclusions and policy relevant options that could be the outcome of the project.
- b) Plan for the applied research towards the draft Final Report as well as the Table of Content envisaged.

February 2010 (draft Final report):

The draft Final report will take into account feed-back on the Interim report from an ESPON seminar and by the Sounding Board. The report is supposed to include elements such as:

- c) Report (max. 50 pages) on the main results, trends, impacts, scenarios and options for policy development, including key analysis/diagnosis/findings and the most relevant indicators and maps (any additional information should be included in a scientific report). Particular important are options for policy makers, which could provide the basis for interventions related to development opportunities for improving European competitiveness and cohesion.
- d) An executive summary (max. 10 pages) summarising the main results of the applied research that can be communicated to a wider audience of stakeholders. This summary should be based on the Report mentioned above.

e) Scientific report documenting the scientific work undertaken in the applied research including elements such as:

- Literature and methodology/theory used.
- Typologies and concepts developed and used, including simple scenarios developed revealing diverse evolutions of migratory flows due to different economic developments within the ESPON territory/the individual ESPON countries.
- Data collected and indicators used, including tables with the exact values of indicators.
- Maps produced in support of the results, covering the territory of EU 27, Iceland, Liechtenstein, Norway and Switzerland.
- Tools and models used or developed.
- Future research avenues to consider, including further data requirements and ideas of territorial indicators, concepts and typologies as well as on further developments linked to the database and mapping facilities.

The MC and the Sounding Board will address the draft Final report and eventually ask for clarifications.

June 2010 (Final report):

f) Revision of the Draft Final report on the basis of comments received.

June 2010 – January 2011 (dissemination):

g) Dissemination of project results by the TPG in the framework of international conferences and seminars, e.g. transnational activities of the ECP Network, events organised by the CU. These activities need to be reflected in the budget proposed by the TPG for the implementation of the project.

In order to justify expenses claimed for refunding by the TPG, a short progress report (max. 10 pages) has to be submitted to the CU every six months during the project's period of implementation. This should consist of an account of progress in the individual work packages according to the schedule in the proposal. The report also should allow an overview on the development of the project regarding development and use of methodology, results at different steps and next steps to be taken within the following six months.

Irrespective of the above mentioned reports to be submitted at certain stages in the project life cycle, the TPG is expected to give presentations on the state of their research or/and the results in the framework of internal and external ESPON seminars. Therefore, when setting up the project proposal, the TPG should also allow for travel expenses for the attendance of ESPON seminars.

(vi) Existing access points

Synergies and use of results from outside the ESPON regime shall be sought. In particular, research activities by international bodies like OECD might be valuable for this project.

The other access points listed below can serve the purpose of providing the TPG useful information for preparing a proposal. It is by no means meant to be exhaustive, but should be considered as information that can be helpful in tracing additional useful background information.

- ESPON projects results, data and maps: www.espon.eu
- Commission of the European Communities (2007): Commission Staff Working Document. Europe's Demographic Future: Facts and Figures.
- The European Observatory on Demography and the Social Situation, producing yearly monitoring reports on demographic trends, socio-economic impacts and policy implications in the EU (since 2005)
http://ec.europa.eu/employment_social/social_situation/sso_en.htm
- OECD, with several publications and statistics on migration:
http://www.oecd.org/topic/0,3373,en_2649_37415_1_1_1_1_37415,00.html
- World Bank: Results of the ongoing "International Migration and Development Research Programme":
<http://econ.worldbank.org/external/default/main?menuPK=1572917&pagePK=64168176&piPK=64168140&theSitePK=1572893>
- European Commission (2007): Growing Regions, growing Europe. Fourth report on economic and social cohesion. Brussels.
- INTERREG Project Database, offering a selection of projects completed within the INTERREG III Programmes throughout Europe, that can be searched for by theme, e.g. social development: <http://www.interact-eu.net/604900/604903/0/0>
- World Social Forum:
http://www.forumsocialmundial.org.br/index.php?cd_language=2