

ATTREG

The Attractiveness of European regions and cities for residents and visitors

Applied Research 2013/1/7

Final Report



This report presents the draft final results of an Applied Research Project conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

The partnership behind the ESPON Programme consists of the EU Commission and the Member States of the EU27, plus Iceland, Liechtenstein, Norway and Switzerland. Each partner is represented in the ESPON Monitoring Committee.

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This basic report exists only in an electronic version.

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ISBN: 978-2-919777-26-6

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Tarragona, Spain, 31 May 2012

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ATTREG

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EXECUTIVE SUMMARY

1. Analytical part including key messages and findings

The policy context of territorial attractiveness as a research topic

Since the late 1990s the EU has progressively developed a discourse on human mobility at European level as taking place into the Pentagon from elsewhere in the EU and within countries to capital cities and growing urban areas, leading to a range of imbalances at different spatial scales. In response to these developments a more “balanced form of development” has been promoted to reduce these disparities. Moreover, cities have increasingly been seen as “engines of regional development” and the main competitive hubs within a global web of economic, knowledge and physical flows. Central to this process is the attraction (and retention) of talent and visitors, which is no longer explained as a mere reflection of production structures and accessibility but, increasingly, by the *quality of places*, reflecting place-specific features such as inclusiveness, cultural dynamism, provision of public services and effective institutions.

Whilst attractiveness is not explicitly discussed in EU policy documents, diversity is considered to be a factor of attraction that can be utilised to promote growth and territorial cohesion by both attracting investments and mobile populations whilst retaining existing residents. A key underlying assumption is that by focusing, and building, on the (diverse) strengths of places more harmonious development can be achieved. Thus attractiveness is conceived a precondition or an essential dimension of competitiveness, yet this policy narrative is to some extent ambiguous.

The ATTREG project sets on to clarify these issues and posit mobility and its drivers as a key influence on territorial development and a potential new dimension of the EU territorial cohesion policy. It so does assuming that territorial assets determine the pathways of regional and local development, attracting different human flows, “or audiences” into regions that have important local effects, because they become embedded, in different ways, in regional development processes: as citizens, workers, taxpayers, consumers, or just passers-by.

Such effects are strongly territorial, because the direction, magnitude, accumulation of these flows has the potential to being about a change in development opportunities and their spatial patterns as well as in spatial relationships at various scales. However, the relationship between regional assets and mobilities is not deterministic, and different aspects are important in different places. A key assumption of the ATTREG project was that the policy capacity to mobilise local assets through governance processes plays a significant role. In this sense, the analysis of mobilisation strategies is an important part of the project.

What we have achieved in this exploratory research on the capacity of European regions to attract different mobility flows is:

- the analysis of the effects of attraction in a variety of contexts;
- the characterisation of regions in terms of their attraction potentials;
- the mobilisation of territorial capital in governance processes that effectively integrate attractiveness as a key concept in territorial cohesion strategies.

Attractiveness and regional typologies

Our project has first analysed the main mobility trends population during the 2000s decade, distinguishing between

- age cohorts of the working population (which the relevant literatures describe as responding to different drivers and producing different impacts both at the level of destinations and at that of origins)
- leisure-driven, short term mobility of visitors (distinguished further into domestic and international, which again are supposed to respond to have markedly different patterns) and other hybrid mobilities, like the students exchanges and retirement migrations, which are not structurally related to work but are also different from tourism in terms of drives and effects.

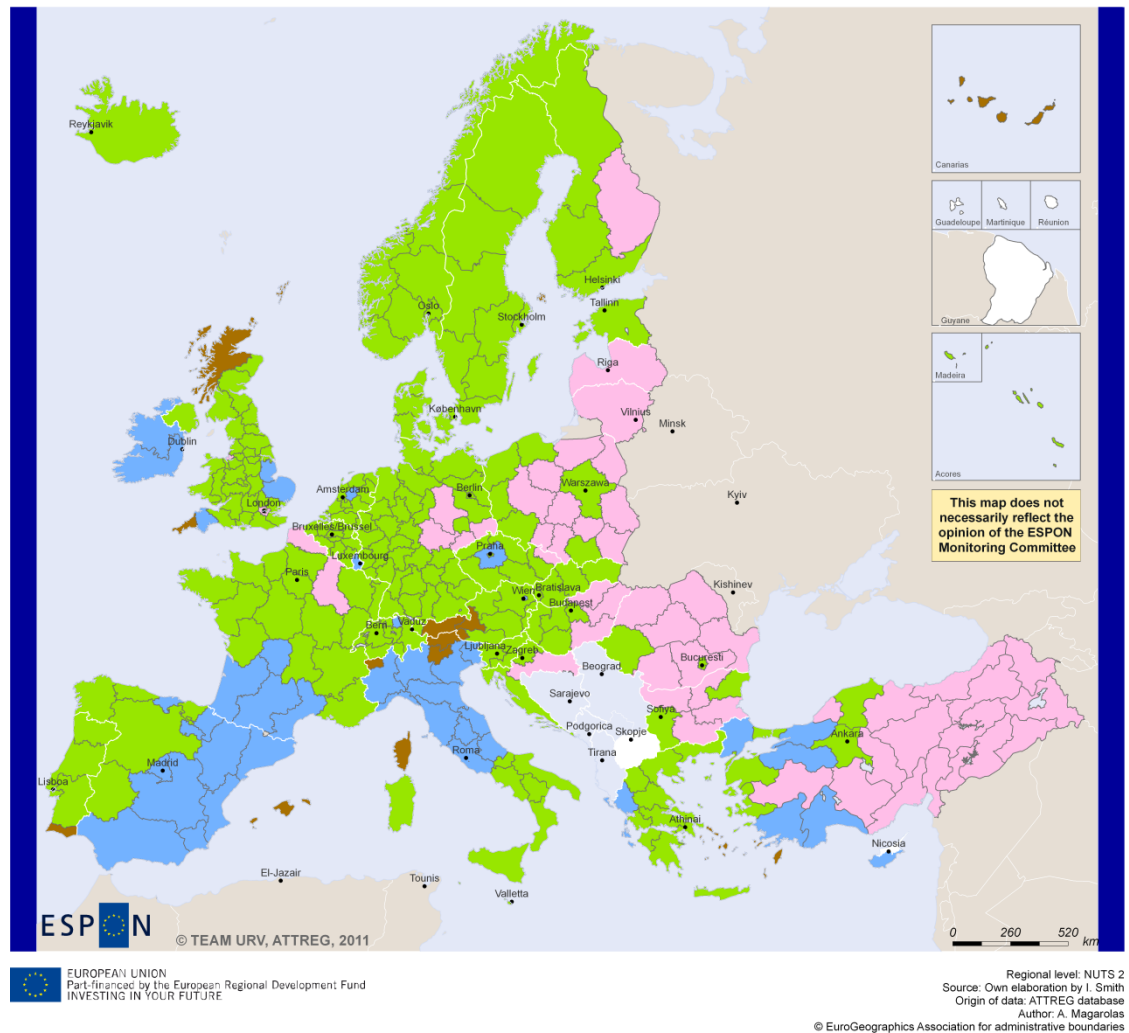
The measurement and mapping of these series has evidenced a series of trends which are the entry points for further layers of analysis:

- Flows by age groups show some distinctive characteristics with regards to where they are occurring. Capital cities remain attractive in terms of having the average net effect of pulling in large numbers of younger and middle-aged adults but having a net outflow of older aged adults. In contrast non-capital city regions, on average, have a net inward attraction for all these three age groups.
- A “silver age drain” seems to be occurring from the north-east to the south west of Europe, also at the level of individual countries, towards regions offering higher place amenities, a better climate, and convenient properties, or inland regions well-known for their amenities, whereas the urban powerhouses of Europe emerge as places from where many workers are more likely to leave when they retire. The mobility drivers for this group are different from those of the younger working age group.
- With some exceptions, the attraction of a non-conventional form of medium-term mobility such as student exchanges seem to favour “amenable areas” rather than places with the most famous and established universities.

A second step in this analysis has been to create regional typologies that would classify regions for the general “type” of populations mobilised. A first typology, mapped out in Fig. A, is based on two mobility variables - the annual average net migration rate for the period 2001-07; and the average annual visitor arrival rate for 2001-04 – and identifies four classes of regions with “similar” characteristics based on a combination of attraction rates for the working population and visitor rates. The first includes 54 regions (Class 1, coloured pink in the map) where the average net migration rates over the period are either negative (there is net out-migration) or very small and positive, and combined with low to very low visitation rates; Class 2 is made up of 202 regions (in green in the map) where net migration rates are positive but small, and where net visitation rates are close to zero but generally greater than those in Class 1; Class 3 is a group of 43 regions (in blue in the map) with a range of net migration rates from high to very high and a range of visitation rates similar to that of Class 2; and Class 4 is a small group of 13 regions (in brown in the map) characterised by net migration rates which are generally high, and distinctively high visitation rates.

A second regional typology was developed looking at net migration rates by age group (Fig. B). Again this typologies includes four classes: 152 regions (Class 1 coloured green in the map) that demonstrate net migration rates around zero (a mix of net out and in migration rates) for the younger adults and older adult groups; 82 regions (Class 2 in pink in the map) that demonstrate broadly positive net in-migration rates for both younger and older adult groups (greater than Class 1); a small group of 21 regions (Class 3 in blue) that exhibit net positive migration rates for all the age groups; and 36 regions (Class 4 in brown) that

demonstrate high net migration rate for younger adults (similar to Class 3) but average net migration rates for mid-career workers and low or negative rates for older adults (lower than in Classes 1 and 2).

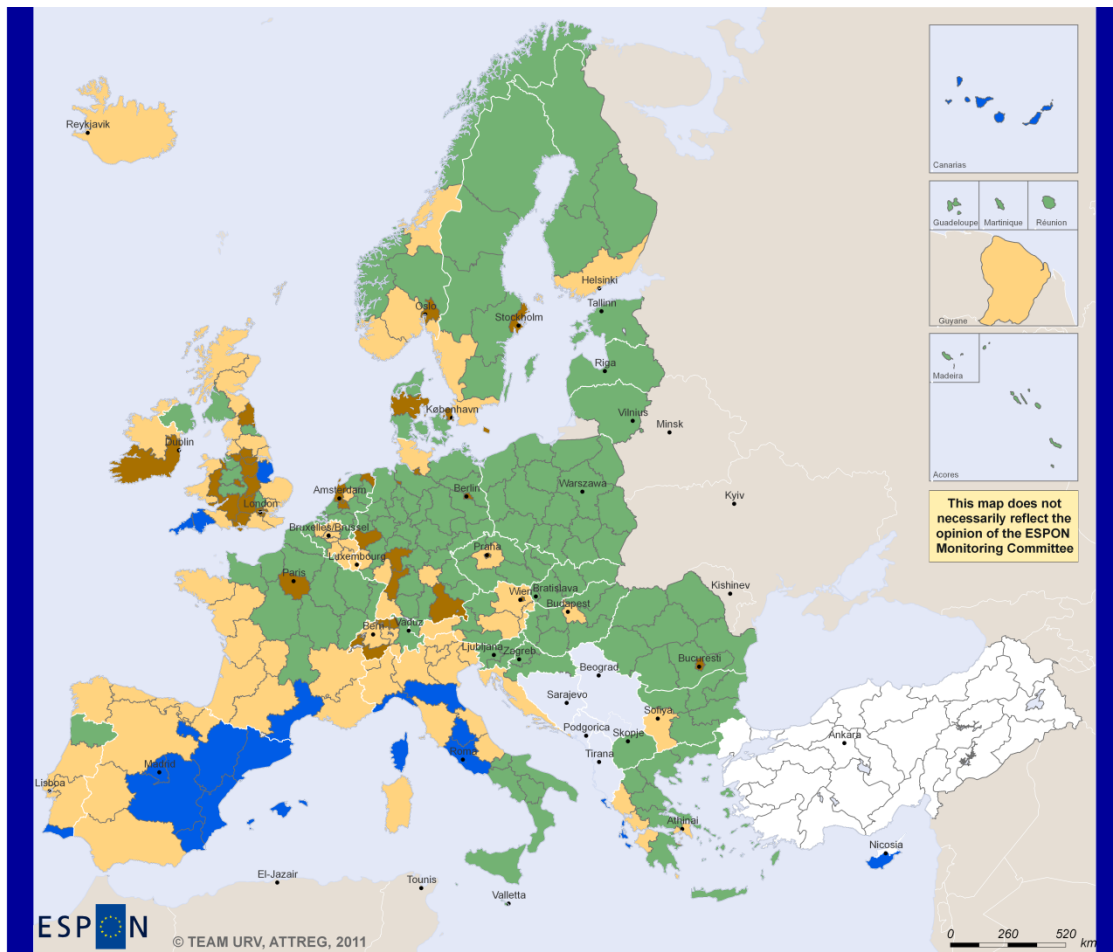


Typology classes *

* Ward's method hierarchical clustering algorithm based on normalised MM2_20 and MT2_43 indicators (4 cluster solution retained).

- CLASS 1: low net migration rate (2001-07) and low visitor rate (2001-04)
- CLASS 2: mid-level net migration rate (2001-07) and mid-level visitor rate (2001-04)
- CLASS 3: high net migration rate (2001-07) and mid-level visitor rate (2001-04)
- CLASS 4: high net migration rate (2001-07) and high visitor rate (2001-04)
- NO DATA

Figure A: Regional typology by types of flows attracted



EUROPEAN UNION
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Regional level: NUTS 2
Source: Own elaboration by I. Smith
Origin of data: ATTREG database
Author: A. Magarolas
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Typology classes *

* K-means clustering algorithm based on normalised variables MM2_06, MM2_12, MM2_18

- CLASS 1 = unretentive region for young (15-24) and medium (25-49) working age groups, medium retentiveness for older working age group (50-64)
- CLASS 2 = region with average retentiveness for all working age groups
- CLASS 3 = highly retentive for all working age groups
- CLASS 4 = highly retentive region for the young working age group, averagely retentive for the medium working age group, unretentive for the older working age group
- NO DATA

Figure B: Regional typology by mobility of age cohorts

Bearing in mind that the analysis refers to a specific period of the 2000's, and the macro and national socio-economic trends that characterised the period, the key points emerging from these typologies and other fine-grained analysis that we conducted are the following:

- The different mobile populations have been globally shifting, to varying degrees, from the North-East of Europe to the South-West, towards places that are also attractive as destination of short mobilities. The same trend is observed within national systems in the core of Europe. Within this global trend we have observed more fine-grained phenomena largely determined by geographical specificities.

- Capital cities are still important destinations for younger working age adults but more peripheral regions, whether capital cities or not, as well as regions in the proximity of the main metropolitan areas have managed to attract large numbers of people in the other age groups.
- Mountain regions appear to be performing generally well in both attracting and retaining population.
- Regions located in countries that have a higher proportion of foreign-born residents tend to experience higher levels of inter-regional mobility than regions in countries with a lower proportion of these. Regions in countries where internal migration is relatively more important are more likely to see higher mobility amongst older working age adults.
- The Western Mediterranean arc (from Andalusia to the centre of Italy), has been the region in Europe with the highest combined levels of attractiveness and retentiveness.
- Some regions, especially in the Western Mediterranean arc and in the economic “tigers” of the early 2000s, appear to have been “overheating” from an excessive attractiveness of various mobilities that was not sufficiently bound in place assets.
- Some regions in the Austrian Alps, along the Mediterranean coasts and along the Atlantic seaboard from the Algarve to Iceland that show a broad correlation between receiving visitors and net migration; although some regions have a more specialised role in attracting a high volume of visitors relative to their population. These are regional locations where special thought may be required to manage the pressure of tourism on their regional economies and societies.

In general, the project does not confirm the conventional wisdom that migrants are attracted by economic buoyancy and tight labour markets. Comparing labour market statistics and economic performances for these four groups of regions, the most attractive region types (as those in Class 3 – Map A, which we named “overheating”) do not have the highest average GDP per capita nor the tightest labour market for highly skilled workers (the so-called creative class), although regions with the lowest net migration rates and low visitor arrival rates consistently do exhibit lower GDP per capita in the subsequent period (2007-09) and employment rates for workers with all forms of qualification.

Another important message policy-wise that can be gauged by this first analysis is that age-related Class 4 regions (in Map B), including many capital cities such as Inner London, Paris, Berlin, Stockholm, and some other major economic hubs of Europe like Bavaria and the region of Frankfurt, may have become so attractive that they may have reached some sort of “threshold” beyond which, even if they continue being very attractive for young workers, they experience problems retaining the older age groups possibly due to declining urban quality and high prices.

Analysing the relations between territorial assets and audiences

ATTREG focused on different forms of territorial capital as potential determinants of attractiveness for specific audiences; therefore, characterising regions in terms of their mix of endowments – summarised in broad regional typologies – could cast light on their potential attractiveness to a specific target group and on the assets that need to be enhanced or “mobilised” in order to actualise this potential. We thus identified five categories of territorial capital considered relevant to the attraction of audiences. The measurement and combination of a 23 indicators related to such categories yielded another regional typology which is so characterised:

- *Environmental capital*, involving measures of climate stability and landscape preservation, is richer in regions that are comparatively warmer and more stable in terms

of climate, but also in regions characterised by high standards of landscape management; the overall distribution does not show a clear spatial pattern but it does highlight that most Mediterranean coasts, though attractive in terms of climate, may have been “overactive” in terms of construction and landscape change (e.g. the southern and eastern coast of Spain and southern and insular Italy) and that peripheral regions at the eastern edge of Europe may have an advantage in this respect, counterbalancing population loss and with a high potential as destinations for tourism and retirement migration.

- *Economic and human capital*, measured by indicators of wealth, employment structure and quality, presents a contrasting picture, being richer in the core of Europe, especially in metropolitan areas, as well as in some of the tigers of the European economy of the early 2000s and in mature tourism destinations, while it is, relatively speaking, lacking in peripheral and rural regions of Europe and CECs.
- *Antropic capital*, denoted by tourist sights, urban infrastructure and accessibility, is richer in the European core and especially in metropolitan areas, though the Mediterranean coasts, including some lagging regions in Italy and Croatia, are also very well endowed. Some central-north Italian regions stand out with the richest endowments in this respect.
- *Socio-cultural capital*, which includes indirect measures of social cohesion and dynamism, highlights “welfare” regions in Northern and North-western countries, like Scandinavia, the Netherlands, and Ireland, as well as some Alpine regions, although capital cities all over Europe seem to enjoy an advantage, and the position of Turkish regions also register as very favourable in this respect.
- Finally, *institutional capital*, basically represented by the perceived quality of public services, is richer in the North and West of Europe, being particularly strong in Belgium, Finland, Iceland, the Copenhagen region, and the Italian autonomous region in Val d’Aosta, while surprisingly also central Eastern Turkish regions score well on this measure.

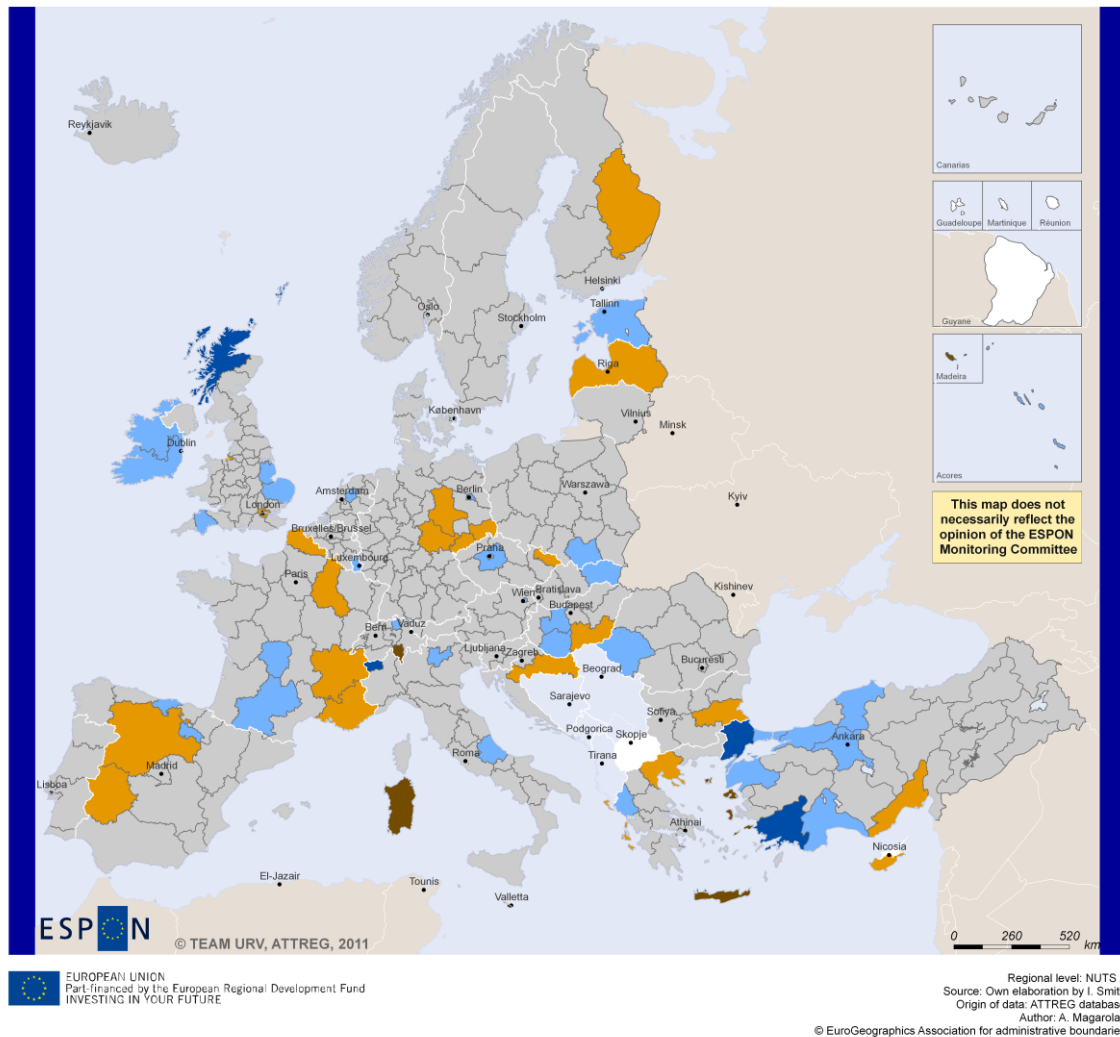
Some interesting territorial trends have been derived from the correlation between assets and flows of population:

- The regional assets related with economic conditions and the structure of the job markets, which arguably remain the most important drivers of work-related migration, clearly favour the core of Europe and especially large cities and national capitals, but also some of the most mature tourist destinations regions in the Western Mediterranean arc
- Other forms of territorial capital are distributed more evenly: almost all regions of Europe have some kind of “relative specialisation” with one or more factors that has resulted attractive to specific audiences, or has the potential to do that provided the right policy and governance conditions are activated

For the younger age group, we found an association between higher net migration flows and more “urban” regions or regions with busier airports, thus greater accessible, whereas for the mid-age group the association was with culture-rich regions (as captured by the monuments index) and again regions with busier airports. By contrast, higher net migration flows for older working age adults were associated with regions with a lower population density and, interestingly, fewer monuments.

The analysis also identified a number of outlier regions (Map C) where there appears to be a mismatch between the territorial assets of the region and the levels of net migration into and visiting to the region; these were classified in terms of the type of mismatch with reference to membership of the first regional typology of mobility based on net migration rates and visitor attraction rates. The most problematic cases include Mediterranean regions

in Greece, France and Spain where territorial assets would suggest membership to the highly attractive classes, but on the basis of observed net migration and visitor rates these regions have attracted fewer people per inhabitant than might have been expected. At the opposite end our analysis picks out regions in Ireland, the United Kingdom, Greece and Turkey as well as a range of capital city regions that have attracted observed flows of migrants and visitors over and above what might have been expected given their level of territorial assets.



Typology classes *

* Discriminant analysis based on classifying regions based on territorial capital onto TY2_08B

- 2: Observed regional mobility 2 categories 'less than' predicted by discriminant analysis
- 1: Observed regional mobility 1 category 'less than' predicted by discriminant analysis
- 0 : Observed regional mobility as predicted by discriminant analysis
- +1: Observed regional mobility 1 category 'more than' predicted by discriminant analysis
- +2: Observed regional mobility 2 categories 'more than' predicted by discriminant analysis
- NO DATA

Figure C: Regions performing “extraordinarily” (differences between predicted and observed membership of visiting-migration typology)

The Mobilisation Process

Fig. C shows that it is possible to predict a fair amount of the attractiveness of regions and cities in the 2000s (almost 80%, as it turns out) by considering the endowment of different types of territorial capital. However, this analysis is neither exhaustive nor sufficient to understand the full picture of the way in which territorial assets are mobilised in order to function as attraction factors. For this reason this project considered a number of case studies, with a double objective:

- Gaining insights into what makes cities and regions attractive and especially the role of policy and governance structures in influencing the ability to attract different audiences;
- Explore dimensions of attractiveness and its drivers which were not explicitly considered in the statistical analysis carried out in the previous research stage, both in terms of indicators considered, and in terms of scale of the analysis.

The case studies dealt with eight regions that have their own unique characteristics. The eight regions we analysed differ in their ability to attract and retain people. The case studies addressed the issue of attractiveness and retention of specific user groups in the different regions: some cases only discuss migration or mainly focus on the attractiveness for residents (e.g. Slovenia and Lubelskie (PL)). The case of Cornwall (UK) and Bornholm (DK) paid attention to both tourism and migration and the respective synergies, while Trento (IT) and Algarve (PT) are the more tourism-oriented case studies in our sample as would be expected from these important tourism destinations. In the case of Istanbul (TR) we looked at tourism flows but also at the attraction of foreign firms and their workers.

The case studies and the discussion with the stakeholders support the relevance of the endowment factors used in the global statistical analysis, although real estate prices and affordability proved to be a driver of attraction especially for internal migration and second-home tourism. They also illustrate the great diversity in institutional contexts among European regions, including cross-border partnership as the case of Lille-Kortrijk-Tournai *Euro-Metropole* (LKT). In general the mobilisation of regional attractiveness is a combination of top-down EU and state policies and bottom-up initiatives of local and regional stakeholders such as municipalities, universities and businesses.

The geo-statistical analysis based on the measurement of mobility flows, attraction factors (as territorial capital endowments) and especially their relationship, analysed statistically and verified in the “real world” through the case studies, allowed us to set up the general structure of a scenario exercise that allows us to look into the future at the global potential effects of different EU policies options.

2. Options for policy development

The main policy question included in the terms of reference for this project was: *How can policy makers improve the attractiveness of their city or region and reconcile the interests of visitors with those of their residents?* In the next two sections we consider the different dimensions of the question as they were addressed in the project

- first considering the local or regional scale: how regions could “react” to their current situation in terms of flows and territorial potentials, for instance bridging the mismatch between potentials and flows attracted, or managing situations of “excessive attraction” which may have led to suboptimal performances;
- secondly at a broader EU scale considering the potential effects of EU policies targeting specific regions but activating or hindering mobility flows across Europe.

Attractiveness and local/regional policies

The typologies from the overall findings of both the EU and the case study analysis provide initial insights into classes of problems relative to regional attractiveness that should be addressed by specific local and regional policies. The following points summarise the most pertinent aspects:

- Although the creative class has become the key target of most attraction strategies in the last decade, particularly for urban areas, our evidence suggests that the success of smart strategies cannot be guaranteed simply by attracting members of the creative class, but need to be embedded in wider regional or urban strategies that are rooted in local potentials and a place-based approach. Some regions did succeed in building a critical mass of the creative class to support greater competitiveness in the knowledge economy.
- The traditional labour force or specific skills can be targets of attraction for successful regions experiencing improvement in their economic performance and successfully developing competitive industrial sectors. In these regions resilient development and enhanced territorial competitiveness will require the attraction of skilled workers to areas characterized by a diffuse SME environment, as well as appropriate forms of labour force to areas with rural-based economies.
- It is not only work-related mobility that can produce positive externalities in target regions. For instance, “silver migration” of affluent groups to certain southern regions (e.g. the Algarve) or certain coastal areas in northern countries has led to the development of a form of economy which goes beyond the traditional forms of tourism exploitation and is arguably more sustainable. The provision of adequate levels of services of general interest and housing in these cases will require dedicated policies to ensure that the needs of new migrant populations are addressed and are retained and additional migrants attracted, without generating intolerable market distortions. Adapting the existing built stock of historical value and diversifying the delivery channels of services of general interest could be the way to achieve this balance.
- Positive effects can be seen not only in destinations of mobility but also in origin regions (Katseli et al., 2006; Gagnon and Khoudour-Castéras, 2011), where over time, the prospect of better future opportunities abroad has encouraged people in origin countries to acquire education and skills. This may also have spilled over into an increase in educational policies and in general measures dedicated to human capital, including services to specific sectors for retaining population. This reflects recognition that while many of those who benefit from such policies will leave some will stay and there can be positive effects within the region.
- Strategies dedicated to the reinforcement of quality of life can have long-term benefits, in particular by encouraging returning processes whereby those who have left for a more “attractive region” eventually migrate back and contribute to development with skills, knowledge and resources acquired elsewhere. The key issue here is to establish cooperative relationships between origin and destination regions to better manage migration and ensure the achievement of ‘win-win’ situations.
- In addition there is some evidence (e.g. the Algarve case) that counterbalancing effects may be created by the activation of synergies associated with tourist-oriented strategies. Short term visitors may induce a double effect: direct economic gain in relation to tourism activities; and an induced effect of repositioning the region as potential destination of longer-term mobility. Hence, sustainable tourism could be an additional factor justifying supporting development in sending-regions.
- Finally, the evidence provided by the “overheating” regions indicates the presence of thresholds representing the balance between inflows of new regional users and quality of life and access to resources for local residents, beyond which local economic systems

may become less attractive and/or resilient. In this sense it may be appropriate to develop policies that support mobility among the working population that provide support for delocalization in a situation where a region approaches a “critical condition”. Such approaches could be developed in terms of a partnership of shared responsibility between receiving and sending regions; this would provide greater flexibility for these regions and more social security for the mobile population.

Policy Options for EU territorial development

The ATTREG project has used the technique of building scenarios to analyse although in an indicative way the long-term impact of the application of specific policy bundles in different regions that are the target of European policy we defined a set of *alternative policy bundles* related to the three dimensions identified in the EU 2020 Strategy (i.e. smart, cohesive and sustainable growth) in order to identify a set of key drivers within each bundle and their implications for attractiveness-enhancing policies. Given the need to take into account the complex feed-back loops associated with intervention we ran the model to cover the period 2010 to 2025. The results relate to this 15 year period.

Although the three dimensions are not mutually exclusive alternatives, we decided to focus on the three individual policy approaches (smart growth, inclusive growth and sustainable growth) in the EU2020 strategy, drawing out the territorial consequences for each of them:

- The **smart-growth policy approach** entails a concentration of resources and efforts in hi-tech investments, and particularly the NBIC sectors (Nanotechnology, biotechnology, information technology and cognitive science).
- The **inclusive-growth policy approach** is characterized by major investments in social capital with a particular focus on deprived areas, on overcoming internal and external borders, building cross-border metropolitan regions and on balancing development capacities between the EU core area and peripheral areas.
- The **sustainable-growth policy approach** is characterized by a strong emphasis on improving the resource efficiency of Europe, especially in peripheral locations, through a proactive push of regions and cities toward greener economic development strategies, and supporting measures of adaptation to climate change and regional resilience.

The three “policy bundles” were applied in specific target regions:

- Convergence (Objective 1) regions as defined in EU policy with less than 75% of the EU average GDP.
- “Overheating” regions as classified in Class 3 from our regional typology on retentiveness and visitors attractiveness (see above).

“Inclusive” policies seem to produce positive effects in increasing the performance of regions that are underperforming, and at the same time a negative effect on overheating regions. Thus, they demonstrate a specific capacity to reduce disparities among EU regions. Among the various policy bundles, the inclusive one is the only one that does not show a strong correlation between job opportunity and mobility of population. This is probably due to its redistributive capacity and its effects on the welfare system: the role of investment in the public sector has a direct effect in improving redistributive capacity but a lower capacity in producing job availability.

In contrast, the effects of “smart” policies vary considerably. The impact on employment is generally negative for the target regions where labour participation rates for younger and older age groups are high, whereas they are positive in case of regions with high dependency rates. In general, it seems that this policy bundle is able to positively affect population

mobility, job availability and GDP, but within limits, and it does not affect those regions with limited territorial capacities and a predisposition for smart growth strategies. Indeed, application of this policy bundle on average-performing regions does not seem to be particularly effective. This suggests that the use of such a policy bundle needs to be articulated in the context of a precise understanding of a region's territorial capital and what needs to be enhanced or developed through a place-based strategy. In terms of its impacts on neighbouring regions and other regions, these appear to be generally positive or at least benign. Nevertheless, there is the risk that in "overheating" regions it could create additional pressures that might exacerbate an already fragile situation (e.g. in the context of the present economic crisis).

Finally, "sustainable" policies produce positive direct effects in both convergence and overheating regions, attracting population from neighbouring regions. Although it appears as the least effective in terms of GDP increase, probably due to more investment in quality of life (and other "soft" factors), it has the highest impacts on the regions that in absolute terms present less job opportunity and lower GDP, thus suggesting an important rebalancing role. This would suggest that sustainable policy requires a long-term perspective based upon a clear understanding of a region's attractiveness (both its strengths and weaknesses) and how the appropriate forms of territorial capital are to be enhanced. Again this requires a clear understanding of how a place-based approach might utilise such a policy bundle. However, the impacts on neighbouring regions and other regions are by no means positive and theoretically this could have rebalancing impacts on cohesion at the EU level.

It is important to bear in mind that these results should be taken as indicative, as they are largely based on arbitrary assumptions as is generally the case with scenario-building exercises; under no circumstances should it be assumed that the outcomes of running the model bear any relationship to how the actual situation in regions will develop in the period up to 2025. This health warning is particularly important to bear in mind because

- 1) The individual policy bundles will not be applied in isolation but as part of a much wider set of, more or less, articulated policies;
- 2) The baseline scenario against which we have measured our predictions does not represent a "real-world" situation;
- 3) The impacts of the current crisis have not been factored into the model, as it is based on pre-crisis assumptions.

3. Final remarks and policy suggestions

A general conclusion from our analysis is that there is no simple relationship between increases in (forms of) attractiveness and economic growth. Much depends on the forms of territorial capital present and how they are utilised. However, we now have a better understanding of several aspects of the overall process:

- There are different forms of mobility (i.e. related to specific groups or mobile populations), and these are driven by different assets;
- There are different typologies of territorial performance (attractiveness for tourists, retentiveness for longer-term work-related mobilities and for other "hybrid" audiences).
- Economic growth can be one of the effects of retentiveness but not necessarily always of attractiveness. While the ATTREG results show that a lack of attractiveness of a place can hamper its development, they also show that so does, under certain circumstances, "excessive" attractiveness of places, or of one place with respect to others; and, not all types of attractiveness are equally beneficial to places. Moreover, we also show that different forms of mobility may reflect the importance of various (hard and soft) factors

that produce a complex map of mobilities in Europe, both between regions and within them with complex spatial effects, which need to be taken into account when it comes to designing policy at all territorial levels.

- Within this context, greater consideration should be given to the impacts that long-term and short-term mobility, both from outside and within the EU, may have in either exacerbating or ameliorating regional disparities.
- Some territories that were extremely attractive in the period up to 2007 have become “fragile” in the current crises – it appears that they may have been “overheating” and that their attractiveness was based on the attraction of flows that were not embedded in the local context;
- There are externalities, mostly positive, that population movements – either the migration of workers or other hybrid forms of leisure-driven mobility – activate within and between regions. However, regions must be aware of possible conflicts generated by excessive attraction, and develop solutions to manage them in order to sustain development.

Adopting a more straight-forward planning approach means the use of a vision and long term strategy for development, related to attracting particular audiences, which seeks to enhance existing assets while addressing deficiencies in relation to that strategy. It is important to develop appropriate governance structures that secures the participation of a wide range of stakeholders and is able to mobilise the resources of different sectors (e.g. the private sector and civil society) in pursuit of long term goals. This also indicates the need to develop a strategy that covers the short, medium and long term. However, there is also a need for “limits to growth” strategy and the need to adapt policy in order to avoid destroying the very assets that make an area attractive (this may be particularly relevant to “overheating regions” from our attractiveness typology).

Two important approaches can be identified: *Demand-led* and *Supply-led*. In the *demand-led approach* local and regional authorities could support an integrated strategy for the development of territorial capital and its mobilization for attracting resident population and short and mid-term migrants. Some key aspects could be the following:

- Combination of long and short term strategies for the development of assets (from infrastructure to service)
- Special attention to educational and human capital (in particular for sending regions)
- Facilitation and overcoming of the barriers to labour mobility
- Territorial pacts for an integrated policy strategy

In the *supply-led approach* local and regional authorities, in collaboration with employers/businesses, could identify skill gaps and then attract people that the region considers as necessary to enhance its competitiveness: e.g. the creative class, entrepreneurial migrants, etc., as well as specific targets tourism audiences (e.g. high spending visitor profiles and “silver migrants”). Some key aspects could be the following:

- Re-branding the territory
- Providing services of general interest
- Using tourism as strategy for (re)activating in-flow long-term mobility
- Partnerships between sending and receiving regions

It is important to note that it is often a combination of these two approaches that can be identified in different successful cases. Moreover, while some regions are more selective, targeting specific groups, other regions have no explicit policies to attract particular audiences in relation to their territorial capital. However it was shown in our case study

research that when the costs of agglomeration (diseconomies) become higher than the benefits regions tend to become more selective: paying more attention to quality and the contribution of migration and tourism to the prosperity and wellbeing of current citizens.

Place-marketing strategies have a role to play, but it is important that they are targeted and related to the “promotion” of particular forms of territorial capital and directed at particular audiences. Moreover, local authorities need to be aware of the relevance of their actions (e.g. on social provision) for such audiences and take this into account when acting; again this points to the importance of integrating local authorities into the wider strategy.

While our (and other) research has demonstrated the importance of territorial capital to local and regional development, there is still a lack of explicit recognition among policy makers of its importance. Thus there is a need for the recognition of the significance of territorial capital associated with the development of an explicit “mobilisation strategy”. This requires cities and regions to assess their position in terms of endowments, identifying positive and negative factors, and then develop policies to bring about change. Two main processes can be highlighted:

- ***The role of public authorities and their capacity to strategically instigate and direct the mobilization processes.*** This requires a governance system that can identify the existing strengths and weakness of an area’s territorial capital and develop an appropriate strategy to enhance/develop the different forms of territorial capital through a mobilization strategy. This also requires the involvement of relevant stakeholders/actors to provide the necessary inputs and knowledge.
- ***The differential capacities of stakeholders to mobilise assets in a multilevel governance framework*** is an important factor determining the ability of mobilization strategies to achieve their goals. It is unlikely that regions and cities will possess all the resources/powers necessary to realise a mobilization strategy, thus they will require the capacity to access and articulate resources available at the national and EU level.

Thus governance and the local networks through which mobilization is possible are central to our understanding of the process. Without these it is unlikely that long-term change can be brought about.

To conclude, concerning the mobilisation of territorial capital and strategic governance processes, three key aspects should be highlighted:

- The importance of a multi-level governance system;
- The role of the EU policy; and
- The time factor.

As for the first aspect, it is unlikely that regions and cities will have the necessary powers and resources to activate integrated attractive policies themselves, even when taking into account the wide variety of sub-national institutional arrangements in Europe. Thus, regions need to secure national and where possible European support and coordination. Some regions are able to take greater control of their own development (e.g. Trento in our case studies) while other regions are much more dependent on state-led policies, often implemented by Regional Bodies (e.g. Algarve). In general the mobilisation of regional attractiveness is a combination of top-down EU and state policies and bottom-up initiatives of local and regional stakeholders such as municipalities, universities and businesses. This suggests the importance of a system of multi-level governance that is able to integrate and coordinate the actions of different levels of governance.

Secondly, EU policies play an important role in making regions attractive for particular audiences by providing resources and creating the opportunity to create overarching, long-

term strategic partnership. In particular the role of Cohesion Policy, by focusing on particular places, is important given its longer term nature. However, we did not find evidence of a capacity to integrate other EU, sectorial policies, into a place-based approach and this must be considered a genuine policy dilemma that needs to be addressed at EU and national level. Nevertheless, difficulties are likely to be encountered in developing appropriate governance structures, particularly in cross-border cases, and there will be a need for European and national support to facilitate the development of appropriate forms of governance (e.g. the LKT case).

Third, however, policymakers need to bear in mind that mobilisation strategies that target the development or enhancement of capital assets as well as the construction of place brands can only be successful in the medium-long term time scale. This requires the combination of specific policy measures, related to a clear territorial strategy that addresses the mobility and retention of population; this is what we have termed policy bundle(s) that are part of a place-based approach. Such a strategy must combine a “nested” and integrated set of policies aimed at achieving short, medium and long term goals supported by appropriate monitoring and evaluation systems to allow for any necessary reorientations. Above all, “short-termism” must be avoided.

ATTREG

The Attractiveness of European regions and cities for residents and
visitors

Final Report

FULL REPORT

1. INTRODUCTION: KEY ENTRY POINTS AND RESEARCH OBJECTIVES

1.1. The EU policy context

The ATTREG project is situated within a particular conception of the role of spatial and non-spatial policies, particularly those of the EU, that assumes they may have a significant role in enhancing the attractiveness of places and regions, by developing and supporting place assets – or different forms of “territorial capital”, as we conceive them in this study – determined largely by idiosyncratic geographical, cultural, institutional and historical contexts. Spontaneous changes in these factors and initiatives to “mobilise” them bring about shifts in the relative positioning of regions in terms of their attractiveness and developmental potentials. In this light, policymakers need to understand what constitutes the attractiveness of cities and regions and the implications of policies designed to achieve European objectives, both in terms of sectorial policies and of overarching agendas such as Europe 2020.

The ATTREG project takes up this challenge, setting up a conceptual and methodological framework which may serve to understand the policy relevance of territorial attractiveness, as well as the relationship between territorial assets and human mobilities at a variety of scales, and to analyse through it the situation of the European territory in the last decade and in the foreseeable future.

Territorial assets and the quality of places have been for at least three decades now acknowledged by policymakers as location factors for economic agents, and consequently as important dimensions of regional development strategies within a globalised world where competition has intensified, and financial resources have become increasingly footloose. Regions, cities, whole countries have embraced a proactive “place marketing” approach to strengthen their attraction capacity, in some cases achieving remarkable success in the transformation of their resource base. Becoming more attractive for the financial and knowledge sectors and their workforce is the new mantra of local politics, often pumped up by international consultants and policy advisors - and sometimes a tad on the blurry side for what regards the design of contextualised strategies or the specification of ultimate objectives and impacts.

This strong focus on financial flows has to a large extent overshadowed the parallel issue of the flows of people. The role that human mobility plays in development, the problems it may generate for territorial cohesion, and the features that regions can – and should – enhance in order to attract people, of whatever type and for whatever lapse of time, remain largely unexplored issues. Most of the policy debate in various countries has centred on managing (if not slowing down altogether) migration from the poorer neighbours of Europe, sometimes with the overtones that are typical of social emergency, or on reverting the brain-drain to more advanced countries or capital cities and metropolitan areas, which is possibly the greatest source of erosion of the resource base of lagging and peripheral regions.

As a counterpoint, the common orientation of regional policymakers in regard to tourism has been for a long time “the more the better”, resulting in strong competition and boosterist policies which not infrequently have led to episodes of over-exploitation of natural and cultural resources (especially in coastal areas), to excessive dependency on an economic sector characterised by strong volatility and suboptimal social impacts, and to unbalanced territorial development.

Even the ESPON programme has so far taken mobility almost as a “given”: many projects have developed analyses in which human mobility is basically a neutral variable, and propose policy receipts that may boost the capacity of different sources of capital to migrate, but very few of them include mobility as a policy instrument or analyse the spatial effects of migration that is leveraged by other policies. Thus, the authors of this report think that a project dealing explicitly with mobility is a welcome addition to the portfolio of ESPON applied research, especially in the current times, when all regions are called to make an extra effort to find their own way to development based on local resources that are shrinking, and the EU is called to ensure a fundamental level of coherence and cohesion in these local mobilisation strategies.

Indeed, the importance of attracting people has slowly made its way in the policy debate of the post-2000 European Union. In the Lisbon and Göteborg strategies there is no explicit mention of these issues. Put simply, Lisbon was largely concerned with making the European economy the most competitive in the world, while Göteborg bolted on a sustainability dimension. The publication of the European Spatial Development Perspective (ESDP, 1999) signalled a new recognition that the economic and social development of Europe involved territorial dimensions which policy needed to take into account. What began to develop was an argument that policy, at European, national, regional and local levels, needed to be framed with this in mind and that it could, if developed and applied in an integrated and targeted manner, address regional imbalances (the over concentration of economic activity and population in the Pentagon in particular), which, in the 3rd Report on Economic and Social Cohesion (CEC, 2004) are considered a threat to the harmonious development of the Union economy in future years (p. 27). Mobility is understood as taking place at a European level into the Pentagon from outside and within countries to capital cities and growing urban areas, producing a range of imbalances at different spatial scales. This report goes on to argue: ‘These territorial disparities cannot be ignored, since...they affect the overall competitiveness of the EU economy.’ (p. 28). The answer proposed is the promotion of more “balanced development” to reduce these disparities (see also Dutch Presidency, 2004, where similar arguments are developed).

Thus by around 2004-5 a more explicit consideration of the role of cities and regions in relation to territorial cohesion began to emerge in EU policy documents, like the series of Reports on Economic and Social Cohesion (see details in Ch. 1 of the ATTREG Scientific report). Metropolitan areas are seen as powerhouses of regional development; their role as attractive hubs in the global economic network is understood partly in terms of accessibility but, reflecting the influence of R. Florida’s works (2002, 2003), it is also related to the quality of life and amenities that they provide, among which socio-cultural capital is increasingly acknowledged as a “soft” location factor that attracts knowledge workers. Attractiveness and mobility thus start to be addressed as policy dimensions which may influence regional cohesion. The key determinants of attractiveness are seen as ‘good basic infrastructure and accessibility; a well educated work force; good ICT infrastructure and extensive use of ICT; a relatively high level of spending on R&D’ (CEC, 2007, p. 74), but it is also noted that ‘... non-economic factors, and, in particular, the quality of life and the attractiveness of the environment, seem to have an increasing effect. The regions concerned include a number with relatively low levels of GDP per head ...’ (ibid, p. 46). Also included among the non-economic factors, related to quality of life, are health service provision and effective institutions.

Thus a more complex notion of attractiveness and mobility (and by association the reasons for mobility) had begun to develop, signalled by the Green Paper on Territorial Cohesion (CEC 2008), the subtitle of which was “Turning territorial diversity into strength”. Whilst attractiveness is not explicitly discussed, the Green Paper emphasises Europe’s rich

territorial diversity and the need to draw on this to generate cohesion and growth by both attracting investment and mobile populations whilst retaining existing residents. The Green Paper represents a step, albeit hesitant, away from understanding a place-based approach as referring to a restricted range of “special urban and spatial initiatives” towards a more generic approach bringing together the territorial, the social and the economic dimensions (see Barca, 2009: 93). A key assumption underlying this approach is that only by focusing on the (diverse) strengths of places can more harmonious development can be achieved.

The Sixth Progress Report on Economic and Social Cohesion (CEC, 2009) highlights several of these themes arguing that: ‘The goal of territorial cohesion is to encourage the harmonious and sustainable development of all territories by building on their territorial characteristics and resources’ (ibid, p. 11). Moreover, following Florida, it contains a specific focus on creativity and innovation arguing that these two factors are crucial to regional development in all regions (ibid, p. 4-6). Central to this process is the attraction of talent and visitors. Within this context greater consideration is given to the impacts of migration, both from outside and within the EU, on either exacerbating or ameliorating regional disparities (ibid, p. 84-90). Improving attractiveness is seen as crucial to this approach and the report recommends a wide range of actions to achieve this (see for instance Chapter 1, Section 2). The conception of the dynamics driving population mobility has shifted from one based on an assumption that population movements are determined mainly by economic forces towards one that includes a notion of the “search for quality” (RWI, 2010). It also assumes that “rooting” a mobile society into places may be the key challenge for regions and cities shaken by the great financial turmoil of the last years, sustaining what is proposed by the recently approved Territorial Agenda of the European Union 2020 (Hungarian Presidency, 2011) to foster territorial cohesion in a context of increasingly economic vulnerability, that is the development of innovation and smart specialisation strategies making the best use of social capital and territorial assets to achieve greater and integrated competitiveness.

1.2. The ATTREG research topic

A duality can be detected in the above policy narrative. On the one hand, the more long-standing (and arguably dominant) discourse is that EU policies should support the competitiveness of regions and cities through development strategies designed to boost regional economic growth and (more recently) to assist in recovery from the crisis: in essence, this involves supporting the strongest. On the other, a “cohesion approach” has started to pay greater attention to spatial issues (territorial and social cohesion, sustainable development, etc.) and disparities, fostering initiatives directed at lagging and peripheral regions. This duality reveals a degree of ambiguity with regard to notions of place and mobility. The free movement of people is one of the pillars of the EU, but there are inherent tensions underlying this principle when it is related to territorial cohesion and economic development. Local populations are relatively fixed in terms of human capital relative to a place, and each place has its own identity, national traditions, specific welfare structures, etc, which additionally tie people to them. In this situation cohesion is crucial and local factors can (potentially) boost economic growth. Place-based policies are thus central.

The problem is that this emphasis on the endogenous characteristics of place is to a certain extent an “article of faith” – attempting to square the cohesion circle by arguing that all places have a potential to grow/develop if only the right policy mix and associated forms of mobilisation of assets can be achieved. There is little evidence to demonstrate that such an ideal can be achieved, as much of the evidence, often acknowledged in EU policy documents, suggests that labour movement (i.e. a particular form of mobility and attraction) for a significant section of the population is largely determined by employment

opportunities (i.e. based on economic factors). As we suggest in this report, other forms of mobility may reflect the importance of different, “soft” factors, and produce a much richer map of mobilities in Europe, both between regions and within them, and of different ranges, with complex spatial effects, which should be paid full attention when it comes to design policy at all territorial levels.

The main goal of the ATTREG project, carried out by a Transnational Project Group of nine European research institutes bringing in different disciplinary specialisations, was to fill this knowledge gap, developing a full understanding of the attractiveness of cities and regions in the ESPON space (including European Candidate Countries, which we cover in our study) and its implications, and positioning it as one of the main elements shaping spatial development of Europe, as well as a dimension of territorial policy, requiring the development of a richer knowledge base and the design of a new analytical toolbox.

In order to achieve a full understanding of its implications, and to contribute to its full integration in EU territorial policy, **ATTREG has interpreted territorial attractiveness as a characteristic of places that varies spatially according to its constituting natural and environmental, social, cultural and economic components.** Following an important stream of the recent geographic and regional economics literature, we assumed (and, to some extent, we could prove through our analysis) that territorial assets influence sensibly the pathways of regional and local development, attracting different human flows into regions, or “audiences” as we call them. These are distinguished by the character of their displacement (ranging from permanent or long-term, as in the case of the immigration of new residents, to short-term, in which case we are mostly talking about tourism) and by their nature or motivation, generally defined in terms of a work-leisure binary.

All these audiences determine important effects locally, because they become embedded, in different ways, in regional development processes: as citizens, workers, taxpayers, consumers, or just passers-by. Such effects are remarkably territorial, because the direction, magnitude, accumulation of these flows is likely to determine a change in development opportunities and their spatial patterns as well as in spatial relationships at various scales. Thus, attractiveness is to some extent a precondition or an essential dimension of competitiveness, although the two concepts are ambiguously related: lack of attractiveness of a place can hamper its development, but so does, under certain circumstances, “excessive” attractiveness into places, or of one place with respect to others; and, not *all types* of attractiveness are equally beneficial to places.

The investigation on territorial attractiveness has been grounded in a conceptual “model” that links the three main components of this complex interaction:

- A set of “audiences” (either targeted explicitly or defined in terms of their mobility characteristics) that can be attracted and for which there is a menu of expectations, each with a different profile in terms of the development processes that it is expected to engender locally and in surrounding areas;
- A set of “endowment” factors or territorial assets that potentially determine attractiveness (conceptualised as territorial capital) in either a general sense or to one particular audience;
- A set of processes by which territorial assets may be mobilised to enhance attractiveness either for all or for a specific “audience”.

Human mobility as the study object, *territorial capital* as the “explanatory variable” (or rather set of variables), and *mobilisation strategies* within a multi-scale governance

perspective as the “enabling condition”, are the lenses through which we address the main policy question included in the terms of reference for this project:

How can policy makers improve the attractiveness of their city or region and reconcile the interests of visitors with those of their residents?

Concretely, our approach to this broad topic is the following: knowing which factors potentially attract which audiences into specific types of regions and cities, and what policies and policy structures stand in the way or enhance the “liberation” of this potential, offers a sort of ready-to-use, place-based “textbook” to be more attractive. Indeed, local and regional policy is mostly concerned with attracting the right mix of audiences to ensure places the best opportunities, and to do so, it generally seeks to boost the attraction capacity of place assets.

However, European policy – and at a finer scale, national and even regional ones – should be tuned to the objectives of territorial cohesion, and this calls for a more sophisticated and multi-layered territorial strategy, which our project nuances. This involves some degree of “harmonisation” of attraction potentials, recognising that not all places can be winners in the race to attract large masses of tourists or stand the best chances to retain all segments of their population.

In the next sections, we summarise the main outcomes of the project in terms of trends and impacts of territorial attractiveness (2) and the options for policy development deriving from this (3). Following, Section 4 will provide an insight on the key analysis, diagnosis and findings as well as on the most relevant indicators and maps that were produced within this project. Section 5 concludes reflecting on further analytical work and research needed.

2. MAIN RESULTS, TRENDS, IMPACTS

Our research unbundled in a series of steps. The first is the geo-statistical analysis of the NUTS2 regions of the ESPON space for what regards the main dimensions of attractiveness and its effects. Secondly we conducted an in-deep analysis in eight case study regions that to some extent stood out in our analysis. Finally we expanded the statistical analysis, also using the insight from case studies, into a scenario model that allowed us to address options for policy and their foreseeable effects.

Mobilities in the EU territories in 2001-2007

The first part of the analysis conducted in ATTREG has been concerned with the measurement and analysis of mobility flows of different audiences across Europe in the central part of the 2000s decade (for which we had data available) – which allows us to relate these flows with the different endowments of regions or their potential “territorial attractiveness”.

Our analysis distinguishes structural or long-term mobility of residents, which could be conceived as migration flows, and short- or medium-term mobility of people who are statistically considered visitors and do not become residents in the regions and city they visit. The former is measured through net migration rates in regions of destination, and we have called it *retentiveness* – capacity to retain human mobility in the longer term. Within it, we have focused on different age groups, which relate, according to the migration literature, to different drivers (determinants) for moving: the “early career” workers of 15 to 24 years old, the mid-career workers (25- to 49 y.o.) and the pre-retirement workers of 50 to 64 y.o.). Among visitors, we considered the *attractiveness* for traditional tourists, distinguishing

between domestic and international and measuring by the intensity of these categories of tourists over the resident population; and an unconventional form of non-work related medium term mobility, that of Erasmus exchange students (also measured in relation to the residents in the same age cohort), which proxies to some extent the lifestyle mobility of creative workers. The main trends observed in relation to these groups in the 2001-2007 period turned out to be the following:

- The main trends for different mobile population have been roughly a global shift of population from the North-East of Europe to the South-West, towards places that are also attractive as destination of short-term mobilities (various forms of tourism). Also within national systems at the core of Europe there is a north-south drift and toward the wealthiest urbanised regions (e.g. Sweden).
- There are macro-regional trends that can be recognised, within which it is important to frame the singular regional trajectories. Here we point to the attraction capacity of the Mediterranean Arc, albeit with a counter trend in the southern EU regions (southern Italy and Greece) affected by structural (economic and institutional) deficits, as well as the role of sending-population regions in the new EU States of central and eastern Europe.
- Classic destination regions in the Mediterranean Arc, including coastal resort areas, islands, as well as large urban regions and capital cities and a number of rural areas receive the largest share of tourist flows. While domestic tourism privileges rural and coastal areas within each country, international tourism favours the Mediterranean arc, with coasts, islands and mountain regions at the forefront. Sparsely populated peripheral regions like Iceland, the north of Norway and the north of Scotland also get a high share of short-term flows.
- More peripheral regions (whether capital cities or not) as well as rural regions in the proximity of the largest metropolitan areas have managed to attract large numbers of people throughout the period 2001-07.
- Metropolitan city-regions in Spain and Italy appear to demonstrate unusually high levels of net migration whilst the metropolitan region of Paris demonstrates an unusual combination of very high levels of visiting combined with net out migration.

In general, the project does not confirm the conventional wisdom that migrants are attracted by economic buoyancy and tight labour markets. Comparing labour market statistics and economic performances for these four groups of regions, the most attractive region types (as those in Class 3 – Map A, which we named “overheating”) do not have the highest average GDP per capita nor the tightest labour market for highly skilled workers (the so-called creative class), although regions with the lowest net migration rates and low visitor arrival rates consistently do exhibit lower GDP per capita in the subsequent period (2007-09) and employment rates for workers with all forms of qualification.

There are regions in the Austrian Alps, along the Mediterranean coasts and along the Atlantic seaboard from the Algarve to Iceland that show a broad correlation between receiving visitors and net migration; although some regions have a more specialised role in attracting a high volume of visitors relative to their population. These are regional locations where special thought may be required to manage the pressure of tourism on their regional economies and societies.

Taking a closer look at the different classes of population, it is possible to highlight further information:

- Flows by age groups show some distinctive characteristics with regards to where they are occurring. Capital cities remain attractive in terms of having the average net effect of pulling in large numbers of younger and middle-aged adults but having a net outflow of

older aged adults. In contrast non-capital city regions, on average, have a net inward attraction for all these three age groups.

- A “silver age drain” seems to be occurring from the north-east to the south west of Europe, also at the level of individual countries, towards regions offering higher place amenities, a better climate, and convenient properties, or inland regions well-known for their amenities, whereas the urban powerhouses of Europe emerge as places from where many workers are more likely to leave when they retire. The mobility drivers for this group are different from those of the younger working age group.
- With some exceptions, the attraction of a non-conventional form of medium-term mobility such as student exchanges seem to favour “amenable areas” rather than places with the most famous and established universities.

Map 2 suggests that the regions in Class 4 appear to be the most interesting in terms of policy messages. This group includes many regions of capital cities such as Inner London, Paris, Berlin, Stockholm, and some other major economic hubs of Europe like Bavaria and the region of Frankfurt. These regions may have become so attractive that they may have reached some sort of ‘threshold’ beyond which, even if they continue being very attractive for young workers, they experience problems retaining the older age groups possibly due to declining urban quality and high prices.

The attractiveness of European cities and regions: relating flows to assets

Following the theoretical reasoning in our project, we identified, measured and analysed various assets broadly related to five general categories of territorial capital (antropic; human-economic; environmental; socio-cultural; and institutional) in the early part of the 2000s decade, also looking at the main spatial trends emerging from this picture. The hypothesis is that different endowments of territorial capital (and their mix) would be attractive to different audiences.

This analysis revealed a broad distinction between regions in the core of Europe that are relatively over-endowed endowed with economic, antropic and institutional forms of territorial capital, although within national systems there are areas especially in transition industrial belts which are relatively under-endowed, and areas in the periphery of Europe which are relatively over-endowed with environmental and social capital. A special case is the regions on the Western Mediterranean Arc from Valencia to Central Italy, which are relatively well-endowed in all forms of territorial capital though their specialisation in offering a good provision of environmental (especially climatic) amenities and a good socio-cultural mix, in addition to their cultural heritage, make them especially attractive to almost any audience considered in our study.

In fact, the last step of our geo-statistical analysis looked into the interaction of endowments with types of territorial assets and the realised attraction of flows. The idea behind it was to analyse whether territorial capital endowments can explain the different performances of regions in attracting the various audiences considered in this study, “predicting” the attraction of a specific audience. These are the main conclusions from this part of the research:

- Whereas visitor numbers are most clearly (and unsurprisingly) affected by the capacity of regions to receive visitors (regions having accommodation and monuments) foreign visitor numbers appear to be the most sensitive to non-antropic assets. Net migration flows are more sensitive to climate than visitor numbers. Attractive regions with lower levels of official tourism accommodation, cultural heritage assets and more seasonal differences in climate can ‘overcome’ these territorial assets to attract higher net

migration and visitor rates than might be expected otherwise. Significantly, potentially attractive regions where residents express a general dissatisfaction with life may attract fewer migrants and visitors than they might expect.

- Some unattractive regions appear to be unable to realise their assets, this cannot be explained by the regression analysis alone. However capital city-regions in areas of generally low net migration consistently attract more net migrants and visitors than might be expected based on their territorial assets alone.
- For the younger age group, we found an association between higher net migration flows and more “urban” regions or regions with busier airports, thus greater accessible, whereas for the mid-age group the association was with culture-rich regions (as captured by the monuments index) and again regions with busier airports. By contrast, higher net migration flows for older working age adults were associated with regions with a lower population density and, interestingly, fewer monuments.
- Higher net inter-regional migration is generally associated with regions that have a busier airport, more tourist accommodation, a better educated adult population, a milder winter, less dependence on public sector employment, more university students and a population that is more satisfied with life.
- Metropolitan city-regions in Spain and Italy appear to demonstrate remarkably high levels of net migration whilst the metropolitan region of Paris demonstrates a peculiar combination of very high levels of visiting combined with net out migration.
- In relation to antropoc assets (measures of tourism infrastructure and built environment) and socio-cultural assets (measures of the social and cultural characteristics of regions), higher net migration flows for the younger, mid-aged and older groups are associated with different bundles of assets.
- For economic, environmental and institutional assets there is a high degree of similarity between the territorial assets associated with higher net migration flows for both the younger and mid-aged groups. Net migration flows for older working age adults are associated with milder winters (in common with the other age groups) and regions with less active economies (lower GDP per resident).
- Whereas visitor numbers are most clearly (and unsurprisingly) affected by the capacity of regions to receive visitors (regions having accommodation and monuments) foreign visitor numbers appear to be the most sensitive to non-antropic assets. Net migration flows are more sensitive to climate than visitor numbers.

However, the most interesting outcome was the identification of regions that perform differently than expected, revealing the existence of factors not captured by statistical analysis (with the available data) and thus to be further investigated at case study level. These were classified in terms of the type of mismatch with reference to membership of the first regional typology of mobility based on net migration rates and visitor attraction rates. The most problematic cases include Mediterranean regions in Greece, France and Spain where territorial assets would suggest membership to the highly attractive classes, but on the basis of observed net migration and visitor rates these regions have attracted fewer people per inhabitant than might have been expected. At the opposite end our analysis picks out regions in Ireland, the United Kingdom, Greece and Turkey as well as a range of capital city regions that have attracted observed flows of migrants and visitors over and above what might have been expected given their level of territorial assets.

From statistical to causal relations: case study research on attraction determinants and mobilisation strategies

In the case study research, we looked at eight “exemplary” regions, varying in scale and geographical features, in terms of their capacity to attract specific flows (as from the general statistical analysis) or for their geographical specificity. The case studies chosen were: Cornwall and the Isles of Scilly (UK), Lille-Kortrijk-Tournai (a cross-border metropolitan region between France and Belgium), Algarve (Portugal), the Province of Trento (Italy), the island of Bornholm (Denmark), Lubelskie (Poland), the Republic of Slovenia, and Istanbul (Turkey).

The case study research used both quantitative and qualitative techniques to ascertain whether some aspects had not been taken into account in the statistical model, or of such regions had been very good (or bad) at “mobilising” their territorial capital in order to realise its attraction potential, either through specific policy initiatives, or as a result of particular forms of territorial governance. The key messages from case study research can be so summarised:

- The case studies and the discussion with the stakeholders support the relevance of the endowment factors used in the global statistical analysis, though real estate prices and affordability proved to be a driver of attraction especially for internal migration and second-home tourism.
- The mobilisation of regional attractiveness in these case study regions proved to be a combination of top-down EU and state policies and bottom-up initiatives of local and regional stakeholders such as municipalities, universities and businesses; EU policies played an important role in making regions attractive for particular audiences.
- Place marketing, paying attention to the quality and the contribution of migration and tourism to the wellbeing of the community, helped some of the study regions to select “target” audiences and develop instruments to attract them.

The insights from case studies allowed the research team to both identify policy strategies that regions in a certain situation (from the point of view of their geographical specificity, or as classified in our analytic exercise of building regional typologies of attractiveness) and at different scales can pursue in order to improve their performance touching the right “strings”, and to clarify the relationships between flows attracted and assets feeding into the “ATTREG future” scenario model that will be illustrated further on.

Looking into the future: policy scenarios and the development of attractiveness

The last part of our project rejoined the analysis of the trends and typologies of territorial attractiveness with the policy objectives. The main instrument to do this was the construction of scenarios based on a prediction model that expands the “static” structure of the statistical relationships addressed in the earlier parts of this study to take into account the feedbacks and cumulative effects that the attraction of specific audiences produces in places. Specifically, we assume that the attraction flows produces effects locally (for instance altering the characteristics of the local job market and structure of prices) and in other regions (flows are drawn from *somewhere*, altering the characteristics there; this is all reflected in a change of attraction potentials in the future.

These scenarios cast some light, although only indicatively, on the expected territorial effects of policies aiming at increasing competitiveness. We used a place based approach for EU policy - different policies in places with different characteristics and potentials - and we characterised our policies as different “bundles” of meaningful changes to our set of

explanatory variables according to the three main orientations of the EU territorial cohesion policy, i.e. “inclusive”, “smart”, and “sustainable” policies. As for target regions, we performed this experiment in convergence (Objective 1) regions but also in a typology of regions derived from our analysis (“overheating” regions, having been extremely attractive and retentive in the 2001-07 period, but having experienced problems in sustaining this performances in the subsequent years when the economic crisis struck).

Detailed results from this exercise, as well as more general insights on attractiveness as a policy dimension, will be given below. In general terms, it was found that the “inclusive” and “sustainable” policy bundles appear to have the capacity to rebalance the concentration of employment opportunities and GDP in the EU core area. Moreover, the “inclusive” and “sustainable” policy bundles also seem to counterbalance the dominance of metropolitan areas. Conversely, the “smart” policy bundle seems to provide a further boost to the urban conurbations. The results also indicate that the application of the policy bundle in clusters of regions characterized by spatial continuity tends to be more effective, due to the synergies induced by an extended and continuous spatial critical mass.

3. OPTIONS FOR POLICY DEVELOPMENT

3.1. A policy development framework

The concept of “territorial attractiveness” has been developed in the ATTREG project as the interaction of a complex set of characteristics based on the presence (or absence) of certain forms of territorial capital with the attraction of various “audiences”, varying in their level of transience in place from long-term residents as working populations to short-term visitors and some hybrid mobilities between these two. In prescriptive terms, then, achieving place attractiveness means finding the right balance in territorial endowments depending on the groups that are the object of attraction strategies (high skilled workers, second home owners, tourists, etc). From this perspective on regional development the ATTREG has identified the roles of environmental, physical and social attributes in reinforcing (or diminishing) the attractiveness of regions for each group.

However, the mere presence of the necessary territorial capital does not automatically lead to attraction and retention of population (or economic development). A strategic approach to attractiveness is based on the identification of what brings about changes in how a place is perceived and trends in population mobility, the consideration of the different ways in which assets can be utilised to make places “different” and “unique”, the analysis of problems and opportunities in the retention of specific groups, and the development of longer-term strategic and integrated policies that simultaneously address a number of different issues and audiences in order to enhance the attractiveness of a place through the creation of new development paths and visions.

Of major importance in this context is the capacity of local governance systems to mobilise these assets, both with regard to existing residents and potential future residents, and various types of visitors. Governance processes have a crucial role to play through what we have termed the *mobilization process*, this is because by bringing together the different stakeholders in a place a strategic and action dimension can be developed which is necessary to mobilise the assets that constitute territorial capital.

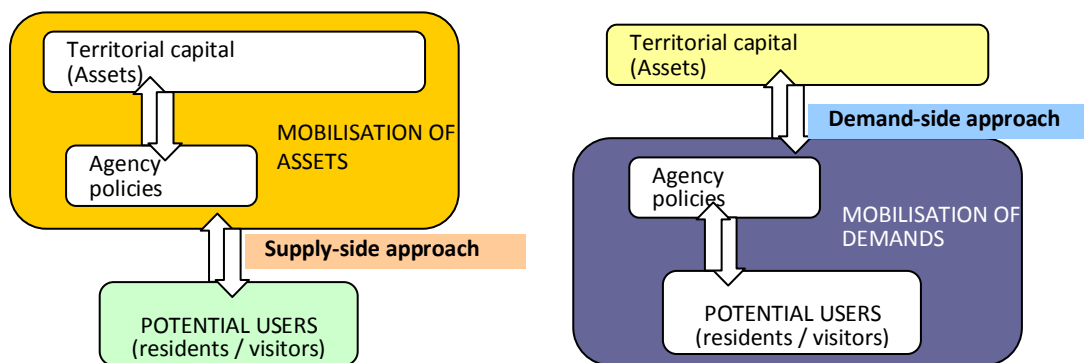


Figure 1: Supply-side (left) and demand-side (right) approaches in the development of territorial attractiveness

The scheme in Fig. 1 illustrates two different approaches in the development of territorial attractiveness, which are not mutually exclusive and need to be combined in an integrated place-based strategy.

In the *demand-led approach* local and regional authorities could support an integrated strategy for the development of territorial capital and its mobilization for attracting resident population and short and mid-term migrants. Some key aspects could be the following points:

- Combination of long and short term strategies for the development of assets (from infrastructure to service)
- Special attention to educational and human capital (in particular for sending regions)
- Facilitation and overcoming of the barriers to labour mobility
- Territorial pacts for an integrated policy strategy

In the *supply-led approach* local and regional authorities, in collaboration with employers/businesses, could identify skill gaps and then attract people that the region considers as necessary to enhance its competitiveness: e.g. the creative class, entrepreneurial migrants, etc., as well as specific targets tourism audiences (e.g. high spending visitor profiles and “silver migrants”). Some key aspects could be the following points:

- Re-branding the territory
- Providing services
- Using tourism as strategy for (re)activating in-flow long-term mobility
- Partnerships between sending and receiving regions

It is important to note that it is often a combination of these two approaches that can be identified in different successful cases. Moreover, while some regions are more selective, targeting specific groups, other regions have no explicit policies to attract particular audiences in relation to their territorial capital. However, as the Trento case study shows when the costs of agglomeration (diseconomies) become higher than the benefits regions tend to become more selective: paying more attention to quality and the contribution of migration and tourism to the prosperity and wellbeing of current citizens.

Place-marketing strategies have a role to play, but it is important that they are targeted and related to the “promotion” of particular forms of territorial capital and directed at particular audiences. Moreover, local authorities need to be aware of the relevance of their actions

(e.g. on social provision) for such audiences and take this into account when acting; again this points to the importance of integrating local authorities into the wider strategy.

Next we illustrate the main insights that the various research steps of the ATTREG project have generated. This is so organised:

- First (3.2) we present the main policy strategies at the local and regional level that may derive from the “positioning” of regions in terms of the typology by forms of attractiveness that we identified, considering the attractiveness for visitors and retentiveness for working age mobile citizens and their combinations, also looking at evidence from case studies
- Next (3.3) we present, also in the light of the evidence from case studies, some general reflections in terms of the role of governance in mobilisation processes of territorial factors for attractiveness at city and regional level;
- In 3.4 we analyze the implications of our “scenario analysis” for the integration of mobility and attractiveness as key dimensions of the EU cohesion policy.
- Finally in 3.5 we conclude with a number of pointers regarding areas of EU policy that should integrate the concern for mobility and attractiveness so that they may become more clearly directed to regional cohesion in the light of the results from our project.

3.2. Regional strategies: pursuing attractiveness for place competitiveness

The analysis performed in the early parts of our project (to be illustrated in more detail in the next section) yielded very simple and intuitive messages that suggest which policy initiatives might be the most appropriate in each context, like the fact that attractive regions with an underdeveloped tourism infrastructure, low provisions of cultural heritage assets and more accentuated seasonal climate differences can “overcome” these shortcomings in territorial capital to attract higher net migration and visitor rates than might be expected by mobilising other territorial capital sources (i.e. socio-cultural and economic assets), or that potentially attractive regions where residents express a general dissatisfaction with life tend to attract fewer migrants and visitors than they might expect.

A more structured approach to yielding policy prescriptions suited to regions with specific issues passes through the development of regional typologies based on the main dimensions of our analysis of attractiveness. In Section 4.2 we will show how these typologies have been created and their characteristics. Here we just want to highlight the main messages from this approach, looking in particular at one typology that divides regions into four groups characterised by combinations of the values of their global net migration rates and visitor attraction rates (visitor arrivals per 1,000 head of population). Broadly, this subdivision picks:

- regions that are both attractive and retentive;
- those that are tourist destinations, but cannot retain their residents;
- those that are retentive for their residents in spite of their lack of attractiveness for tourists;
- those that are neither attractive nor retentive.

This “a priori” classification could hint at simplistic general prescriptive messages, by which the first set of regions are in the “optimal” situation and all regions should strive at being as attractive and retentive at possible, and that it is generally better to attract a stable

population of workers that integrate to the local job market, than tourists whose economic impacts are not always optimal and often excessively volatile.

However our analysis, and contrasting this characterisation with the evidence from case studies, allows us to develop a more sophisticated policy approach. Fig. 2 shows the approximate position of four classes of regions obtained with the statistical technique of clustering with respect to the two discriminating variables, and some of the regions that are therein included. The regions chosen as ATTREG case studies are marked in red so as to illustrate the diversity of situations in this respect that we have addressed in the next step of our research.

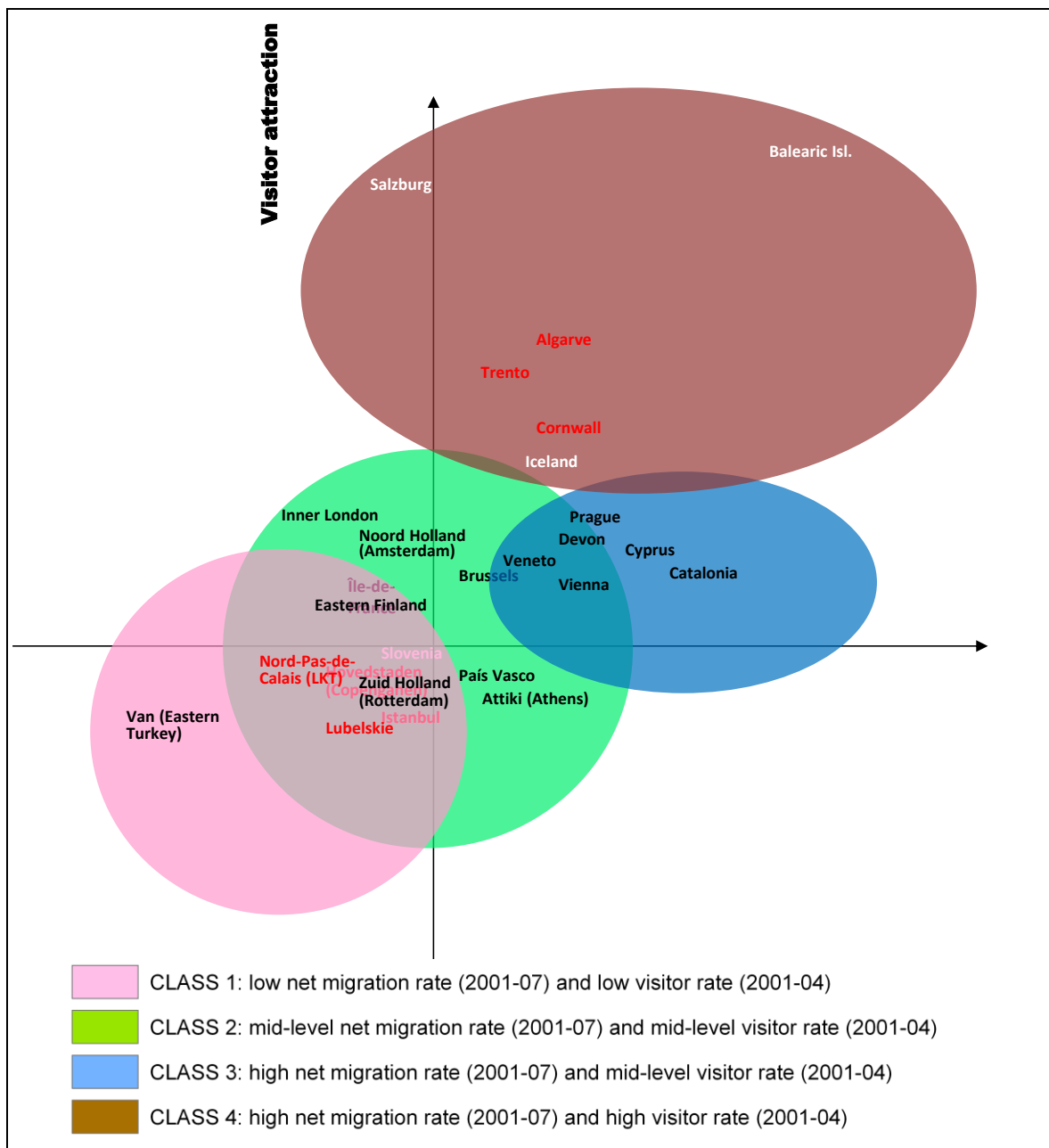


Figure 2: Regional typology by retentiveness/visitor attraction and regional strategies

In general, regions falling in the top-right quadrant (that is, characterised by high attractiveness and retentiveness) could be seen as having performed extremely well in terms

of attracting multiple audiences and thus having succeeded in mobilising their territorial endowments; yet, they could also be considered at risk. In particular, regions overly dependent on tourism, like those grouped in Class 4 (the brown cluster on the top right of the diagram), are inherently “fragile” as indicated by established theories in tourism studies and subject to potentially sharp life cycles, whereas regions in the blue cluster (Class 3), where structural migration has been more pronounced than tourism attractiveness, are possibly “overheating” from excessive attractiveness due to factors that are not totally embedded in the local territorial assets, like the expansion of the tourist sector or other driving economic sectors whose capital structure is relatively more “footloose” and exposed to external shocks: as will be seen below, they are indeed the ones that resented more from the economic slump of the late 2000s.

Whereas for regions in Class 4 the general recommendation would be to be more selective in their visitor attraction strategies, for instance, targeting visitors that produce the highest economic impacts, in the case of Class 3 the suggested policy mix would be more complex and directed at accompanying the attractions of migrants with policies that on one hand – according to a “place marketing” perspective – adapt attraction strategies to the existing economic structures and territorial assets, and on the other manages the inflow of new population and regional users so that it does not generate conflicts with the resident population – indeed many such regions could claim to have proved less resilient to the current economic crisis due to an incomplete integration of new manpower in the local economic networks. Managing the needs of immigrants, adapting the provision of services, but also establishing bilateral relationships with origin regions in order to harmonise these flows and support “returns”, could be the way to achieve this.

Regions in Class 2 are more numerous in the second (top-left) quadrant and are characterised by higher-than-average visitor attraction rates and lower-than-average retentiveness. These could be conceived as “revolving doors” regions, whose main strength is the capacity to attract tourists and other shorter-term mobilities. This does not need be a bad thing, as it emerged from our conversation with policy stakeholders during the ATTREG Second International Workshop (held in Tarragona on 27.10. 2011), if it is the only available attraction strategy, as is the case especially for small university cities retaining a medium-term population which does produce important “structural” impacts on the local economy and social capital. However, it might be the case that these regions should to more to try to retain these transient populations through a “rooting” strategy: for instance fidelising tourists into converting them in temporary residents or offering favourable conditions for housing young households at the end of their study careers.

Finally regions in Class 1 (bottom-left cluster in pink), have generally low attraction rates for both migrants and tourists, and are possibly the most problematic cases, in spite of the fact that this does not necessary means that their economic performance in the study period was bad. Arguably, they could design a growth strategy based on an “attraction kick” in terms of attractiveness for visitors and short term mobilities (as having an event strategy, new and differentiated visitor attractions, or a new university) and using this potential to enhancing their human capital base in the medium term and accomplish a transition to the fourth quadrant.

Fig. 3 thus matches the “ideal regional types” with indicative policy pointers. The evidence from the case study research has provided some useful insights of how these “classes of problems” relative to regional attractiveness have been addressed by specific local and regional policies. The general lesson is that there are a relatively limited number of “policy levers” that cities and regions can affect/deploy in terms of attractiveness policy and the mobilisation of assets. Of course much depends upon the constitutional arrangements and the available local resource base (i.e. financial resources available to and under local control)

in each country that give regions and cities more or less “autonomy” or powers to affect their position and attractiveness to particular audiences.

Policy makers and other stakeholders in these case studies have had various opportunities to invest in the attractiveness of regions and cities for residents and visitors. In view of the transition to a global knowledge-based economy it has become particularly important for regions to invest in the access to (higher) educational institutions as we could see, for example, in Cornwall.

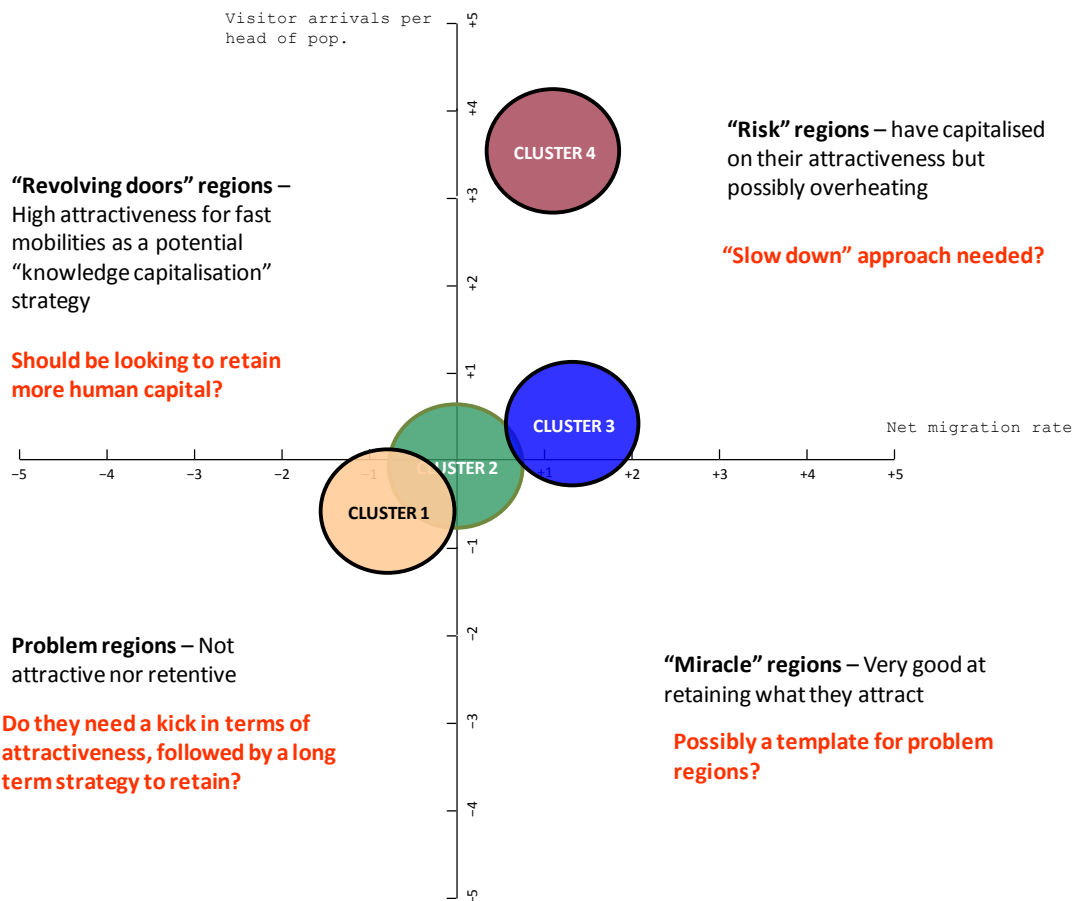


Figure 3 – Regional typology and policy pointers

Another frequently used tool to attract audiences is place marketing. While some regions are more selective, targeting specific groups, other regions had no explicit policies to attract particular audiences. When the costs of agglomeration (diseconomies) become higher than the benefits (economies) regions tend to become choosier: paying more attention to quality and the contribution of migration and tourism to the prosperity and wellbeing of the current citizens. In the case of Algarve there is evidence that better marketing in relation to “silver migrants” could improve the offer to this audience and perhaps attract move migrants. Such campaigns, however, need to be related to enhancement/development of forms of territorial capital relevant to the target audience and its needs. Moreover, local authorities need to be aware of the relevance of their actions (e.g. on social provision) for such audiences and take this into account when acting; again this points to the importance of integrating local authorities into the wider strategy.

Regional and city authorities can also take actions related to other forms of territorial capital through planning policies (e.g. protection/enhancement of environmental assets), investment in appropriate forms of infrastructure (e.g. health care and transport) and the creation of more efficient administrative systems (enhancement of institutional capital). Investment in human capital such as education (enhancement of human capital) is also a common policy. However, as the Cornwall case illustrates these needs to be part of a long-term strategy related to a clear vision of where the region is going. It is also likely to require the injection of significant additional funds from the national level and where relevant (e.g. areas qualifying for Structural Funds) the EU. This also suggests the importance of a system of multi-level governance that is able to integrate and coordinate the actions of different levels of governance.

To sum up, the following are a number of issues that local/regional level policymakers should take into account when it comes to designing strategies to strengthen the attractiveness of their region:

- Although the creative class has become the key target of most attraction strategies in the last decade, particularly for urban areas, our evidence suggests that the success of smart strategies cannot be guaranteed simply by attracting members of the creative class, but need to be embedded in wider regional or urban strategies that are rooted in local potentials and a place-based approach. Some regions did succeed in building a critical mass of the creative class to support greater competitiveness in the knowledge economy.
- The traditional labour force or specific skills can be targets of attraction for successful regions experiencing improvement in their economic performance and successfully developing competitive industrial sectors. In these regions resilient development and enhanced territorial competitiveness will require the attraction of skilled workers to areas characterized by a diffuse SME environment, as well as appropriate forms of labour force to areas with rural-based economies.
- It is not only work-related mobility that can produce positive externalities in target regions. For instance, “silver migration” of affluent groups to certain southern regions (e.g. the Algarve) or certain coastal areas in northern countries has led to the development of a form of economy which goes beyond the traditional forms of tourism exploitation and is arguably more sustainable. The provision of adequate levels of services of general interest and housing in these cases will require dedicated policies to ensure that the needs of new migrant populations are addressed and are retained and additional migrants attracted, without generating intolerable market distortions. Adapting the existing built stock of historical value and diversifying the delivery channels of services of general interest could be the way to achieve this balance.
- Positive effects can be seen not only in destinations of mobility but also in origin regions (Katseli et al., 2006; Gagnon and Khoudour-Castéras, 2011), where over time, the prospect of better future opportunities abroad has encouraged people in origin countries to acquire education and skills. This may also have spilled over into an increase in educational policies and in general measures dedicated to human capital, including services to specific sectors for retaining population. This reflects recognition that while many of those who benefit from such policies will leave some will stay and there can be positive effects within the region.
- Strategies dedicated to the reinforcement of quality of life can have long-term benefits, in particular by encouraging returning processes whereby those who have left for a more “attractive region” eventually migrate back and contribute to development with skills, knowledge and resources acquired elsewhere. The key issue here is to establish cooperative relationships between origin and destination regions to better manage migration and ensure the achievement of ‘win-win’ situations.

- In addition there is some evidence (e.g. the Algarve case) that shows that counterbalancing effects may be created by the activation of synergies associated with tourist-oriented strategies. Short term visitors may induce a double effect: direct economic gain in relation to tourism activities; and an induced effect of repositioning the region as potential destination of longer-term mobility. Hence, sustainable tourism could be an additional factor justifying supporting development in sending-regions.
- Finally, the evidence provided by the “overheating regions” indicates the presence of thresholds representing the balance between inflows of new regional users and quality of life and access to resources for local residents, beyond which local economic systems may become less attractive and/or resilient. In this sense it may be appropriate to develop policies that support mobility among the working population that provide support for delocalization in a situation where a region approaches a “critical condition”. Such approaches could be developed in terms of a partnership of shared responsibility between receiving and sending regions; this would provide greater flexibility for these regions and more social security for the mobile population.

3.3. Mobilisation of territorial capital and governance processes

While our (and other) research has demonstrated the importance of territorial capital to local and regional development, there is still a lack of explicit recognition among policy makers of its importance. Thus there is a need for the recognition of the significance of territorial capital associated with the development of an explicit “mobilisation strategy”. This requires cities and regions to assess their position in terms of endowments, identifying positive and negative factors, and then develop policies to bring about change.

Two main processes can be highlighted:

- ***The role of public authorities and their capacity to strategically instigate and direct the mobilization processes.*** This requires a governance system that can identify the existing strengths and weakness of an area’s territorial capital and develop an appropriate strategy to enhance/develop the different forms of territorial capital through a mobilization strategy. This also requires the involvement of relevant stakeholders/actors to provide the necessary inputs and knowledge.
- ***The differential capacities of stakeholders to mobilise assets in a multilevel governance framework*** is an important factor determining the ability of mobilization strategies to achieve their goals. It is unlikely that regions and cities will possess all the resources/powers necessary to realise a mobilization strategy, thus they will require the capacity to access and articulate resources available at the national and EU level.

Whatever the constitutional position it is first of all important that relevant bodies recognise the importance of territorial capital, assess their position in terms of assets/endowments and identify positive and negative factors. These then need to be related to a vision and long term strategy for development related to attracting particular audiences and that seeks to enhance existing assets which addressing deficiencies in relation to that strategy. It is unlikely that regions and cities will have the necessary powers and resources to do this themselves and thus they need to secure national and where possible European support. The Trento case study shows how an assessment has been made of the ‘limits to growth’ and the need to adapt policy in order to avoid destroying the very assets that make the area attractive (this may be particularly relevant to “overheating” regions). While Cornwall provides an excellent example of how the long term availability of significant EU funds combined with national and regional resources has facilitated the development of a long term regional strategy seeking to bring about fundamental change in the region’s economic

base. Here the EU was able to act as a catalyst that allowed the region to develop its strategy, without such support it is unlikely that the strategy would have come into existence. However, Cornwall also makes it clear that within the region it is important to develop appropriate governance structures that secures the participation of a wide range of stakeholders and is able to mobilise the resources of different sectors (e.g. the private sector and civil society) in pursuit of long term goals. This also indicates the need to develop a strategy that covers the short, medium and long term.

LKT points to some of the difficulties in developing appropriate governance structures, particularly in the cross-border case, and the need for European and national support to facilitate development. At the same time it also highlights the role of local politicians in driving this process – i.e. the importance of leadership. The Algarve case on the other hand seems to suggest that while change can take place without a strong governance system and associated regional policy more could be achieved with a clearer regional focus and better regional governance that engaged with relevant stakeholders. While Bornholm indicates the problems of a lack of central coordination and communication where policy is largely determined by central government and inadequately communicated to local authorities.

Thus governance and the local networks through which mobilization is possible are central to our understanding of the process. Without these it is unlikely that long-term change can be brought about. Regional and city authorities can take actions related to other forms of territorial capital through planning policies (e.g. protection/enhancement of environmental assets), investment in appropriate forms of infrastructure (e.g. health care and transport) and the creation of more efficient administrative systems (enhancement of institutional capital). Investment in human capital such as education (enhancement of human capital) is also a common policy.

Adopting a more straight-forward planning approach means the use of a vision and long term strategy for development, related to attracting particular audiences, which seeks to enhance existing assets while addressing deficiencies in relation to that strategy. It is important to develop appropriate governance structures that secures the participation of a wide range of stakeholders and is able to mobilise the resources of different sectors (e.g. the private sector and civil society) in pursuit of long term goals. This also indicates the need to develop a strategy that covers the short, medium and long term. However, there is also a need for “limits to growth” strategy and the need to adapt policy in order to avoid destroying the very assets that make an area attractive (this may be particularly relevant to “overheating regions” from our attractiveness typology).

To conclude, concerning the mobilisation of territorial capital and strategic governance processes, three key aspects should be highlighted:

- The importance of a multi-level governance system;
- The role of the EU policy; and
- The time factor.

First, it is unlikely that regions and cities will have the necessary powers and resources to activate integrated attractive policies themselves, even when taking into account the wide variety of sub-national institutional arrangements in Europe. Thus, regions need to secure national and where possible European support and coordination. Some regions are able to take greater control of their own development (e.g. Trento in our case studies) while other regions are much more dependent on state-led policies, often implemented by Regional Bodies (e.g. Algarve). In general the mobilisation of regional attractiveness is a combination of top-down EU and state policies and bottom-up initiatives of local and regional stakeholders such as municipalities, universities and businesses. This suggests the

importance of a system of multi-level governance that is able to integrate and coordinate the actions of different levels of governance.

Second, EU policies play an important role in making regions attractive for particular audiences by providing resources and creating the opportunity to create overarching, long-term strategic partnership. This was mentioned explicitly in the cases of Denmark/Bornholm, Cornwall, LKT and Lubelskie. In particular the role of Cohesion Policy, by focussing on particular places, is important given its longer term and focussed nature. However, we did not find evidence of a capacity to integrate other EU, sectorial policies, into a place-based approach and this must be considered a genuine policy dilemma that needs to be addressed at EU and national level. Nevertheless, difficulties are likely to be encountered in developing appropriate governance structures, particularly in cross-border cases, and there will be a need for European and national support to facilitate the development of appropriate forms of governance (e.g. the LKT case).

Third, however, policymakers need to bear in mind that mobilisation strategies that target the development or enhancement of capital assets as well as the construction of place brands can only be successful in the medium-long term time scale. This requires the combination of specific policy measures, related to a clear territorial strategy that addresses the mobility and retention of population; this is what we have termed policy bundle(s) that are part of a place-based approach. Such a strategy must combine a 'nested' and integrated set of policies aimed at achieving short, medium and long term goals supported by appropriate monitoring and evaluation systems to allow for any necessary reorientations. Above all, "short-termism" must be avoided.

3.4. European strategies: balancing attractiveness for territorial cohesion

Local and regional strategies need to be "balanced" within the broader territorial policy approach of the European Union. This brings us to reflect on the role that attractiveness may play in territorial cohesion, taking in consideration that mobility is mostly a relative concept that connects territories through flows of people – people moving into some place albeit for a short time, and enriching it or in any way altering its development potential, are going out from another, producing opposite effects.

If attractiveness is a way to strengthen competitiveness (something that should not be given for granted, at least within the broader European context, as we suggest in this report¹), a European policy approach should be concerned with making Europe as a whole more attractive, and in the context of place-based territorial development, this means striving for some balance in the attractiveness of different places, so that as a result of the flows thereby mobilised, in the longer term, the European territory is globally more competitive, but also no less integrated and cohesive.

This approach would be consistent with the EU2020 strategy (CEC, 2010) in that it expresses a need to acknowledge the potential consequences of different choices in the translation of smart, inclusive and sustainable development into policy strategies that have implications for Europe's overall social, economic and territorial cohesion and the relationship between

¹ The evidence presented Section in 4.2 is that only a handful of regions across Europe experienced high rates of mobility, and in these regions, despite high rates of net migration and the capacity to attract large numbers of visitors relative to their resident populations, the number of people in employment has grown enough to match the ongoing demand for work; thus at the end of the period average unemployment rates remained high.

different territories. This, in turn, would produce “winners” and “losers” which could lead to new population movements.

However, in a context in which the dominant policy aim has been to improve Europe’s competitiveness, and policies are framed by the need to regain competitiveness or suffer continued relative decline, the increasing interest in mobility associated to the policy objective of “territorial balance and harmonious development” and territorial (and social) cohesion across the European space has not been matched by an approach explicitly targeting mobilities. The challenge for the research community is therefore to provide a systematic evidence base to policymakers (as advocated by the Barca Report, 2009) for strategic decision-making and multilevel governance processes.

There are further reasons why the utilisation of local assets (i.e. endogenous characteristics) within a place-based strategy is of such importance – put simply they have the potential to boost economic growth, etc, and in this context place-based policies take on a crucial role (evidence in support of this approach can also be found in the *Second State of European Cities Report*, RWI, 2010: 17-18). The crux of the issue concerns the extent to which the development and deployment of assets, and the consequent generation of attractiveness, are the result of unplanned market processes, or of conscious government interventions.

Thus ATTREG explored the territorial dimension of *mobilities as produced by attractiveness policies*, and presents European policymakers with an evaluation framework that should facilitate taking decisions which explicitly consider attractiveness and mobilities as elements of the policy toolbox. Our approach entailed the identification (among the indicators that we used to measure territorial endowments) of a set of levers grouped into “policy bundles” which relate broadly to the three dimensions identified in the EU 2020 Strategy (i.e. smart, cohesive and sustainable growth). The aim was to define a set of key drivers within each normative policy discourse and their implications for attractiveness-enhancing policies, and to extrapolate each of them to their logical conclusion emphasising the different potential trajectories and their implications.

Such “policy bundles” have been applied in specific areas:

- Convergence (Objective 1) regions as defined in EU policy with less than 75% of the EU average GDP.
- “Overheating” regions as classified in Class 3 from our regional typology on retentiveness and visitors attractiveness.

These two categories represent “extremes” in terms of regional development that require different approaches to support endogenous development based on attractiveness and territorial capital as we have defined them.

The choice of policy bundles and target regions were fed into the “*ATTREG future*”, a sophisticated multivariate dynamic model which generates scenarios for the future. This exercise is subject to unavoidable limits, due to the relatively simple assumptions of the model and to the limited number of variables that are included. Our objective is merely to reflect on the general issues and implications emerging from the inclusion of “attractiveness” as a key dimension of EU territorial policy, without any attempt at a straightforward prediction.

The detailed analysis of the impacts from the application of the three policy bundles in the two classes of target regions are detailed below Table 1 (See section 4.6 for a graphic illustration of results through the use of comparative maps). They refer to the scenarios for three variables (population, p.c. GDP, and export jobs) in 2025 produced by changes in selected indicators of territorial capital, expressed as variations with respect to the baseline

predictions of the DEMIFER project. In this sense, our scenario model allows to “correct” the predictions from that project and to revise some general indications from other projects which did not take explicitly into consideration the diverse character of human mobilities and the (unwanted) second-round effects that these can have on territorial policy targets.

Table 1: Scenario analysis – indicative overall impacts of policy experiments

Policy target regions: CONVERGENCE regions									
	impacts on target regions			impacts on neighbouring regions			impacts on other regions		
<i>Policy bundle</i>	pop.	p.c. GDP	exp. jobs	pop.	p.c. GDP	exp. jobs	pop.	p.c. GDP	exp. jobs
INCLUSIVE	-	++	+/-	+/-	=	+/-	+	=	+
SMART	+/-	++	-	+	=	+	+	=	+
SUSTAINABLE	++	+	++	-	-	--	-	=	-

Policy target regions: "OVERHEATING" regions									
	impacts on target regions			impacts on neighbouring regions			impacts on other regions		
<i>Policy bundle</i>	pop.	p.c. GDP	exp. jobs	pop.	p.c. GDP	exp. jobs	pop.	p.c. GDP	exp. jobs
INCLUSIVE	+/-	++	+/-	+/-	+	+	+/-	=	=
SMART	+/-	++	+	+/-	-	=	+/-	=	=
SUSTAINABLE	+	+	++	--	-	--	-	-	-

Legend:

- ++: large general growth compared to baseline scenario
- +: general growth compared to baseline scenario
- =: no overall change compared to baseline scenario
- : general decrease compared to baseline scenario
- : large general decrease compared to baseline scenario

These results should be taken as indicative, as they are largely based on arbitrary assumptions as it is generally the case with scenario-building exercises. But they do provide some insights on what may occur – all other factors taken as a “given” as in DEMIFER’s baseline scenarios – in the regions they are applied to, as well as in neighbouring and other regions, thus in general in terms territorial cohesion in the ESPON space. For these strategies to have a real impact, the EU needs to ensure that they are supported by appropriate policy instruments and resources, and that national and sub-national administrations are supported in adopting them.

In general, *inclusive* policies seem to produce positive effects in increasing the performance of regions that are underperforming, and at the same time a negative effect on overheating regions. Thus, they demonstrate a specific capacity to reduce disparities among EU regions. Here, the impacts on the labour force and employment seem to be mixed: in general they are negative for target regions where labour participation rates are high for young and old age groups, whereas the impacts are positive for those regions in which the decline in the population-dependent employment outweigh the reduction in the labour force. However, among the various policy bundles, the inclusive one is the only one that does not show a strong correlation between job opportunity and mobility of population. This is probably due to its redistributive capacity and its effects on the welfare system. Here, the role of investment in the public sector has a direct effect in improving redistributive capacity but a lower capacity in producing job availability.

Effects in both convergence regions and overheating regions vary considerably as an effect of *smart* policies. The impacts on employment is generally negative for the target regions where labour participation rates for younger and older age groups are high, whereas they are positive in case of regions with high dependency rates. In general, it seems that this policy bundle is able to affect positively population mobility, job availability and GDP, but within limits, and it does not affect those regions with limited territorial capacities and a predisposition for smart growth strategies. Indeed, application of this policy bundle on average-performing regions does not seem to be particularly effective. This suggests that the use of such a policy bundle needs to be articulated in the context of a precise understanding of a region's territorial capital and what needs to be enhanced or developed through a place-based strategy. In terms of its impacts on neighbouring regions and other regions the impacts appear to be generally positive or at least benign. Nevertheless, there is the risk that in "overheating" regions it could create additional pressures that might exacerbate an already fragile situation (e.g. in the context of the present economic crisis).

Sustainable policies may determine positive direct effects in both convergence and overheating regions, attracting population from neighbouring regions. Although it appears as the least effective in terms of GDP increase, probably due to more investments in quality of life (and other "soft" factors), it has the highest impacts on the regions that in absolute terms present less job opportunity and lower GDP, thus suggesting an important rebalancing role. This would suggest that sustainable policy requires a long-term perspective based upon a clear understanding of a region's attractiveness (both its strengths and weaknesses) and how the appropriate forms of territorial capital are to be enhanced. Again this requires a clear understanding of how a place-based approach might utilise such a policy bundle. However, the impacts on neighbouring regions and other regions are by no means positive and theoretically this could have rebalancing impacts on cohesion at the EU level.

To sum up, the use of our scenarios experiment appears to point at the fact that smart and inclusive policy bundles have a stronger impact on GDP growth than the sustainable one, in particular when applied to "overheating" regions. However, the sustainable scenario has a stronger impact on "export jobs" which appears to increase the attractiveness for population from other regions. In the case of the convergence regions, this scenario hints at a more sustainable economic growth and distribution of population.

However, those we termed "overheating" regions have to be less resilient, in the sense that they were badly affected by the economic crisis. This suggests that such regions had probably reached a threshold beyond which it was not possible to maintain the existing trajectory of development in the context of economic crisis. This indicates the potential danger of pursuing such strategies in overheating regions.

It is important to recognise that the above is based upon a particular set of "ideal" circumstances that are internal to the assumptions and relations underlying the scenario model **and under no circumstances should it be assumed that the outcomes of running the model bear any relationship to how the actual situation in regions will develop in the period up to 2025.** This healthy warning is particularly important to bear in mind because

- 1) the individual policy bundles will not be applied in isolation but as part of a much wider set of, more or less, articulated policies;
- 2) the baseline scenario against which we have measured our predictions does not represent a "real-world" situation;
- 3) the impacts of the current crisis have not been factored into the model, as it is based on pre-crisis assumptions.

3.5. Final reflections: EU and human mobility

Having presented the results of our “policy experiments”, we now turn back to the general context of European policy and its various programmes to indicate at what level our project may produce some useful insights to be taken into account in future developments aimed at territorial cohesion.

The uneven development of EU regions and the identification resultant mobility patterns taking place in relation to changes in perceptions and regional opportunities should reinforce the idea of creating an agenda dedicated to supporting mobility in its various forms, thereby helping make effective the aim of EU to create a framework for the free circulation not only for goods but also for people. Under the banner of social and territorial cohesion the EU should place a stronger emphasis on the social dimension, tackling the mobility of population with through the deployment of wider and more innovative approaches.

An integrated and advanced approach should promote the possibility for people to spend part of their life-cycle in a different context without falling into the traditional dichotomy of tourism-based or life-long migration. In particular, the EU should assist by providing facilities and eliminating obstacles to assist migrants in overcoming the psychological drama of the “displacement” effect often caused by forced migration toward places with better working opportunities that so often has characterized the history of the EU regions.

A change of approach and a policy effort at EU level with the aim of supporting the social conditions for more extensive inter-regional, medium-long term mobility would allow the construction of a more integrated EU, reinforcing the idea of EU citizenship, and providing the opportunities and the conditions for stronger socially and territorially cohesive territories.

A proactive EU approach does not only mean providing the (mainly financial) instruments to affect the territorial assets that can influence mobility. The reference here is for instance to the valorisation of transport infrastructures and accessibility as factors that the research has proved are influential in determining changes in mobility and flow of populations. At the same time, a place-based approach itself can valorise the potential of the different regions but is not enough to guarantee integration and attention to the associated social dynamics created by mobility.

What appears to be crucial is the capacity to provide the social condition for a wider and more protected mobility, overcoming problems (language barriers, different welfare systems, etc), investing in “soft” factors (services, and quality-of-life related factors), guaranteeing and supporting long-term mobility as well as the possibility of returning to origin places (activating partnership between regions, harmonizing welfare systems, etc).

The following policy options are drawn from the project’s findings and literature overview. The caveat being that it is not possible to derive direct correlations between the measures proposed and the outcomes of the project. What they offer is more an overview of possible approaches that could enhance medium and long-term mobility and support attractiveness processes in EU regions and cities. The authors are aware though that some of the suggestions may be politically sensitive, and that they run counter to protectionist national approaches, in particular those resulting from the effects of the ongoing crisis. Nevertheless, measures for increasing mobility in Europe can be considered as a prerequisite that would consequently make attractiveness strategies even more effective in terms of the aim of the overarching greater territorial (and social) cohesion.

Three sets of measures could be identified at EU level:

- Direct actions / programmes
- Forms of financing – incentives
- Networks and learning measures

These three forms of engagement in mobility-related policies could cover a wide range of aims. The following headings indicate some of the most crucial issues.

Mobility programmes

Medium and long-term mobility of population has never been directly approached by EU institutions. It would be interesting to launch dedicated programmes that try to tackle, in an integrated way, mobility pattern processes. EU institutions could launch a new generation of EU Initiatives, following the thinking and actions of previous experimental initiatives (e.g. Community Initiatives). It could combine the methodologies experimented with in programmes such as “Poverty 3” or Equal, with a territorial perspective (cooperation programmes) that have a mobility-based focus.

Exchanges in national labour markets

A crucial factor influencing the aim of increasing mobility is the development of active labour market policy schemes, focusing on the differences between countries and facilitating work exchanges among them. The EU should promote a wide campaign with the aim of easing mobility barriers stemming from the diversity of national social protection and qualification systems. It could include for instance support the coordination of national social security systems and the facilitation of the pension portability. Moreover, the removal of the limits to professional mobility could be combined with financial compensation to mobile job seekers.

Partnerships

The EU could support forms of partnership based on complementarities of mobility flow. Rather than supporting partnership only among contiguous regions, a focus on the mobility dynamics and attention to origin-destination patterns could support the development of networking and synergy among sending and receiving regions/countries. EU action could provide the framework for several activities: language facilitation, specific services dedicated to education for children and permanent settlement, integration policies, financial support, etc. These are all activities that could be supported through the promotion of bilateral programmes.

Partnership and joint programmes between sending and receiving regions (a form of Mobility-based cooperation programme) would enable the building of specific integrated policies in the case of both regions losing population (due to lack of social conditions, the need to maintain contact with out-flow population) and of overheating situations (regions that have exceeded the balance between in-flow and out-flow population or that are experiencing unforeseen structural changes).

Strengthening territorial assets and easing mobility barriers

The EU could implement integrated approaches to the development of territorial capital through place-based programmes. A proper analysis of the strengths and the opportunities of relevant regions, with a thorough focus on territorial capital, would enable the promotion of integrated policies building on the one hand soft factors and services that influences attraction capacities in the short-term (e.g. housing allocation/access policy, child care infrastructure and other policies influencing the cost of mobility) and on the other more long-term investment in educational policies, physical infrastructures, etc.

Dedicated funds

The EU could create dedicated mobility funds that target specific types of (mobile) population for medium-period mobility. In particular it could refer to the following two main groups:

- Specific labour forces and professional categories
- Students

While there is a consistent tradition of providing supporting funds for the latter (Erasmus, Leonardo, etc.) it would be interesting to support mobility among other categories, either work-based or age-based. e.g. specific funds could target mid-life unemployment, combining life-long learning programmes and supported mobility.

Moreover, innovative policies supporting social integration for mid and long-term migrants could be launched.

Mobility-friendly educational policies

Strong emphasis could be placed on the creation of foreign language learning capacities, on the development of life-long learning strategies with a direct focus (also) on geographic mobility, and other direct initiatives aiming to raise awareness of mobility options.

Moreover, the development of a strong communication strategy and knowledge production on mobility should be supported by EU institutions. The identification of roles and responsibility in multilevel integrated policies, the availability of incentives and initiatives supported by EU institutions, States and Regions should be widely promoted and easily accessible. At the same time, good practice examples and programmes should be shared and implemented.

Knowledge-base and evaluating mobility-related policies

It is crucial for the implementation of dedicated policies to increase the quality of research on mobility of population and attractiveness of regions the collection of valid data on patterns of population mobility, of labour demand and supply, etc. This could be supported through the research programmes of DG Research as well as through programmes aimed at regions that build on the experiences of URBACT.

4. KEY ANALYSIS, DIAGNOSIS, FINDINGS AND THE MOST RELEVANT INDICATORS AND MAPS

4.1. Research objectives, structure, and methodology

This project aimed to answer a number of specific research questions, derived from the more general objectives of the study:

1. How do different “audiences” react to different territorial asset endowments? To what extent and how are these responses stratified spatially? What main trends and what key determinants can be observed in the relation between territorial assets and attraction of residents and visitors (of different types)?
2. How does the attraction of specific groups evolve over time? What has been the effect on the sustained capacity of regions and cities to attract other groups?
3. What is the role of mobilisation strategies and specific policies in these outcomes?
4. To what extent has attraction of different groups been a determinant of regional growth and competitiveness? Are such outcomes “sustainable”?
5. What are the roles of different economic sectors in the enhancement of attractiveness for cities and regions? What impact do more general economic trends (e.g. the decline of traditional manufacturing or the increasing importance of services) have on regional attractiveness?
6. What is the likely development in the relation between territorial capital, attraction and competitiveness in the next 15 years under different scenarios?
7. What is the future role of policy, from the local to the pan-European level, in mobilising attraction factors so as to achieve more sustainable development throughout European regions and cities? How can “attractiveness” be integrated into the spatial planning toolbox that is being developed by ESPON?
8. What is particular role of medium-sized cities and small towns as “attractive centres” and how are they integrated in this way into national urban systems and the national economy, depending on the specificities of each country and the specific phase of development, historical and institutional background? And what about other “geographical specificities” like border regions, peripheral sparsely populated areas, islands, etc., that are the focus of attention of recent policy documents like the Territorial Cohesion Agenda of the EU?

These questions are unravelled in a number of interconnected research activities, allowing for feedbacks and loops and also including a number of interaction moments with other ESPON projects. Methodology-wise, we distinguish four main blocks of research (Fig. 4).

The first is conceptual research on attractiveness and place development, mainly conducted through desk research of the relevant literature, and identifying a “knowledge gap” between concepts by now established mainly in the regional-economic and geographic studies about human mobility and the way EU policy has until now addressed these issues and integrated them into agendas. The main objectives of this initial strand of research were, on one hand, to define exactly what we should be looking for, and, on the other, to convert these concepts into variables for analysis and to fine tune analytic methods to the outputs of a new wave of ESPON projects that have become available during this period (EDORA, DEMIFER, FOCI, etc.).

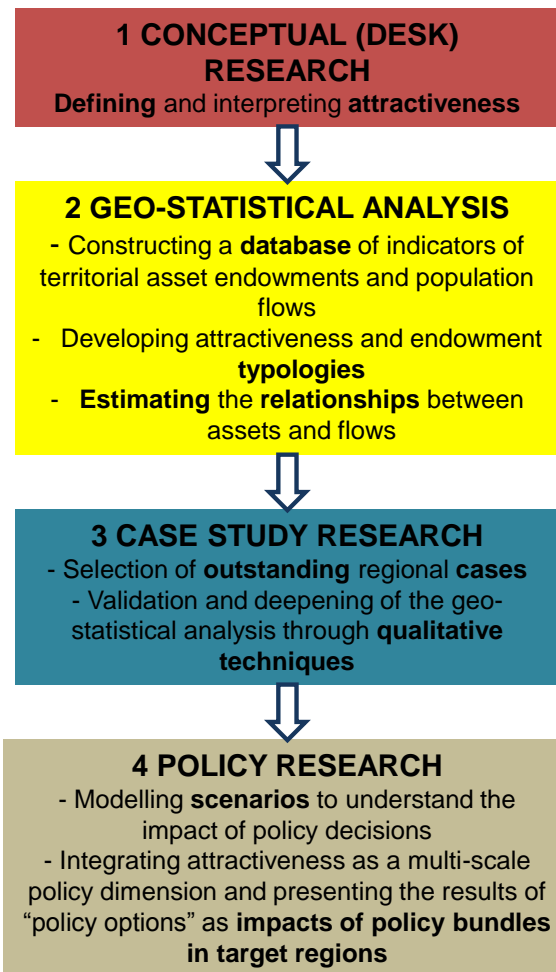


Figure 4: ATTREG research structure

In doing so, we took into account key developments and innovative perspectives in geographic and regional economic studies:

1. ***The increasingly "mobile" character of the contemporary society.*** While the idea of migration evokes without doubts an extraordinary fact, mostly produced by need, and tourism is characterised as an event in contrast with normal life "at home", in the last 15-20 years we have moved – and we embedded this notion in our project – towards a multiplication of forms of mobility, in working life, social relations, as well as leisure, which so becomes a normal condition of individuals and so requires a new epistemological paradigm for the study of human activity and societies (Sheller and Urry, 2006). Acknowledging that everybody is (more or less) on the move, for many different reasons, brings us to reformulate the "audiences" of attraction strategies evoked by the project title (residents and visitors) as positioned on a continuum rather than a binary opposite of long-term/short-term mobility and work/leisure motivations, with strong areas of interrelation as well as "osmosis" between them.
2. ***"Territorial capital" as a multi-dimensional set of place features that is at the base of processes of attraction.*** This notion, already introduced in a number of ESPON projects (i.e. Camagni and Capello, 2009), recognises that human mobility – in its different wavelengths – does not depend only on "neoclassical" economic variables, as the characteristics of the job market or the tax climate, or even on other measurable features, such as accessibility and the availability of services of general interest, but on a

much wider range of soft factors determining the “quality of place”, sometimes difficult to measure, and in any case subject to strong non-linear (the more a place manages to attract, the more or less these assets are present) and lock-in effects. All together, these factors determine an “idiosyncrasy” of places: all regions and cities are differently endowed and so differently able to attract certain audiences, moving away from a notion by which the territory is basically divided into regions that are well-endowed economically, and so attract, while others are lagging behind and so lose population.

3. **The “management” of attractiveness** as the process by which (part of the) territorial capital assets are *mobilised* and exploited by the actions of individual and collective agencies (as well as through more nebulous “market forces”), at different scales, but also by the way in which a territory is governed, in order to be more attractive (Trip, 2007). The opportunities to manage attractiveness are remarkably variable in the extent by which territorial capital factors can be considered exogenous attributes of places (like, for instance, climate), policy instruments under the control of regional governments (e.g. infrastructure and educational provision, landscape protection), or intermediate “place conditions” which could be altered in the medium-long term as a consequence of specific policy decisions or governance styles (e.g. cultural openness, social satisfaction). This process also needs to recognise that there are a range of “different place users” who do not have a uniform set of needs, calling for the ability to both recognise and find a way of reconciling differing needs in the context of an inclusive governance system. It is thus necessary to consider the concept of attractiveness from a governance point of view, particularly in two aspects: firstly, *governance can be a factor of attractiveness*; a well established and reliable governance system can be a factor of localisation. Second, *attractiveness is a concept that shapes the territorial governance process itself*, most notably the “mobilization process” through which territorial assets are activated. Moreover, it also draws attention to the “production” (i.e. as an active process) of attractiveness rather than simply to its “consumption” by users.

Attractiveness can thus be conceived as the complex result of interactions between geographical attributes and a set of factors (themselves, possibly, the result of dynamic processes) that are set in a historic (path dependent) trajectory. It has four important characteristics, which determine to a large extent the various dimensions that need to be analysed for the full comprehension of its effects:

1. History matters: attractiveness may accumulate to its territory over time (as a path-dependent process/set of processes) that can be plausibly associated with the “viscous” character of human mobility.
2. Attractiveness is likely to produce spatial externalities (or overspill effects – both positive and negative) where the attractiveness of any given territory is likely to impact on those that surround it.
3. Attractiveness is a dynamic concept, albeit bounded by path dependency and spatial inter-dependence. Thus whereas attractiveness of a place is influenced by history and by the attractiveness of neighbouring areas, regions that are attractive at a given moment and under a set of given exogenous or endogenous circumstances to a particular group (such as short term visitors), may not be such when these conditions change. Attractiveness can change as a result of policy choices taken either within the territory or at a wider spatial scale – there is the possibility of institutional agency.
4. Finally, attractiveness is not an “absolute” quality of territories, but rather a relative factor of spatial differentiation. Thus a given territory can become more attractive not

only because it has acquired more endowment factors but because other territories have lost some of their endowment factors.

This conceptualisation takes into account the broad perspective elaborated in the theoretical debate (cf. Ch. 1 of the Scientific Report), including the role of hard and soft assets, social aspects of attractiveness and intangible elements. Moreover, it moves beyond static milieu factors, including dynamic process of mobilization of assets through more or less institutionalised governance processes, giving a normative dimension to the concept: attractiveness is a concept that should be specified in relation to certain categories of possible users, to attract whom assets are mobilized. This makes it possible to link our analysis with the potential implications for EU policy.

In accordance with this conceptual framework, we also specified variables/indicators in terms of content (what does the variable tell us), in terms of time (at what time periods is the variable measured) and in terms of scale (at what scale is data available to construct robust variables). In addition this process has reviewed whether there were sufficient data available within the three European Candidate countries (Turkey, Croatia and FYR of Macedonia) to include them in the analysis.

In a *second* block, in the conventional way of the ESPON projects, this statistical information – organised at the NUTS2 territorial level, which we found to be a good compromise between the availability of data and the level of detail at which we analyse the spatial effects of attractiveness – was manipulated to derive meaningful information about the main territorial trends characterising Europe according to these research dimensions, and specifically a number of “European maps” describing key territorial trends, the most important of which are analysed and commented upon in this report. Concretely, we have:

- A. **Selected and calculated a number of indicators describing the realised attraction of different “audiences”, mapped them, and combined them through clustering statistical techniques to derive a typology of regions according to “flows attracted”².** Specifically, we included the following measures of mobility³:
- **Global net migration** into NUTS2 regions, distinguishing between the **three working age groups** mentioned above (early working age 15-24 y.o., mid-career 25-49 y.o., pre-retirement workers 50-64 y.o.)
 - **Visitor arrivals (per 1,000 head of population)** distinguish arrivals **of visitors from the same country** (“domestic”) from those of residents abroad (“foreign”).
 - Incoming **ERASMUS students** in local **universities within** NUTS2 regions.
- B. **Selected and calculated a number of indicators ascribed to dimensions or classes of territorial capital, mapped them, and combined them through clustering statistical techniques to derive a typology of regions according to “potential attractiveness” (for different audiences).** After a lengthy process of data mining and verification, a long list of more than 100 indicators, broadly relating with mobility drivers for specific groups, has been brought down to an “efficient” short list of 18 indicators, subdivided into 5 classes of territorial capital:

² See caveats on the use of these data in Scientific Report, Ch. 3

³ In the analysis, we have also considered migration flows between NUTS2 regions within countries (using data collected by DEMIFER for the period 2001-06 and included in the ESPON 2013 DB) and the EUROSTAT statistics on air passengers embarking and disembarking at airports within NUTS2 regions.

- **Environmental capital** including assets that are in part exogenous features of territories (climate) and in part the result of territorial management or specific policy initiatives (landscape protection).
- **Economic and human capital.** This “traditional” set of migration drivers is mostly linked with the mobility of workers especially at initial stages of work careers, plus indicators of labour market structure and components.
- **Antropic capital.** For this mainly “urban” capital we looked into measures of the intensity and quality of the built environment and accessibility.
- **Social and cultural capital.** This set of territorial capital relates to “soft” features of places and their societies. We used some proxies as socio-attitudinal data, a social composition variable and the dimension of the student community.
- **Institutional capital.** This category expresses potential attractiveness due to specific political structures or policy regimes as well as an efficiency of services. Only one indicator was selected for this category: social satisfaction with a key public provision that is health services.

While not all such indicators are significant explanatory instruments of the flows of all the audience considered over the study period, as will be shown in the next section, some of them are at least related to one. We collected these data over the early part of the 2000s (depending on the availability of data, mostly by averaging annual values over the 2001-04 period, so as to smooth down yearly variations) in order to relate them with flows activated over the next period in the mid 2000s (2004-07 of preference) and so allowing for a time gap which could capture an effect of “reputation building” for potential destinations.

C. **Related “audiences” to “assets”** through multivariate regression in order to:

- Develop a series of equations that the project team will subsequently use in generating a model for considering the potential impact of “policy experiments” (see 3.6);
- Explore the statistical relationship between outcomes and territorial assets in a way to generate insights about actual processes within regions that link territorial assets to mobility outcomes about which sets of territorial assets may be more important than others;
- Identify regions where the data on territorial anticipate different outcomes in terms of migrating and visiting than what actually observed (“outlier regions”).

The “ATTREG static model” block in Fig. 5 illustrates the logical structure of this block, by which we related flows (the “mobility” measure), endowment factors (characteristics of territorial areas that together are labelled as “territorial capital”) and their of mobilisation (the force of place-based agency), also taking into account the territorial and spatial effects that mobility of different types could produce on original attraction factors, thus making our model dynamic.

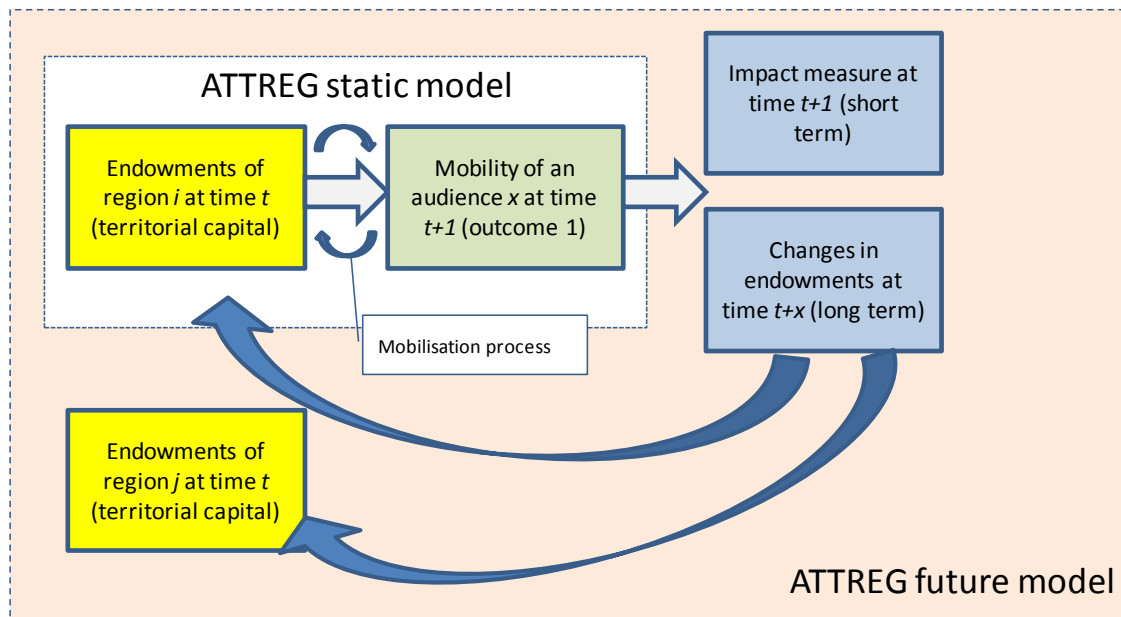


Figure 5: Conceptual model relating mobility to endowment factors and change

In a *third* block, we conducted an in-depth, case-study based research of *eight* regions and cities that have been characterised as “exemplary” of a certain relationship between assets and audiences, studies according to a choice of context-driven qualitative and quantitative techniques.

The final choice of case studies, approved by the ESPON MC, represented a compromise between various desiderata:

1. The inclusion of different scales of analysis, from the very local (cities and regions covering smaller spatial units not covered by the global geo-statistical analysis) to the country level and also the situation of cross-border regions
2. The inclusion of regions in specific geographical settings, like metropolitan areas, islands, mountain regions and coastal regions in the different macro-regions of the ESPON space (the south, the European core, the north, and the south-eastern and eastern periphery).
3. The inclusion of regions in different classes according to the typologies elaborated by this project as far as mobility measures and territorial endowments are concerned, suggesting that they may face different challenges (and studying how they are dealing with them);
4. The inclusion of “outliers” from our analysis (regions that performed in a different way that what could be expected from their territorial endowments in the framework of our model).

The final list of case studies obviously cannot cover all these situations, but we did include a fair number of different situations (see Table 3 below).

These case studies are directed on one hand at explaining cause-effect relationships that are only described statistically in the previous analytic block, and on the other, at exploring aspects of this analysis that for the sake of generality have not been addressed there – for instance, varying the scale of the analysis from country-wide to the finest possible level; or including indicators that were not available Europe-wide. This stage of the research allowed us to wrap up the modelling of the relationship between territorial assets and flows attracted, presenting a broad picture of how the process of attraction works, what are its main drivers and context-specific elements, what main spatial trends are observed, and

what are the most important elements of complexity that policy should take into account when “operationalising” these relationships into the regional policy toolbox.

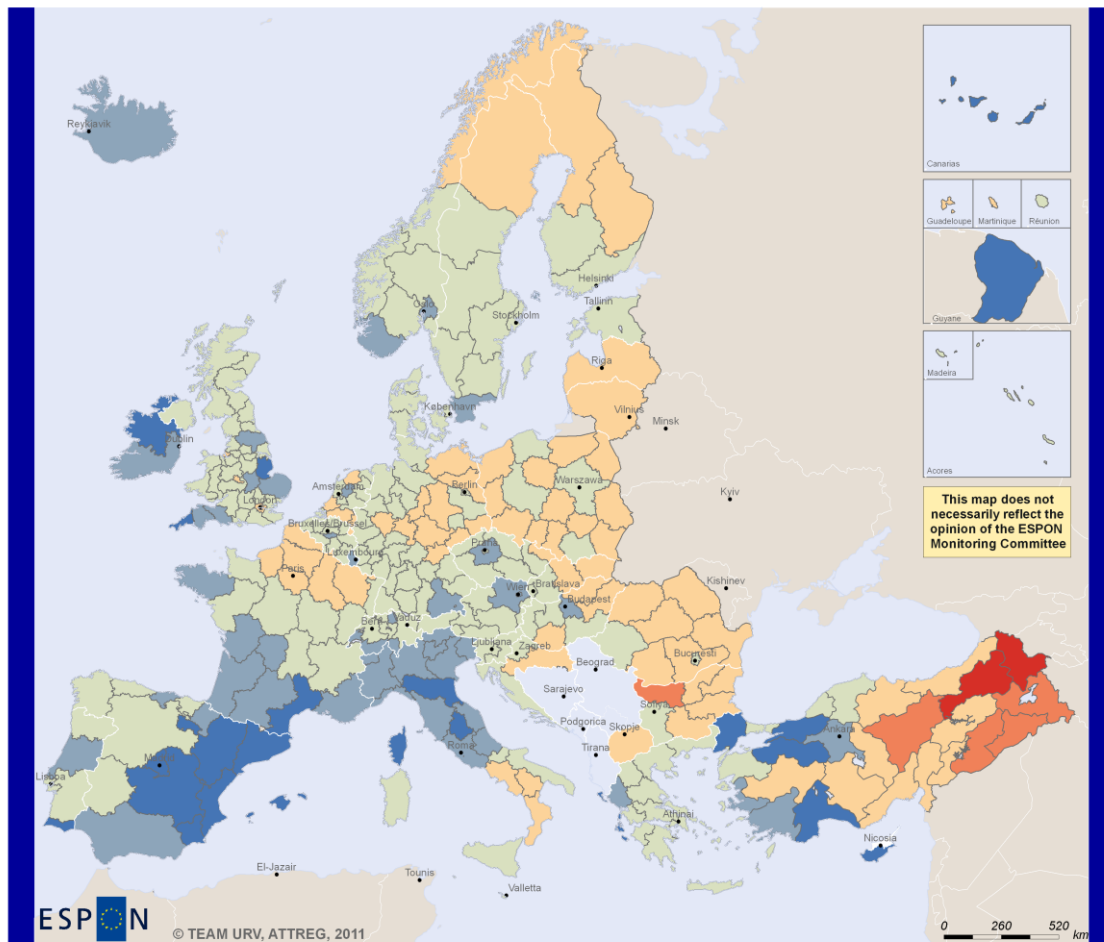
The *fourth* block expanded the general model, projecting it into the future and allowing to address policy issues consistently at the European level. Going back to the logical scheme of Fig. 4, we have assumed that the impacts of attraction (in terms of population, employment, wealth, etc.) feed back into territorial endowments, thus determining a long-term dynamics of attraction for the same regions - but also for other regions, as there is an obvious linkage between them in terms of population mobility: immigration in a region means a relative decrease of population in some other place, which alters its position. We have modelled this through a more complete set of relationships (identified through the case study research) between attraction factors, flows attracted and their effect; that is, bringing into the model the endogenous processes of restructuring of place which spring from attraction. In a sense, this goes in the direction of relating attractiveness with competitiveness, if only to factor in the net effect of the mobilisation of flows across Europe. We used this expanded model (called *ATTREG Future*) to generate scenarios for the future as impacts of a set of “policy experiments” over a baseline model, which we assumed to be the predictions of the DEMIFER project (ESPON, 2010).

4.2. Realised attraction – human mobilities in the ESPON space

The main point of departure of our project is given by the global net migration rates for the period 2001-07, mapped in Fig. 6. This map reveals a prevailing trend for net out-migration from large parts of northern and eastern Europe (Poland, northern Finland, Bulgaria), but also including regions from within the European “Pentagon” in Northern France and parts of (mainly Eastern) Germany, towards southern and western Europe and in particular the Mediterranean arc of Spain, southern France and northern Italy. A more articulate analysis shows that net migration rates (positive or negative) are generally low in regions to the east and north, while they are consistently high (and pending to positive) in the west and south.

All the main metropolitan and capital city regions, like Madrid, Amsterdam, Prague, also attract population, as do some “intermediate” urbanised regions like Southern Sweden, Western Ireland, parts of Central Italy and of England. The coastal regions of the Mediterranean that are popular tourist resorts, like the Spanish coasts, Algarve, Central-Eastern Italy, Cyprus are particularly dynamic, showing a trend for which tourism can be an agent of urbanisation attracting workers and new “lifestyle” residents. The strongest economic core regions of Europe have a moderate attraction capacity with the negative exception of Paris, London and Berlin, which have probably started to suffer from dimension (and congestion) diseconomies produced by their large attractiveness in the earlier period of the late 1990s-late 2000s.

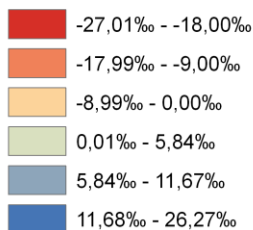
The general trend however is of a relative increase of population in more densely populated areas also within national systems, and of a severe population loss in Eastern countries and peripheral regions, while Eastern European capital cities reinforce their position (Prague standing out as the most attractive place of the 2004 enlargement area). Even within the de-populating north and east generally we observe on-going processes of centralisation around the capital cities within countries.



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Regional level: NUTS 2
Source: Own calculation by Ian Smith based on ESPON 2013 DB
Origin of data: ESPON 2013 internal dataflow ; Turkish Statistical Institute;
FYROM Statistical Office; National Statistical Institute of Croatia
Author: Anton Magarolas Navarro
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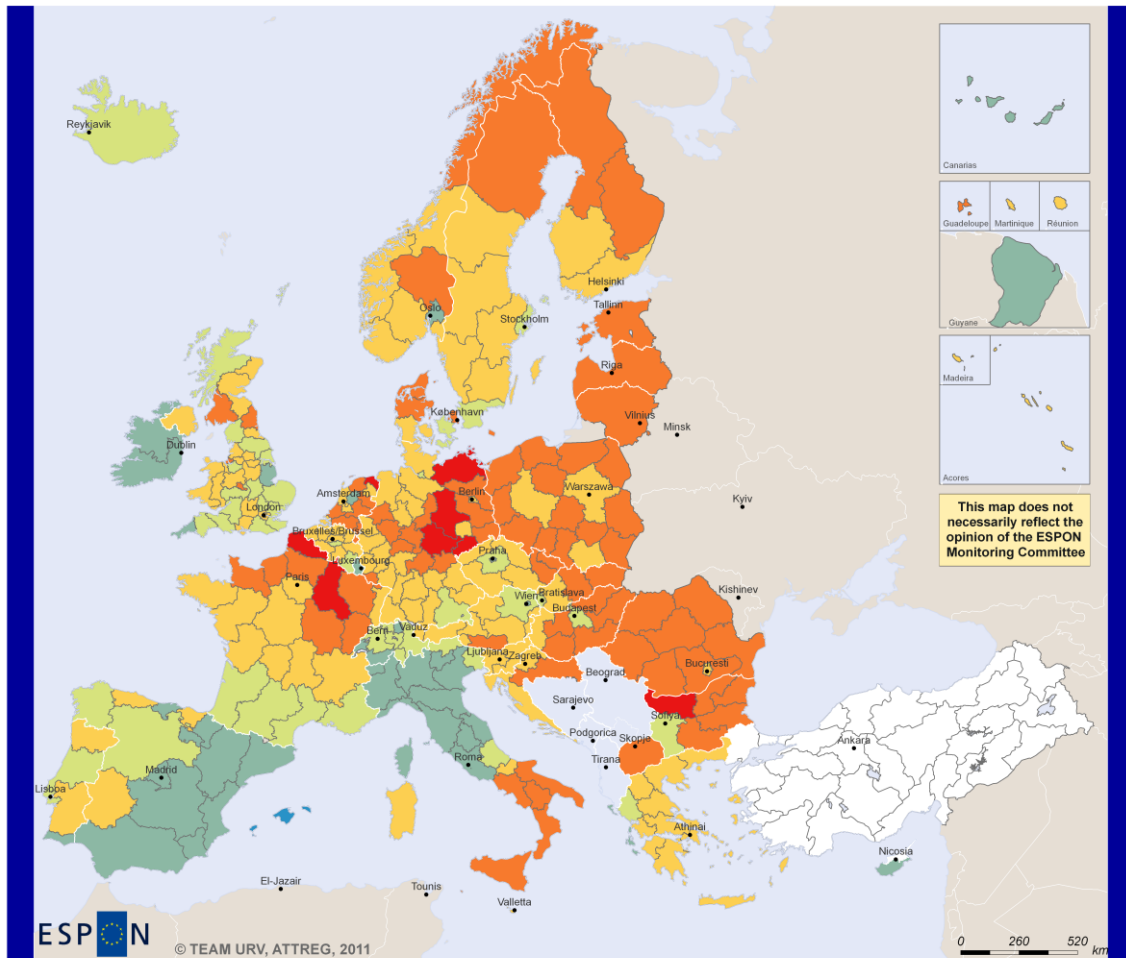
Net migration rate *



* Average annual net migration rate for 2001-07
(net migrants per 1000 inhabitants)

Figure 6: Net migration rates, 2001-07

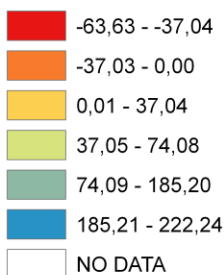
How does this picture break down with age? Flows by age groups (shown in the three maps of Fig. 7-9) show some distinctive characteristics with regards to where they are occurring. Capital cities remain attractive in terms of having the average net effect of pulling in large numbers of younger and middle-aged adults but having a net outflow of older aged adults. In contrast non-capital city regions, on average, have a net inward attraction for all these three age groups.



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Regional level: NUTS 2
Source: Own calculation by Ian Smith based on ESPON 2013 datasets
Origin of data: DEMIFER (ESPON internal dataflow)
Author: A. Magarolas
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Net migration rate *



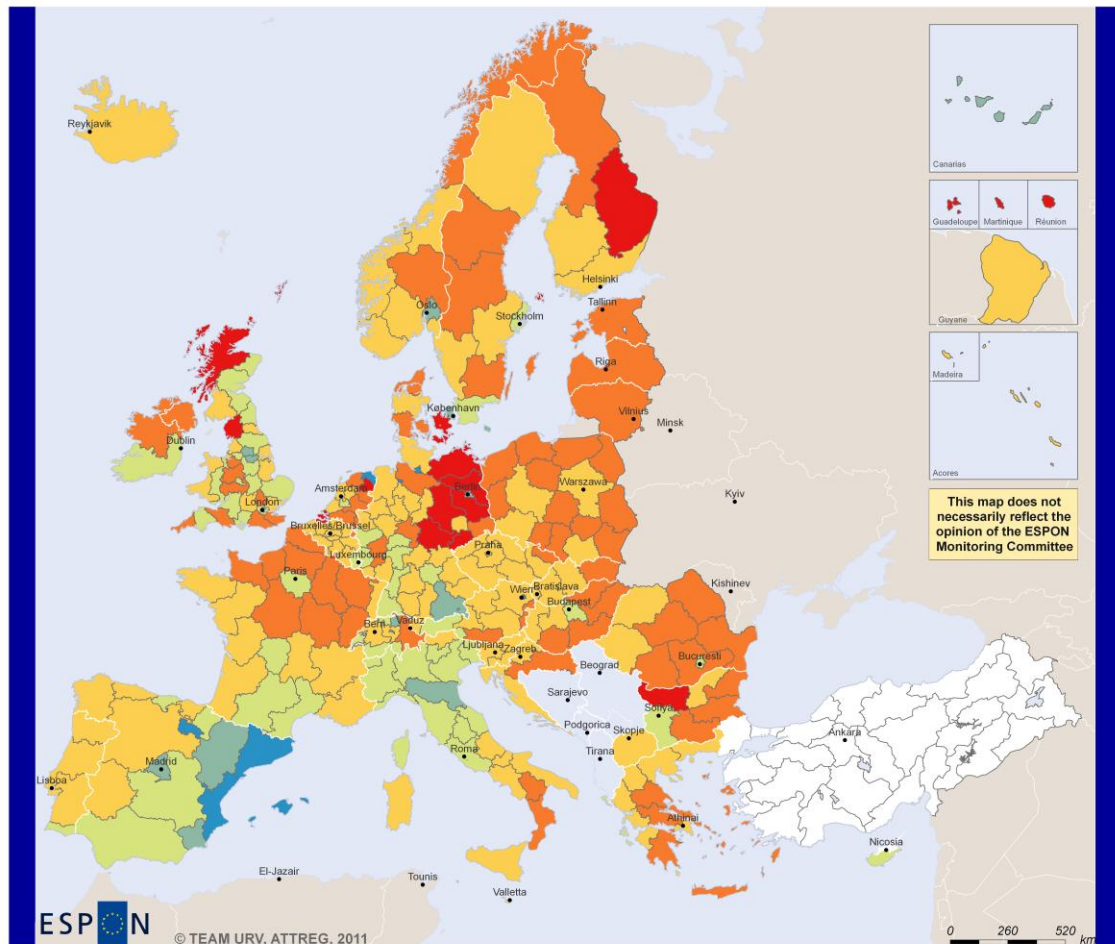
* Average annual net migration rate for 2001-07 (net migrants per 1000 inhabitants). Cohort B defined as 20-44 y.o. in 2002, 25-49 y.o. in 2007. Net migration rate defined as change in cohort accountable by net migration

Figure 7: Net migration rates for the 25-49 y.o. age cohort, 2002-07

The 25 to 49 year old group (Fig. 7) is the single largest cohort of the three we have considered. The countries that make up the ESPON space gained around 4.8 million adults in this age band over the period 2002-07; the UK (with a net in-migration of around 530,000), Spain (around 1.7 million) and Italy (around 1.2 million) were the main destinations⁴. For this

⁴ It is important to note that in the Italian case this information may be biased by the fact that twice during the 2000s decade legal procedures to regularize not previous registered immigrants have been enforced.

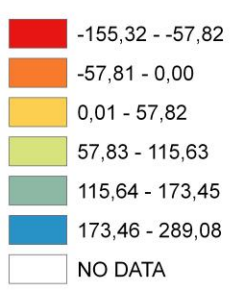
group – that we relate with a “career-driven” mobility – economically stronger regions tended to score better, and in general all the strongest MEGA with Madrid, Barcelona, Milan, Dublin, Amsterdam, Brussels at the front, while in London, Paris, Berlin growth was more moderate.



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Regional level: NUTS 2
 Source: Own calculation by Ian Smith based on ESPON 2013 DB
 Origin of data: DEMIFER (ESPON internal dataflow)
 Author: A. Magarolas
 © EuroGeographics Association for administrative boundaries

Net migration rate *



* Average annual net migration rate for 2001-07 (net migrants per 1000 inhabitants). Cohort A defined as 10-19 y.o. in 2002, 15-24 y.o. in 2007. Net migration rate defined as change in cohort accountable by net migration

Figure 8: Net migration rates for the 15-24 y.o. age cohort, 2002-07

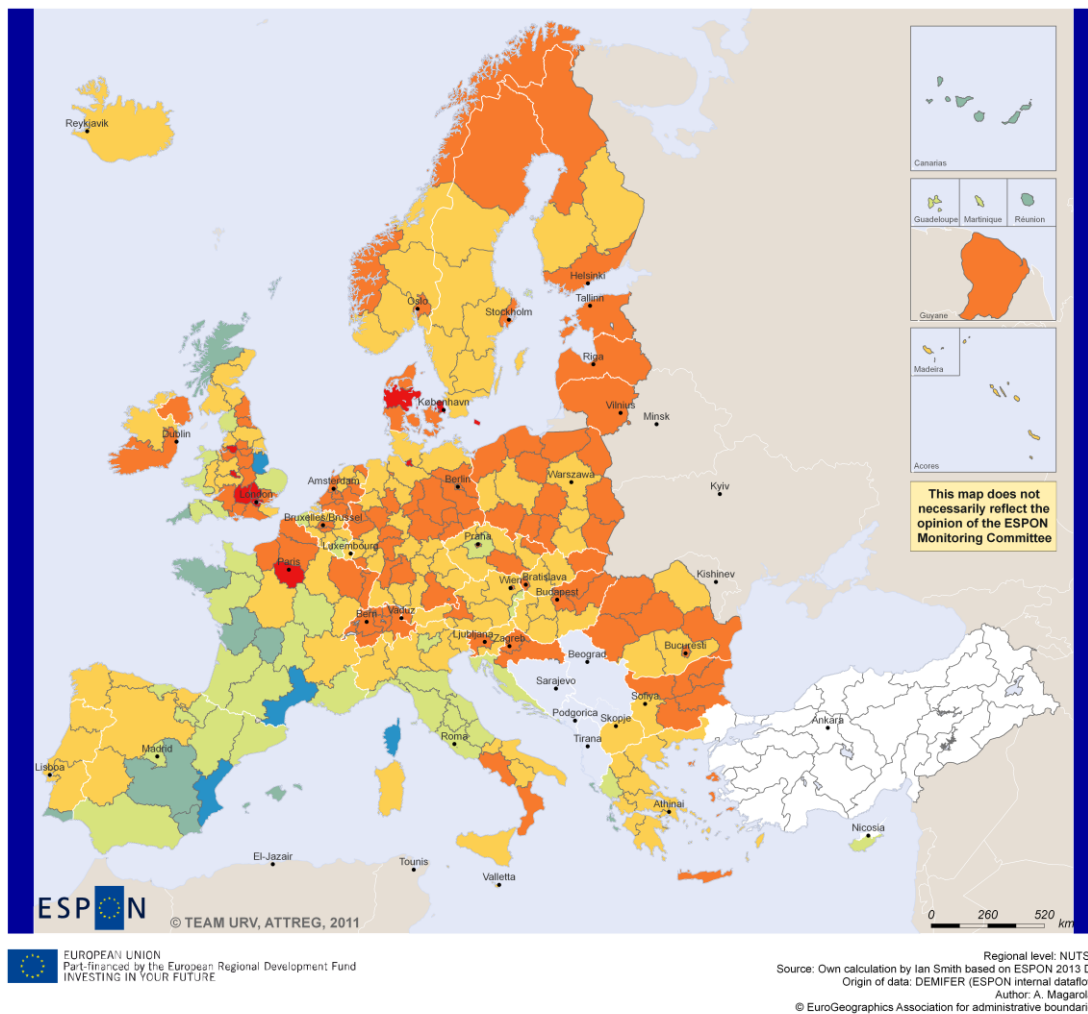
Again, Western Mediterranean coasts seem to have strengthened their position using their natural and cultural features rather than economic assets, as an attractor of this mobility

flows. In the dim eastern-European panorama, cities like Bucharest, Sofia, Warsaw exhibited positive attraction rates consolidating their position and widening the population and skills breach in their national systems. Rural and intermediate regions in southern Scandinavia, central France, Spain, and Italy, central England, Scotland, Ireland, also scored particularly well indicating a trend for skilled workers to be interested in medium sized cities and more sparsely populated regions.

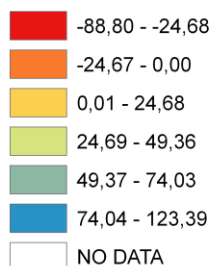
Fig. 8 maps net migration rates for the age group who were 15 to 24 years old in 2007. Globally ESPON countries combined (excluding Turkey) gained 2.2 million adults in this age cohort over this period. Again the UK, Italy and Spain account for the largest numeric components to this increase (around 1.3 million net increase). The average net migration rate for capital cities is around 8% increase in contrast to the mean of 2% for all other NUTS2 regions. Net migration rates for this age group correlate with net migration rates for adults aged 25-49, suggesting that these two age cohorts are finding similar types of regions to be attractive.

Finally, Fig. 9 provides an insight into “silver migration”, proxied by the net migration rates of the 50-64 age cohort over the 2001-07 period. Whereas the ESPON countries gained around 500,000 people over this period in this age cohort from outside of the ESPON area, we observed that the types of areas that attract this age group of migrants do not consistently attract younger migrants. The “silver age drain” seems to be working from the north-east to the south west of Europe, also at the level of individual countries, towards regions offering higher place amenities, a better climate, and convenient properties, or inland regions known for their amenities, like Dordogne.

In numeric terms Spain, Italy and France are net gainers in this age cohort, posing important questions in terms of social security systems in some of their regions, which increased as much as 6 to 10% of population in this age cohort as a result of net migration. Both the UK and capital cities become net losers of population in this age cohort, while regions in the proximity of large metropolitan areas also score very well to this respect (Flevoland in relation to Amsterdam, the Cornwall area, and the suburban rings of Prague, Vienna, and Castilla-La-Mancha in relation to Madrid). Paris and London, conversely, seem to be places from where many workers are more likely to flee from when they retire.



Net migration rate *



* Average annual net migration rate for 2001-07 (net migrants per 1000 inhabitants). Cohort C defined as 45-59 y.o. in 2002, 50-64 y.o. in 2007. Net migration rate defined as change in cohort accountable by net migration

Figure 9: Net migration rates for the 50-64 y.o. age cohort, 2002-07

Next we took into consideration the “short mobilities”. The first is that of tourists. We then used an index of “tourism intensity” (visitors per 1,000 head of population), which represents the size of the “floating” tourist population in relation to that of the stable population in a region. The picture of tourism activity calculated separately for domestic and

international tourists, and mapped in Fig. 10 (a-b), reveals somewhat differentiated patterns⁵.

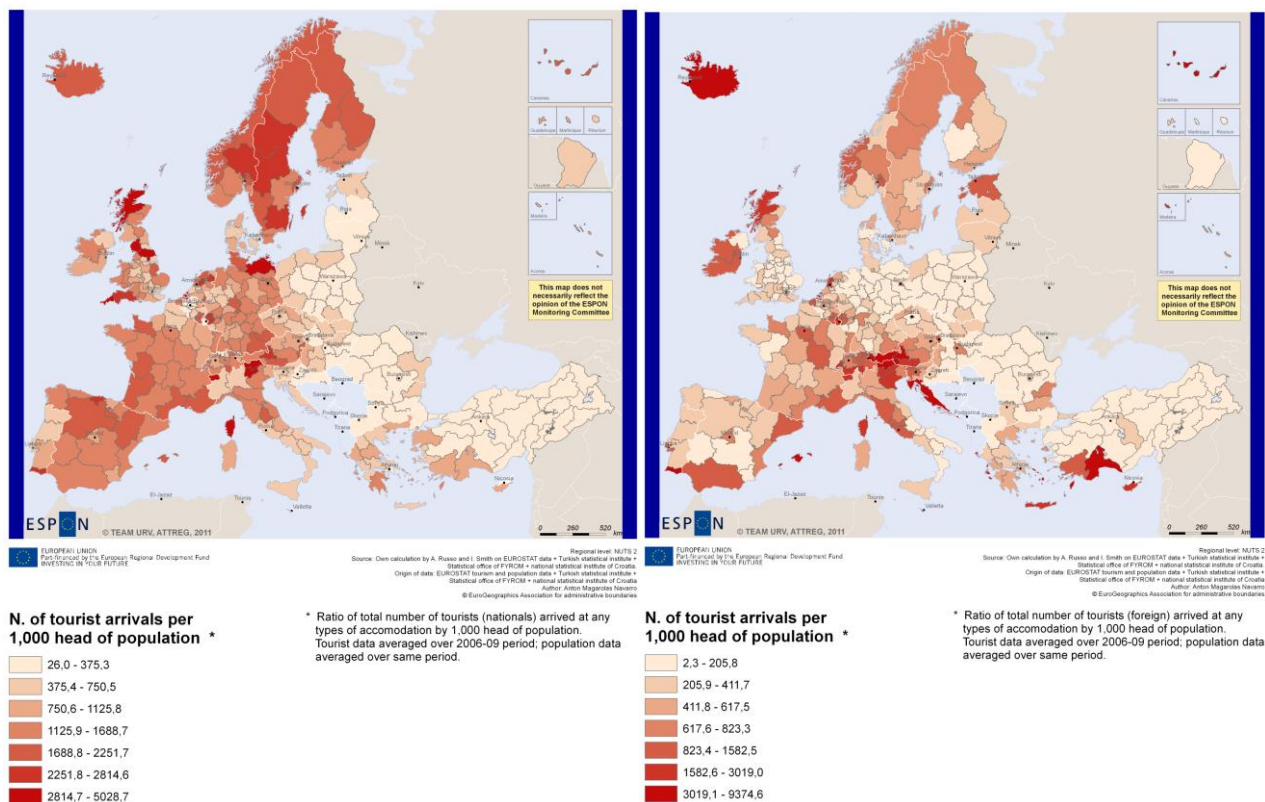


Figure 9 a-b: National (a) and foreign (b) tourists per 1,000 head of population, 2006-09

While domestic tourism (Fig. 9a) privileges rural and coastal areas within each country, international tourism (Fig. 9b) clearly favours the Mediterranean arc, with coasts, islands and mountain regions at the forefront. France is the only country where tourism activity is mostly evenly spread in inland regions. Sparsely populated peripheral regions like Iceland, the north of Norway and the north of Scotland also get a high share of tourism activity. Among capital city regions, Prague, Vienna, Amsterdam, Bratislava and Budapest seem to be the only ones that stand out even after the “urban smoothing” effect. Some regions are clearly under-performing given their location and endowments (e.g. Calabria, Sardinia). The Tallinn-Helsinki cross-border region area offers an interesting insight of an intense flow.

In general, the countries with the largest number of yearly visitor arrivals in 2006-09 were Germany (128 million over the three years), France (124 million), Spain (100 million) and Italy (94 million), with hotspots in southern Spain and Catalonia, Paris and the lower Rhone valley, northern to central Italy. Classic destination regions in the Mediterranean Arc, including coastal resort areas, islands, as well as large urban regions like Istanbul and Barcelona, some metropolitan areas, with Paris, London, Amsterdam, Berlin, and Madrid on top, and a number of rural areas in Scotland, eastern France, central Italy, Sweden, receive the largest share of tourist flows. The “blue banana” regions on the whole score very well, confirming the hypothesis that within mobility flows it is increasingly difficult to distinguish between a purely leisure-driven mobility (traditional tourism), driven by climate and natural

⁵ The format of these maps is intended to allow comparability though it involves a certain loss of detail. The reader is invited to refer to Maps 8-9 in the Scientific Report for a greater resolution.

and cultural attractions, and other forms of temporary mobility, like congress and business tourism, health tourism, educational tourism, which seem to follow the logic of “GDP plus accessibility”.

Finally, we considered the attraction of a non-conventional form of mobility which is statistically included in the category of tourism but obviously is removed from the organisational models and drivers of traditional tourism, that of Erasmus students (incoming students in the academic year 2008/09 for the “top 500” universities in the ESPON space, normalised by the number of university students in regional universities in that same year). Clearly the ability of a NUTS2 region to attract ERASMUS students is somewhat dependent upon a university being located within it. Yet with few exceptions (Paris, Lyon, the south of Sweden and Finland, Copenhagen) the general trend seem to favour exchanges in areas that exhibit a certain attractiveness for the younger population rather than in places with the most famous and established universities; for instance the UK and Germany do not score particularly well (maybe due to language barriers), while the Mediterranean coasts and urban areas are very popular. Prague, Berlin, Budapest, Vienna also do very well in attracting Erasmus students.

In order to facilitate a comprehensive “reading” of these data and make it possible to address consistently regions facing the same situations, we created regional typologies by applying the statistical technique of clustering to the various data series illustrated above.

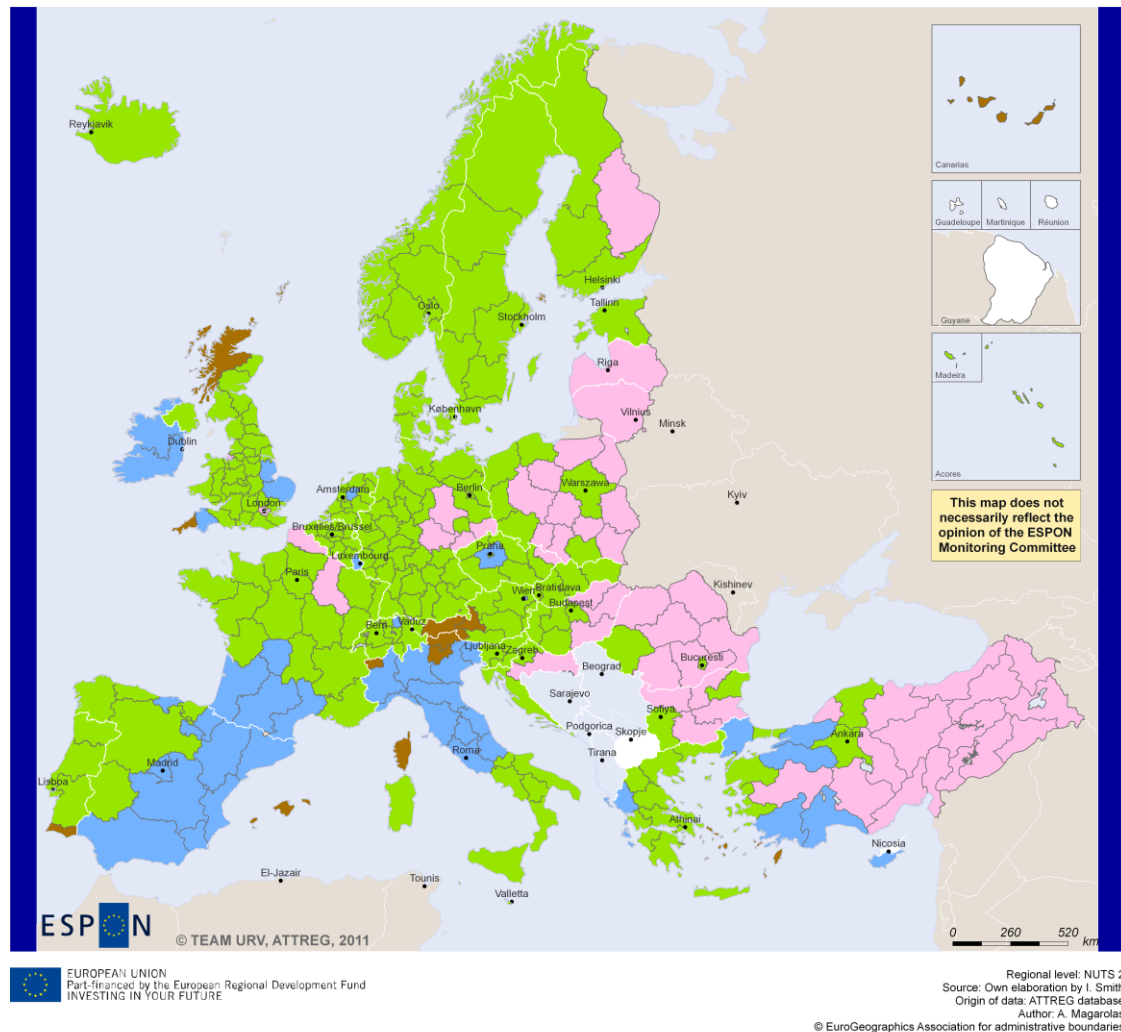
The first and most important typology produced by ATTREG is one that distinguishes between two forms of attraction: the annual average net migration rate for the period 2001-07; and the average annual visitor arrival rate for 2001-04, and classifies regions according to the relative combination of their scores with respect to these two variables. Fig. 11 illustrates this typology.

Thus we identify four classes of regions with “similar” characteristics as far as the combination of attraction rates for the working population and visitor rates are concerned:

- Class 1 is made up of 54 NUTS2 regions (coloured pink in the map) where the average net migration rates over the period are either negative (there is net out-migration) or very small and positive, and combine with low to very low visitation rates;
- Class 2 is made up of 202 regions (in green in the map) where net migration rates are positive but small, and where net visitation rates are close to zero but generally greater than those in Class 1;
- Class 3 is a group of 43 regions (in blue in the map) with a range of net migration rates going from high to very high and a range of visitation rates similar to that of Class 2;
- Class 4 is a small group of 13 regions (in brown in the map) characterised by net migration rates which are generally high, and distinctively high visitation rates.

The membership of this typology suggests that there is a broad correlation between receiving visitors and attracting working population, although the regions in Class 4 are playing a more specialised role in attracting a high volume of visitors relative to their population. These regions are located in the Austrian Alps, along the Adriatic (Croatian), on Mediterranean Islands and along the Atlantic seaboard from the Algarve to Iceland. These are regional locations where special thought may be required to manage the pressure of tourism on their regional economies and societies. In comparison, “blue” regions in class one are relatively more attractive to working population though some of these regions, especially those in the Mediterranean coasts and some metropolitan areas, are established tourist destinations, which hints at an important role of tourism as “agent of urbanisation” in

mature tourist areas and also suggests that there is a strong overlap between regional characteristics attracting segments of the working population and those attracting tourists.



Typology classes *

* Ward's method hierarchical clustering algorithm based on normalised MM2_20 and MT2_43 indicators (4 cluster solution retained).

- CLASS 1: low net migration rate (2001-07) and low visitor rate (2001-04)
- CLASS 2: mid-level net migration rate (2001-07) and mid-level visitor rate (2001-04)
- CLASS 3: high net migration rate (2001-07) and mid-level visitor rate (2001-04)
- CLASS 4: high net migration rate (2001-07) and high visitor rate (2001-04)
- NO DATA

Figure 11: Regional typology by types of flows attracted

By contrast, regions in “green” (Class 2) have been moderately retentive and attractive throughout the study period, and “pink” regions in Class 1 are those that have had the worst performances in terms of attracting visitor flows but also have generally leaked workers out to other regions.

The conventional wisdom is that migrants are attracted by economic buoyancy and tight labour markets. However comparing labour market statistics and economic performances

for these four groups of regions, the most attractive regional types do not have the highest average GDP per capita nor the tightest labour market for highly skilled workers, although regions with the lowest net migration rates and low visitor arrival rates consistently do exhibit lower GDP per capita and employment rates for workers with all forms of qualification.

In terms of unemployment, Class 1 regions demonstrated higher rates of unemployment (measured as a percentage of all working age adults) at the end of our period (2007-09). For the more attractive Class 3 and 4 regions, data show that economies are very exposed to extra-regional labour migration into the regional labour market. We have termed regions in class 3 “overheating”, suggesting that their attractiveness could be due to factors that are not totally embedded in the local territorial assets, like the expansion of the tourist sector or other driving economic sectors whose capital structure is relatively more “footloose” and exposed to external shocks: indeed these regions resented more from the economic slump of the late 2000s.

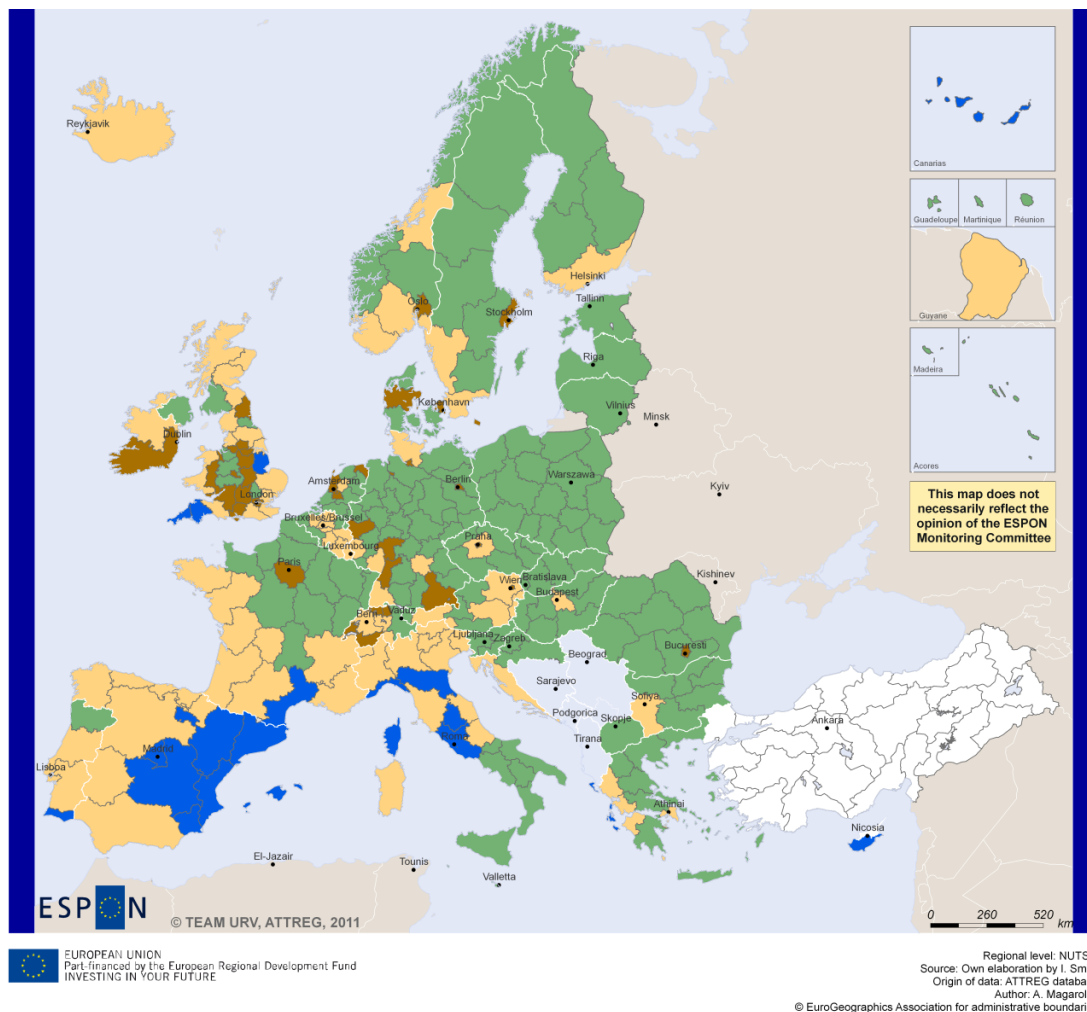
Class 2 regions instead exhibited a lower dependence on extra-regional labour conditions. It is therefore plausible to suggest that the extremely attractive regions have benefited (on average) from a visiting-migrating inter-relation that has particularly depends on contact with foreign born potential migrants in combination with local labour markets that have been relatively tight for relatively low skilled labour. Thus, in broad terms, there appears to be a set of regions that have a great capacity to attract and retain migrants and to attract visitors. The data also suggest that much of East-Central Europe extending deep into northern and eastern Germany, the peripheral north of Scandinavia and the north-eastern France and southern Italy are relatively unable to attract either migrants or visitors. These are areas that appear to be relatively lagging in economic terms but equally appeared to have benefited from the re-balancing offered by migration patterns during this period.

A second regional typology was developed looking at net migration rates by age group. This was a typology for which we were unable to generate data for Turkey but it does cover all EU27 member-states plus EFTA countries.

Again we generated 4 classes (mapped in Fig. 12):

- Class 1 is made up of 152 regions (coloured green in the map) that demonstrate net migration rates around zero (a mix of net out and in migration rates) for the younger adults and older adult groups;
- Class 2 is made up of 82 regions (in pink in the map) that demonstrate broadly positive net in-migration rates for both younger and older adult groups (greater than Class 1);
- Class 3 (age related) is a small group of 21 regions (in blue) that demonstrate net positive migration rates for younger adults (similar to the range of Class 3) but net migration rates for older adults higher than for all the other clusters;
- Class 4 is a group of 36 regions (in brown) that demonstrate relatively high net migration rate for younger adults but net out-migration rates for older adults (lower than Classes 1 and 2).

The regions in Class 3 appear to be the most interesting in this typology in terms of policy messages. This group includes many regions of capital cities such as Inner London, Paris, Berlin, Stockholm, and some other major economic hubs of Europe like Bavaria and the region of Frankfurt. These regions may have been so attractive to the point of having reached some sort of threshold by which, even if they continue being very attractive for starting workers, they experience problems retaining the older age groups possibly due to declining urban quality and high prices.



Typology classes *

* K-means clustering algorithm based on normalised variables MM2_06, MM2_12, MM2_18

- CLASS 1 = unretentive region for young (15-24) and medium (25-49) working age groups, medium retentiveness for older working age group (50-64)
- CLASS 2 = region with average retentiveness for all working age groups
- CLASS 3 = highly retentive for all working age groups
- CLASS 4 = highly retentive region for the young working age group, averagely retentive for the medium working age group, unretentive for the older working age group
- NO DATA

Figure 12: Regional typology by retentiveness of age cohorts

Finally, we have looked into the association of these typologies with specific geographic features, as incorporated in the ESPON 2013 Database. On the whole these ESPON typologies have been applied to NUTS3 regions and thus the project team has needed to aggregate them to NUTS2 level for this exercise. Comparing the age related regional typology to two regional context typologies relating firstly to mountainous areas and secondly to metropolitan areas, regions identified with the age-related Class 3 are three time more likely to be in a non-mountainous area and thirteen times more likely to be identified as a metropolitan area than regions in the other three age-related clusters. However mountainous areas are significant within the regions identified in age-related Class 4 (high net migration rates for all age groups). Thus regions with a notable difference

between the net migration rates amongst younger and older working age cohorts are likely to be metropolitan and non-mountainous ones.

Summing up, the study of inter-regional mobility rates across the ESPON space has brought out two main points:

- There is a fair amount of association between net migration rates and visitor arrival rates. It appears that all regions do not follow the same trajectories of development in relation to mobility. Some regions clearly specialise in attracting visitors over attracting migrants (longer term visitors). It also emerges that net migration rates defined in relation to age cohorts also produces different geographies of mobility.
- Measuring migration rate and visitor rate data for regions suggests that there are four basic policy contexts to be addressed by regional policy makers depending on where a region is located within the typology – which were addressed in Ch. 3.2.

4.3. Territorial Capital – attraction potentials in the ESPON space

Regional typology by territorial capital endowment

To simplify the general interpretation of the trends in territorial capital we created five synthetic indexes by classes of territorial capital, obtained as weighed averages of the normalised values of basic indicators considered in each group, and a synthetic regional typology illustrating the different specialisations of regions in terms of their “endowment” mix with different forms of territorial capital. Following, we provide a detail of the main trends exhibited by the spatial distribution of the values of these indicators and their role as potential drivers of human mobility.

Environmental capital

Climate is an important explanation of the choices of tourists, but increasingly it also affects the mobility of immigrants, and especially of mid-career workers in our study, and even more of the “pre-retirement” cohort. In order to measure the “quality” of the climate (which does not coincide with mere temperatures), we elaborated a ‘Tourist Climatic Index’ (based on a methodology developed by Mieczkowski, 1985) based on a complex set of climatic properties that include temperatures, humidity, sun radiation, rainfall, etc. The data show that while in the winter “warmer” regions are clearly preferred as holiday locations, other regions that are currently underperforming as tourist destination have good chances to reinforce their tourist position in the summer and shoulder months. However human mobility is affected to a larger extent by the average climate throughout the year and is sensible to the variability of the weather at destinations: stable conditions are generally preferred (and offer more convenient residential opportunities) over regions with hot summers and cold winters. From this point of view, there are more favourable conditions in the classic Mediterranean arc as well as in some eastern European regions, like warmer regions in the Balkans, central Romania and the Danube valley. Regarding the quality of the natural landscape, the share of classified “Natura 2000” sites emphasises the potential attractiveness of many rural and peripheral regions, although important urban regions (Madrid, Marseille, Rome), and intensely developed tourist region (the Venice province, the Canary Islands, the southern French coast) also score very well.

The global distribution of environmental capital (captured by the synthetic index) appears to be the most important driver of the mobility flows from the north-east to the south-west illustrated in Chapter 3.2, and at the finer national scales, of the flows from congested urban areas towards “retirement” peripheries and attractive regions for domestic tourism.

Environmental capital is richer in regions that are comparatively warmer and more stable in terms of climate, but also by regions characterised by high standards of landscape management. Though the overall distribution does not show a clear spatial pattern, it does highlight the advantage enjoyed by consistently warm regions in the Mediterranean (almost all of Spain and its Mediterranean coasts and islands, the south and south-west of France, Cyprus, as well as almost the whole of Bulgaria); other coastal areas, though moderately attractive in terms of climate, may have been “overdoing” in terms of construction and landscape change (e.g. southern and insular Italy and the Turkish coasts). Besides, peripheral regions at the north-eastern edge of Europe offer an advantage to this respect mainly due to the pristine state of their environment. This aspect may turn out to have potential to counterbalance population loss with inflows of tourists and retirement migrants.

Economic and human capital assets

The key indicator that we considered in this group – which turned out to be a good proxy for almost anything else related with economic conditions driving the migration of workers in any age group – is per capita GDP, whose distribution returns the usual “pentagon” figure with a higher attractiveness of regions in the centre of Europe and in large metropolitan areas and national capitals. Yet one of the key assumptions of our study is that the causal relation between economic and social capital has become more complex and bi-directional in an era of accelerated mobility. These aspects are captured by the potential quality of human capital in our NUTS2 regions by educational attainment amongst working age adults aged 15 years or more. The general distribution of people with a tertiary education is one that is biased towards Western Europe and Scandinavia and towards capital cities, and is on the rise throughout Europe. We also calculated an index of creative and cultural professions as a share of the active population, that highlights the importance of cultural employment in large cities, especially in Central-Northern Europe (but also in Madrid, Vienna, Rome), and in countries characterised by a remarkable capacity to elaborate cultural values into knowledge-based industries, like Finland (telecom), Sweden (design, electronics), the Netherlands (media, publishing), Switzerland (design, architecture).

We also considered the labour market structure in terms of the percentage of residents working in three broad “service” sectors of the economy: consumption-related, private-marketed and public sector employment. Thus England emerges as a nation of shop-keepers, while also coastal regions in Spain and western Italy are high in this type of employment probably because of tourism-related activities. Tyrol in Austria, the Algarve in Portugal and the Balearic Island of Mallorca record the highest levels of employment in consumption-related services for the period 2001-03. By contrast, private marketed services might be thought of as being associated with the command and control functions of the global economy. Thus the London and Paris regions (along with Brussels, Madrid and Scandinavian capitals) demonstrate high levels of employment in this part of the service sector economy. These are forms of employment that are probably the most “footloose” of the service sector and most responsive to the differential geography of available and high quality labour. Employment in the public administration is high in very peripheral areas such as Northern Norway and Northern Sweden as well as deprived and peripheral areas such as Northern Ireland and Merseyside in the UK (all these areas had more than 39% of employment in public administration in 2007-08). The lowest levels of employment in public administration were recorded in Turkey and Romania (around 11%).

Thus on the whole economic and human capital offers a comparatively opposite picture from environmental capital, being richer in the core of Europe and especially in metropolitan areas, as well as in some of the tigers of the European economy of the early 2000s and in mature tourism destinations, while it underplays peripheral and rural regions of Europe and

CECs. It should be emphasised however as some regions that scored well in terms of environmental amenities, are also well-endowed in economic and human capital assets.

Antropic assets

Our first indicator in this class returns the spatial density of important cultural heritage sites and other cultural attractions (as rated by a tourism guide collection), a good measure of how attractive a place is for tourists but also for specific groups of immigrants whose choice of destinations is driven to some extent by the “status” of locations. An elaborated index assigning more value to individual sites than to individual monuments and objects in relation to size assigns high values to German, French, Belgian, and Polish regions, though Brussels, Inner London, Prague, Vienna lead the list.

The provision of accommodation has become an additional explanatory variable of the performance in attracting flows, and as a consequence, certain places have adopted a supply-side strategy, strongly relying on scale returns, to develop as tourist destinations generating a sort of “artificial” attractiveness which is mostly popular among seaside resorts. By this criterion south-western European regions and coastal regions as well as metropolitan areas lead in offering this infrastructure, even when confronted with a more distributed “attraction potential” from cultural and natural assets as in the previous maps.

As a measure of infrastructure that facilitates accessibility we have considered airports, and specifically their ranking in terms of passenger traffic. Airports ranking higher have a greater capacity to attract visitors and other migrants by offering easy (and cheap) access to destination regions, this also suggests that investments in airport infrastructure and the development of routes is likely to make a difference in the attractiveness of regions. Our analysis of this indicator suggests that not all “potentially attractive” places offer a good level of access while others (as in the case of southern Turkey and Scandinavia) have boosted their accessibility in this way. To capture other forms of accessibility (and the enabling infrastructure) we also calculated an index for the road and ferry network, returning a familiar picture of the greater advantage enjoyed by regions at the European core compared with the periphery.

Finally, we considered urbanisation measures, captured by gross population density and by including at least one MEGA. Globally, antropic capital seems to be clustered in the Western Mediterranean Arc - the Veneto and Toscana regions standing out as the best endowed in this respect. These regions both accumulate a consistent share of Europe’s heritage assets and tourist sights, and are relatively “urbanised” and accessible making them potentially perfect destinations for tourism and certain kind of mobility that values the “status” and accessibility of places. Besides, regions in the European core, and especially the most accessible metropolitan areas, are also very well endowed.

Social and cultural assets

Regions that score high in terms of residents who were "satisfied with life as a whole" (from the ESS survey) relative to the EU median score are those who are less likely to generate “lifestyle” migration – people from these areas could decide to move away for economic or health reasons but it is unlikelier that they would move purely to find a better socio-cultural environment. On the other hands the indicator reveals a “dissatisfaction” which is clustered in Eastern and North-Eastern European regions, as well as in Southern Italian regions.

The presence of a relatively large pool of young educated people is a form of socio-cultural asset, attracting other groups, and capturing the “cultural vivacity” of areas that host a large student population. High percentages of students are found in Central Italy, Northern Spain, Northern Greece, Poland and Scandinavia, and - surprisingly - lower rates in core regions,

possibly indicating that areas with higher unemployment are those that push a larger share of young people to pursue higher qualifications. The opposite picture is represented by ageing. We included a measure of the dependency rate of the resident population which shows the demographic problem of Europe's periphery but also of some core areas like north-central Italy and France.

Socio-cultural capital definitely puts a prize on "welfare" regions in Northern and North-western countries, like Scandinavia, the Netherlands, and Ireland, as well as some Alpine regions, though capital cities all over Europe seem to enjoy an advantage, and the position of Turkish (and some Polish) regions also returns as very favourable to this respect. With the exception of Andalusia, the regions of the Western Mediterranean Arc, which were doing well in terms of their environmental amenities, are not well endowed in terms of their socio-cultural capital, which may be a factor hindering their retentiveness in terms of young educated workers.

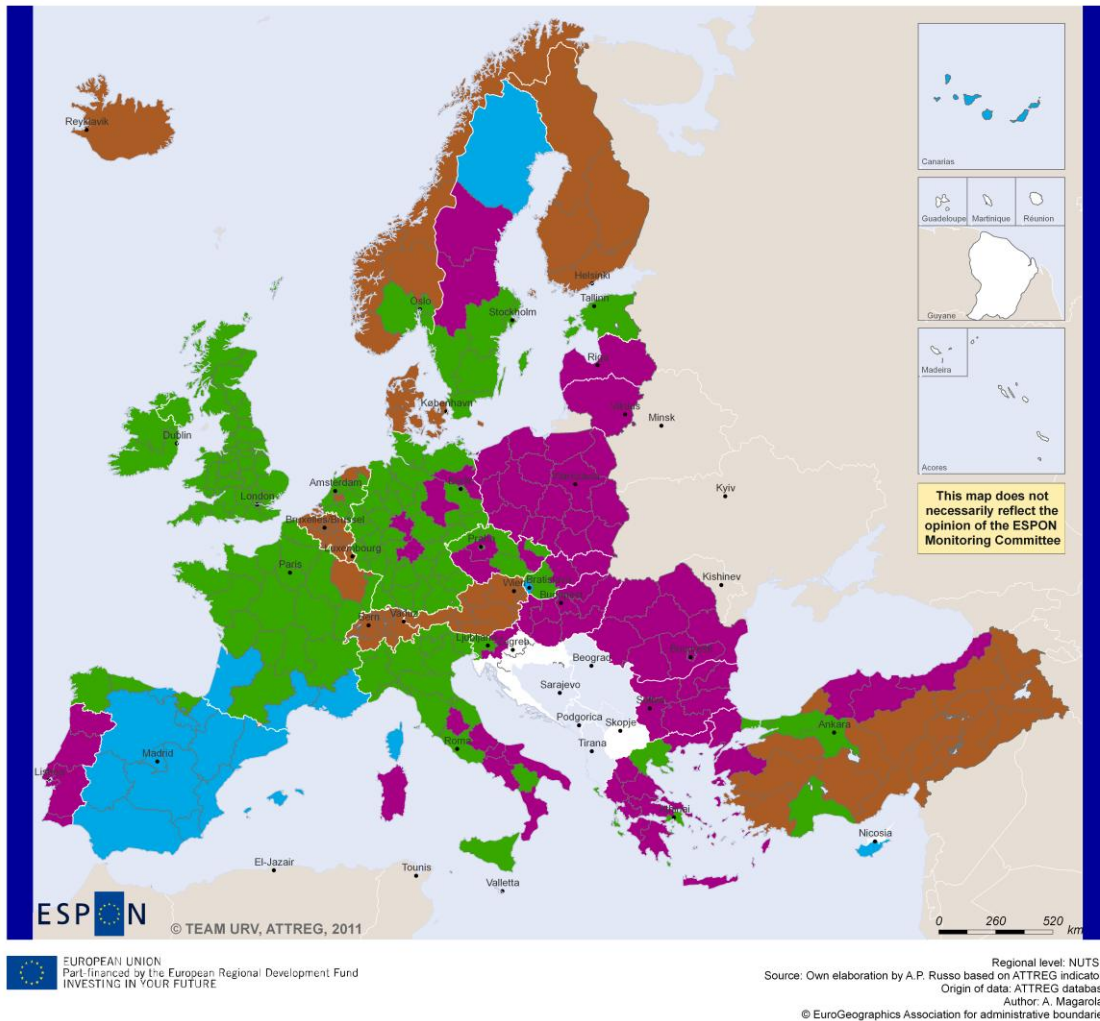
Institutional assets

The index of "satisfaction with health services" (with respect to the EU median score) from the European Social Survey shows the higher perceived institutional capability of regions in the West of Europe, probably the result of well spend money in services of general interest during the years of plenty of the early 2000 decade. A special mention may be done of Belgium, Finland, Iceland, the Copenhagen region, the Italian autonomous region of Val d'Aosta, and the Navarra region in Spain, while surprisingly also all Turkey (except the Istanbul metropolitan region) but especially central Eastern Turkish regions as well as Cyprus score well to this respect. Portugal, Central-southern Italy, Greece, the core of Germany, most British regions, Ireland, and most regions in the East of Europe appear to be perceived as the less endowed with institutional assets.

Synthetic typology of territorial capital endowment

The synthetic typology illustrated next provides an insight of what the most attractive regions for specific audiences could be. The four clusters of regions obtained, mapped in Fig. 13, could be characterised in the following general terms:

- Class 1, coloured blue in the map, includes regions that are typical tourist destinations in Spain (in fact, stretching almost to the whole Spanish country), the South and Southwest of France, and Cyprus, plus the odd Bratislava capital region and the North of Sweden. Their potential attractiveness is mostly linked to the high provision of environmental capital that they offer, as well as good endowments of antropoc elements and economic assets. This should be a magnet for a certain type of mobility that is mostly appreciative of good environmental conditions (like that of retired workers), though the lower than average provisions of other categories of territorial capital could downplay this advantage.
- Class 2, in violet, includes regions in south-central and insular Italy, the whole country of Portugal, almost all of Greece, the North coast of Turkey, plus whole countries (Bulgaria, Romania, Hungary, Latvia, Lithuania) and many other regions in eastern and north-eastern Europe, like large parts of Poland, some Eastern and central regions of Germany, and Central Sweden. Compared with those of Class 1, these regions also offer high levels (though lesser) of environmental amenities but are modestly endowed in all other types of territorial capital, which to some extent may downplay their attractiveness at least for a structural work-related mobility. It could be argued that they need to reinforce these aspects.



Typology classes *

* Obtained by 4-means clustering of the ANTROSYN, ECOSYN, ENVSYN, INSTSYN and SOCIOSYN indicators

- CLASS 1
- CLASS 2
- CLASS 3
- CLASS 4
- NO DATA

Figure 13: Regional typology by endowments of territorial capital

- Class 3, in brown, picks regions or the totality of “small” countries (at least in population terms) characterised by a welfare system (Austria, Switzerland, Belgium, Denmark, Finland, Iceland, Belgium, North-eastern France, regions in Holland and large parts of Norway, plus large part of inland and coastal Turkey. These countries are characterised by a dynamic socio-economic environment, possibly the result of effective public spending in services of general interest, which may result in a high likeliness to attract work-motivated migrants and especially young starters.
- Class 4, coloured green, includes a mix of “urban Europe” – most metropolitan areas and national capitals are featured here – and regions of the “industrial belt” of Europe. These areas score moderately well economically and in terms of physical infrastructure and

other antropoc elements, resulting potentially attractive for younger and mid-career workers, though they may exhibit signs of congestion in the provision of public services and a possible stratification in their in their social mix, and possibly as a result of development having taken place, are less attractive from the environmental point of view.

4.4. Relating Assets and Flows: Patterns of Attractiveness of Territorial Capital

The attractiveness of specific factors to different audiences

We now look at the most interesting results that we obtained in terms of the flows that can be explained through the territorial capital endowments. Table 2 below summarises these relationships.

Table 2: Summary of significant regression associations

		Outcome measure for regression analysis						
		Net migration rates 2001-07			Visitor arrival rates 2001-04			
		Total annual flow	Flow of 15-24 year olds	Flow of 25 to 49 year olds	Flow of 50 to 64 year olds	All visitors	'Foreign" visitors	Domes-tic visitors
an1	Monuments index		(+) *	(+) ***	(-) **	(+) ***	(+) ***	(+) ***
an2	Gross population density		(+) ***		(-) ***			
an3	Airport rank	(-) **	(-) ***	(-) **		(-) **		(-) **
an4	Bedplaces in collective establishments	(+) ***	(+) ***	(+) ***	(+) ***	(+) ***	(+) ***	(+) ***
an5	Accessibility							(-) *
an6	Metropolitan areas			(+) *				
ec1	GDP per capita		(+) *		(-) ***	(+) **	(+) *	
ec2	Highly educated residents	(+) ***	(+) **	(+) ***		(+) ***	(+) **	(+) ***
ec3	Employment in consumption sectors						(+) ***	(-) ***
env1	Climate stability	(-) ***	(-) ***	(-) ***	(-) ***			
env2	Share of Natura 2000 landscape designation							
env3	Coastal regions		(-) ***			(-) **	(-) **	
env4	Island regions	(-) *	(-) *	(-) **				(-) **
in1	Satisfaction with health services							
in2	Employment in public sector	(-) ***	(-) ***	(-) ***		(-) **	(-) **	
in3	N. of NUTS2 regions in country					(+) **		(+) ***
soc1	Share of university students registered in local universities on young age cohort	(+) ***	(+) ***					
soc2	Satisfaction with life	(+) ***		(+) **				
soc3	Dependency rate	(+) *			(+) ***	(-) **	(-) ***	

Significant at 10%: *, Significant at 5%: **, Significant at 1%: ***

Given that the relationships we are dealing with are very complex, the predictive power that we obtained is rather high, indicating that our analysis does capture some important aspects of this statistical relationship. Five measures of territorial assets were consistently identified as having a statistically significant relationship with net inter-regional migration rates over the different time periods:

- the *number of bed-places in tourist accommodation*, where the more bed spaces there are, the higher is the net migration flow;
- the *seasonal difference in climate index* whereas regions with a smaller difference between warm and cold are associated with higher net migration flows;
- the *proportion of resident working age adults employed in public services* - the greater their proportion the lower the net migration flow;
- the number of *registered students in higher education* (as a share of 1,000 residents aged between 15 and 24 years old), whereas the higher the ratio, the higher the net migration flow;
- the level of *general satisfaction with life* such that the greater the proportion of satisfied residents the higher the net migration flow.

However the existing literature on migration would suggest that migrants of different ages might be driven by different attracting factors. The three measures of net migration by age cohort (cf. 4.2) were regressed against the measures of territorial capital. The results in this case are slightly more complex to interpret, as different territorial assets are important for different age groups and could be interpreted as attractive for one age group but not for others. Overall the regression analysis is better placed to explain the territorial assets that might attract higher net migration flows of younger adults than for older adults. This might be the result either of older net migration patterns being more complex (for example older people dividing into “lifestyle” and “ongoing career” migrants) or because the territorial asset variables are less able to capture the things that attract older working age people.

For the younger age group, we found an association between higher net migration flows and more “urban” regions or regions with busier airports, whereas for the mid-age group the association was with culture-rich regions (as captured by the monuments index) and again regions with busier airports. By contrast, higher net migration flows for older working age adults were associated with regions with a lower population density and, interestingly, fewer monuments.

For economic-human, environmental and institutional assets, there was a high degree of similarity in the territorial assets associated with higher net migration flows for both the younger and the mid-aged group. Thus higher net migration flows for both groups were associated, among other, with higher levels of higher-educated people in the workforce and smaller differences in the warm and cold season tourism climate indices; lower proportions of people employed in public services. With the exception of the climate indicator the three other variables were not associated in any statistically significant sense to net migration flows for older working age adults. Instead higher net migration flows for the older group with associated with regions that recorded lower levels of economic production (p.c. GDP).

In the category of social capital assets the regression analysis suggests that each of the age groups is associated with different indicators. These associations indicate a tendency for people within the younger and older age groups to move where there are already relatively larger populations of people in similar age groups.

Regarding visitors, while it is not possible to distinguish visitors by motivations or purpose of visit, we did observe differences in the association of visitors by origin (domestic vs. foreign) with the various measures of territorial assets. It is not surprising that higher levels of visitor arrivals are associated with regions with a greater accommodation capacity and with more monuments to see. It is perhaps a little strange that higher levels of visiting are associated with a busier airport only in the case of domestic visitors. Climate does not appear to be a significant attractor whilst island regions appear to have a negative effect on domestic visits.

Equally regions located in larger countries (with more NUTS2 regions) attract a higher number of domestic visitors. Foreign visitor numbers appear to be associated with regions with higher wealth, a lower proportion of public sector jobs and a smaller proportion of residents of retirement age. The regional proportion of employment accounted for in shopping and tourism has a contrary impact, since increases in this proportion are positively associated with more migration and visiting by foreign visitors but is negatively associated with domestic visitor numbers.

Thus different mobile groups appear to be associated with different types of territorial assets. The question arises as to whether these territorial assets are found in the same region or generate different types of geography. It is clear from the regional typologies of mobility that the “overheating” regions attract high net migration flows across all three age groups and also attract high levels of visitors although it was also notable that the geography of net migration amongst younger adults showed some significant differences in relation to metropolitan regions (higher net migration flows for younger adults and lower net migration flows for the other age groups).

Outliers: the regions that perform “extraordinarily”

Outlier regions in our analysis are those where there appears to be a mismatch between the territorial assets of the region and the levels of net migration into and visiting to the region; these are classified in terms of the type of mismatch with reference to membership to the first of the regional typology of mobility based on net migration rates and visitor attraction rates, and mapped in Fig. 14, where we distinguish five classes of regions: (-2) those that perform exceptionally below expectations in terms of attracting/retaining people, (-1) those that perform below expectations, (0) those that perform as predicted, (+1) those that perform above expectations and (+2) those that perform exceptionally above expectations⁶.

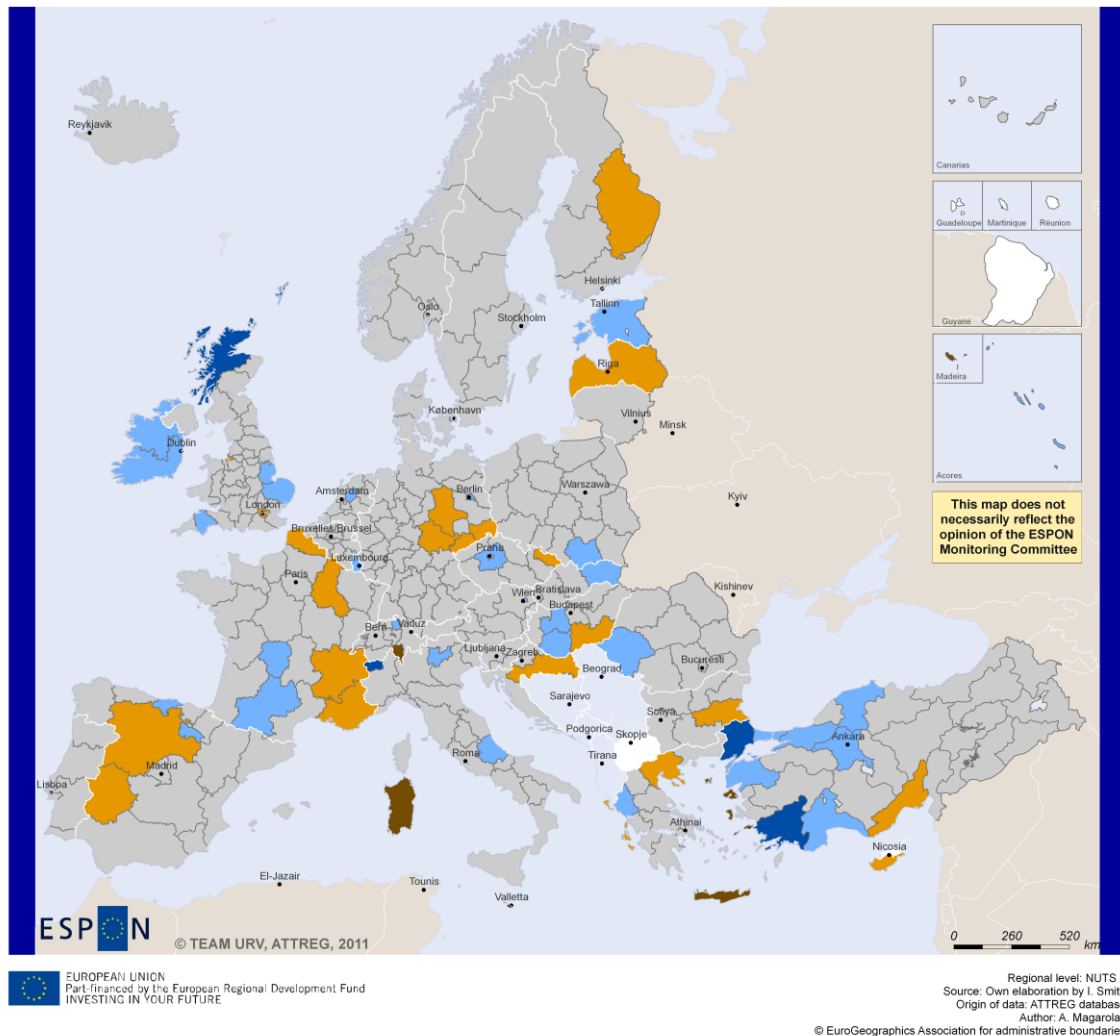
In the context of this research it is amongst these outlier cases we are most likely to appreciate the impacts of policy issues either as a consequence of governance networks failing to mobilise assets (and thus appearing to attract fewer net migrants or visitors than one might have expected) or a result of governance networks making much of the assets they do have (and thus appearing to attract a lot more net migrants or visitors than might have been predicted).

First of all it must be noted that our model predicts “correctly” type membership of as much as the 80% of NUTS2 regions. Thus for 20% (or 53 regions out of 312 regions where there was sufficient data for the exercise) there is a degree of statistical discrepancy between the territorial assets a region has and the levels of net migration and visiting into that region. In terms of predicting regional typology class membership based on territorial assets it was the regions of Class 3 that were the most problematic (only 49% were accurately predicted based on their asset portfolio).

Fig. 14 shows that many coastal and island regions, where territorial asset endowments would have suggested membership of the high performing regions (Classes 3 and 4), on the basis of observed net migration and visitor rates the regions have attracted fewer people per inhabitant than might have been expected. This characteristic is extreme in Sardinia, Malta, Madeira, Crete and the Voreio Agaio island region in Greece, and the Swiss Italian speaking region of Ticino, while other “underperforming” outliers are found in Western Spain, Croatia, Northern Greece, Cyprus, coastal regions in Southern Turkey and Bulgaria, the French Provence and Rhone-Alpes regions, as well as elsewhere in Europe as for instance in

⁶ The full list of regions in each category is provided below as an appendix to Map 41 in the map Annex of the Scientific Report.

Eastern Germany, Northern France, Latvia and Eastern Finland. Many such regions recorded higher levels of GDP per capita, higher numbers of tourism beds, a greater proportion of adults past retirement age and greater accessibility scores than the regions that were both observed and predicted as Class 1 regions. This suggests that they had not managed to mobilise these assets in some way to produce the expected flows of visitors and migrants.



Typology classes *

* Discriminant analysis based on classifying regions based on territorial capital onto TY2_08B

- 2: Observed regional mobility 2 categories 'less than' predicted by discriminant analysis
- 1: Observed regional mobility 1 category 'less than' predicted by discriminant analysis
- 0 : Observed regional mobility as predicted by discriminant analysis
- +1: Observed regional mobility 1 category 'more than' predicted by discriminant analysis
- +2: Observed regional mobility 2 categories 'more than' predicted by discriminant analysis
- NO DATA

Figure 14: Differences between predicted and observed membership of visiting-migration typology

In contrast, a number of regions perform exceptionally well and above the prediction on the base of our territorial capital model; among these, the Scottish Highlands, the Italian Val

d'Aosta, and two regions in Turkey. Then there there's a good number of regions that surpass expectations, such as some eastern European regions, all Ireland and Estonia, some coastal regions in the UK, Luxembourg, Trentino and Abruzzo in Italy, La Rioja and Cantabria in Northern Spain, Midi-Pyrenees and Limousin in France, and a few capital city or metropolitan regions like Vienna, Berlin, Zurich, Istanbul and Ankara.

At the level of nation-states, regions in Ireland, Turkey and Hungary were most likely to be observed as higher than their territorial assets would have predicted. Similarly, regions that were not capital cities were 2.3 times more likely to have observed mobility rates less than predicted in this analysis. This suggests that capital cities may have a slightly greater capacity to mobilise their territorial assets in order to ensure flows of people (as either visitors or migrants).

It is also suggested that regions can manage to attract people flows even if they may appear to be disadvantaged in relation to climate and history (indicators measuring aspects that policy makers can do little about, but positively associated with higher flow of either migrants or visitors).

Overall our analysis is better at explaining the territorial assets that might attract higher net migration flows of younger adults than for older adults. This might be the result either of older net migration patterns being more complex (for example older people dividing into "lifestyle" and "ongoing career" migrants) or because the territorial asset variables are less able to capture the things that attract older working age people.

4.5. The Mobilisation Process

Objectives and methodology of the case study research

In the previous section we related the attraction audiences with territorial assets, and we showed how it is possible to predict a fair amount of the attractiveness of regions and cities over the 2000s decade considering the endowment of different types of territorial capital.

However, this analysis is neither exhaustive nor sufficient to understand the full picture of the way in which territorial assets are mobilised in order to function as attraction factors. To cover in an exhaustive way this objective, we have used a mix of case study methodologies, from qualitative research to quantitative techniques, and a rather broad range of case study regions, from cities to whole countries.

Although we provided a protocol for the case studies, there are some important differences in research methods between the eight studies that have been carried out. The cases of Denmark and Slovenia are more quantitative in their approach and oriented to the development of scenarios, with a more limited number of interviews but the development of a richer database both in term of scale (which is municipal and addresses mobility between LAU areas in the country), and in terms of indicators used. The other six case studies combine data analysis (quantitative) with a more qualitative policy review based on interviews with representatives of governments, businesses, knowledge institutions and other stakeholders. However all case studies follow the same "script" in terms of research questions.

It should also be mentioned that further insights into the case studies have been gained during the Second ATTREG International Workshop, held in Tarragona on October 27, 2011. In this workshop representatives from six of the eight case study regions have been invited to discuss the intermediate project results and the comparative "reading" of the findings from the case study research.

In this section we present the most relevant findings from the eight case studies, without claiming to give a complete overview of all eight cases. For more information we advise to consult Chapter 6 of the Scientific Report and the individual case study reports that are annexed to it.

Characterisation of the case studies

The case studies dealt with eight regions that have their own unique characteristics. First of all the regions are located in different parts of Europe (Fig. 15 and see also Table 3), from the northwest (Cornwall and the Isles of Scilly⁷, Lille-Kortrijk-Tournai⁸) to the southeast (Istanbul) and the southwest (Algarve) to the northeast (Denmark/Bornholm, Lubelskie). Slovenia and the Province of Trento represent the geographic centre of Europe. Our sample includes one island (Bornholm) and one region that can be characterised as mountainous (Trento). Furthermore some case study areas can be labelled as “urban” or “metropolitan” while others are decidedly more “rural”. The most densely populated region in our sample is Istanbul, with almost 2,500 inhabitants per sq.km, followed by the cross-border region of LKT (500 inh. per sq.km). The other six case study areas are significantly less densely populated, though some are polarised in that they include medium-sized cities such as Trento, Lublin, Ljubljana and Maribor.

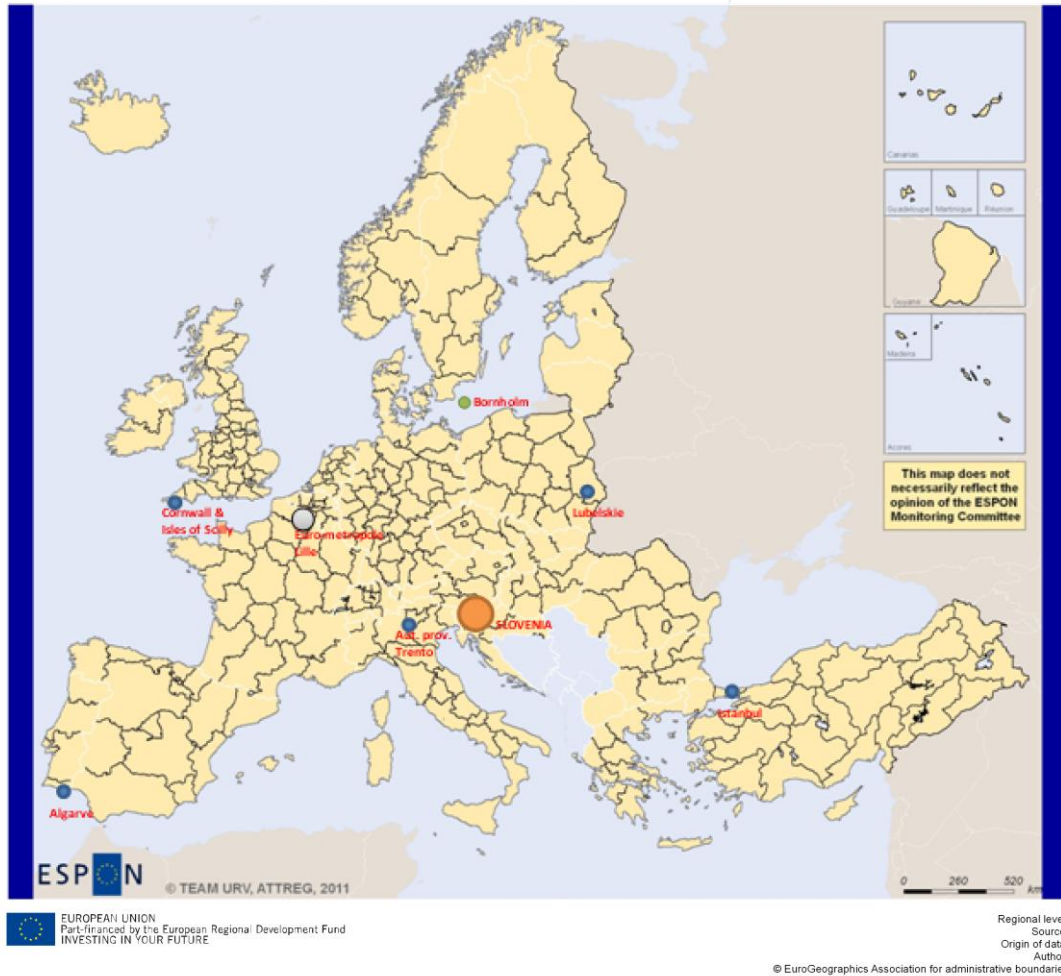
The case studies also vary considerably in scale. While our model looks at attractiveness on the level of NUTS2 regions, some cases have purposively been selected to analyse relations on a smaller and/or larger spatial levels. In the case of Denmark, for example, we look at flows between 98 municipalities (LAU), paying specific attention to the implications of policies for the island of Bornholm. A similar approach has been used in the case of Slovenia analysing flows between 192 municipalities. The Autonomous Province of Trento is classified statistically as NUTS3 but it enjoys NUTS 2 status (under the special statutory autonomy granted by the Italian state), as does Istanbul, which is also one of the 12 NUTS1 regions in which Turkey is divided. The most complicated case in our sample, when it comes to defining the borders, is the “Euro Metropole” LKT: this cross-border region covers parts of three NUTS2 areas on both sides of the border between France and Belgium. For the other three case studies (Algarve, Cornwall and Lubelskie) we used the NUTS2 region as primary unit of analysis, although we also paid attention to internal variation.

The eight regions we analysed differ in their ability to attract and retain people, as well as in their territorial capital endowments, in the degree in which these have proved to be able to “predict” their attractiveness, and, as seen above, in their geographical types and locations. We can thus characterize the eight regions as follows (see Table 3):

- Algarve is a highly retentive (for all age groups) and highly attractive region for visitors, being an important international tourist destination characterised by high provision of environmental capital. The region scores low in terms of internal migration.
- Bornholm is part of a NUTS2 region (the capital city region of Denmark) that is highly retentive for the young age group but only moderately retentive for the mid-career group and not retentive for the older age group, although it is highly unlikely that these trends are the same in the NUTS3 delimitation of the island. It is characterised by a moderate attractiveness for visitors a high level of internal out-migration, and is well endowed with a high level of social capital and more so of institutional capital.

⁷ Hereafter abbreviated as Cornwall.

⁸ Hereafter LKT.



LEGEND

- NUTS 3 region
- NUTS 2 region
- NUTS 0/1 region
- Cross-border region involving more NUTS 2 / 3 regions

Figure 15: Location and characteristics of the 8 case study regions

- As Algarve, Cornwall combines a high retention rate (for all age groups) with a high-level visitor attraction, but it is especially attractive in terms of internal migration. The region has been qualified as a major domestic destination. It is averagely endowed with territorial capital, scoring moderately high only as far as antropic and economic capital assets are concerned.
- Istanbul has not been included in the data analysis of retentiveness by age groups, but it is classified as a region with mid-level retentiveness and visitor attractiveness. It scores as particularly attractive for internal migration. It is characterised by moderate territorial capital endowments (as Cornwall) but it attracts more people that what could be explained through this endowments, standing out as a moderate outlier in our typology.

- LKT shows a low retention rate except for a moderate retentiveness for the older age group, and some ability to attract to visitors in the Belgian part, while the French side has a low score on both factors and is in fact less attractive than what could be predicted by our model. Overall, however, the region has been qualified as unretentive for all age groups, though the balance between internal and external migration rates varies a lot internally. The Flemish part is also particularly attractive for ERASMUS students and it is better endowed especially with social and institutional capital than the French part, which is only moderately endowed.
- Lubelskie scores low on retentiveness and attractiveness to visitors, and has a high rate of out-migration. It is moderately endowed with territorial capital (only scoring very well in terms of its environmental capital).
- Slovenia has been categorized as a region with average visitor attraction and a relatively low ability to retain people of all ages, though its retentiveness has increased slightly throughout the study period from the early to the mid-2000 decade in the capital region (one of the two NUTS2 regions that compose the country) and is moderate for the older age group. The other NUTS2 region has an advantage in terms of environmental capital, while the capital city regions scores unsatisfactorily in terms of all forms of territorial capital except antropic and economic capital of which it is moderately endowed.
- Trento can be characterised as a region with an average retention rate (for all age groups) and high-level visitor attraction. It is a major domestic destination that is also very attractive for internal migration. In spite of a moderate endowment with territorial capital it attract more people that it could be expected according to our model.

Regarding the way in which case studies addressed the issue of attractiveness and retention of specific user groups in the different regions, some cases only discuss migration (Denmark and Slovenia) or mainly focus on the attractiveness for residents (Lubelskie and LKT). Cornwall pays attention to both tourism and migration and the respective synergies, while Trento and Algarve are the more tourism-oriented case studies in our sample as you would expect from these important tourism destinations. In the case of Istanbul we look at tourism flows but also at the attraction of FDI.

In conclusion, the case studies have helped us to analyse phenomena on smaller spatial levels (NUTS3, LAU) but also on larger spatial levels: the relation with neighbouring and sometimes competing regions (e.g. Algarve, LKT and Lubelskie), the position in national systems (e.g. Cornwall, Istanbul and Trento) and the interaction with other European regions (e.g. Algarve, Istanbul, Lubelskie, Slovenia). Secondly, we analysed flows from origin to destination. This has been the main challenge for Denmark and Slovenia, but also in other case studies we collected some relevant data about the origin of visitors and migrants. Third, we found more specific information on the mobility of particular age and education groups, as in the case of Denmark and Cornwall. Case studies also allowed us to gain better understanding of trends in territorial assets and changes in flows, providing some information about what happened after 2006.

Table 3: Case study regions as ATTREG typologies

	Regional typology of retentiveness by age group, 2002-07	Regional typology by types of flows attracted, 2001-07	Regional typology by predictive capacity of territorial capital in terms of flows attracted (outlier)	Regional typology by endowments of different classes of territorial capital	Geographical specificities
Lille-Kortrijk-Tournai (LKT) (including parts of BE25 Prov. West-Vlaanderen, BE32 Prov. Hainaut, FR30 Nord - Pas-de-Calais)	1	Two "2" (BE25 and BE32) and one "1" (FR30) regions	Two "0" (BE25 and BE32) and one "-1" (FR30) regions	Two "3" (BE25 and BE32) and one "4" (FR30) regions	Cross-border metropolitan agglomeration in Western Europe
Bornholm (DK014 as part of DK01 ovedstaden)	4	2	0	3	Island NUTS3 region in Northern Europe
Provincia Autonoma Trento (ITD2)	2	4	1	4	Mountain NUTS2 region (coinciding with NUTS3 region) in South-west Europe
Lubelskie (PL31)	1	1	0	2	NUTS2 region at the eastern border of the ESPON space
Algarve (PT15)	3	4	0	2	Coastal NUTS3 region in South-west Europe
Slovenia (SI01+SI02)	1	2	0	One "2" region and one "4" region	Country (including two NUTS2 regions) in South-eastern Europe
Istanbul (TR10)	NO DATA	2	1	4	Metropolitan area in Candidate Country (NUTS 1 coinciding with NUTS2 and NUTS 3 region)
Cornwall and Isles of Scilly (UKK3)	3	4	0	4	Coastal and island NUTS2 region in Western Europe
	Typology classes CLASS 1 = unretentive region for young (15-24) and medium (25-49) working age groups, medium retentiveness for older working age group (50-64); CLASS 2 = region with average retentiveness for all working age groups; CLASS 3 = highly retentive for all working age groups; CLASS 4 = highly retentive region for the young working age group, averagely retentive for the medium working age group, unretentive for the older working age group	Typology classes CLASS 1: low net migration rate (2001-07) and low visitor rate (2001-04) CLASS 2: mid-level net migration rate (2001-07) and mid-level visitor rate (2001-04) CLASS 3: high net migration rate (2001-07) and mid-level visitor rate (2001-04) CLASS 4: high net migration rate (2001-07) and high visitor rate (2001-04)	Typology classes -2: Observed regional mobility 2 categories 'less than' predicted by discriminant analysis; -1: Observed regional mobility 1 category 'less than' predicted by discriminant analysis; 0 : Observed regional mobility as predicted by discriminant analysis, +1: Observed regional mobility 1 category 'more than' predicted by discriminant analysis, +2: Observed regional mobility 2 categories 'more than' predicted by discriminant analysis	Typology classes CLASS 1: Moderately high antr.cap.; moderately high ec.cap.; very high env. Cap.; high inst.cap.; low soc.cap. CLASS 2: Moderately low antr.cap.; low ec.cap.; high env.cap.; very low inst.cap.; low soc.cap. CLASS 3: Moderately low antr.cap.; moderately high ec.cap.; low env.cap.; Very high inst.cap.; high soc.cap. CLASS 4: Moderately high antr.cap.; moderately high ec.cap.; moderately low env.cap.; average inst.cap.; average soc.cap.	

Territorial capital and regional attractiveness

In the first part of this report we introduced a conceptual framework to help us understand how different types of territorial capital determine the ability of regions to attract particular audiences, which has then been operationalised into a multiple regression analysis. The case study research first addressed the issue of whether policy makers recognise the relevance of the variables used in the model, and if a fine-grained analysis of data supports their relevance for the attraction and retention of people. The case studies may also provide insight in influential independent variables not included in the model. Stakeholders could, for example, refer to variables that are less tangible and more difficult to quantify.

Globally, our conclusion is that the case studies and the discussion with the stakeholders support the relevance of the endowment factors used in the global statistical analysis. As we will argue in the policy section, most cases offer insights on the effectiveness of policies to improve these factors. Clearly the most important factor not included in the model is the price of land and real estate: or to be more precise the price-quality ratio for various types of land and real estate. Stakeholders indicate that land and real estate prices explain migration, especially internal, and the sophisticated Slovenian model proves this argument. Another conclusion is that stakeholders seem to attach more weight to “hard” economic factors such as the supply and demand of labour and business opportunities. A possible explanation is that economic factors have gained importance after the credit crunch of 2008. The exception is the case of the Algarve which explicitly deals with more soft and intangible factors such as the perception of safety, hospitality and a good atmosphere in which people feel at home.

The case studies have also helped us to gain better understanding of relations between assets and attractiveness on smaller spatial scales. Is the ATTREG statistical model also applicable to the level of municipalities (LAU)? The quantitative cases of Denmark and Slovenia have explicitly addressed this question, showing that the model we developed can also be applied to smaller spatial units such as municipalities. Both case studies, however, emphasize the importance of making a distinction between push and pull factors, using data on origin-destination flows instead of net migration metrics. The gravity models also support the expectation that attractiveness depends on (critical) mass: densely populated areas generate more flows than sparsely populated areas.

In five of the six other regions we analysed relations on smaller spatial levels by trying to identify determinants of spatial diversity in the ability to attract particular audiences. These cases clarified that urban economic phenomena influence the attractiveness of places: economies and diseconomies of agglomeration, gentrification and urban sprawl, and changing commuting patterns because of improvements in infrastructure and congestion. Real estate prices appear to give important information about a regions’ ability to attract.

Our detailed analysis of regional attractiveness not only considers relations on smaller spatial scales but also on larger spatial scales, i.e. the national and international context. To this regard, it was possible to identify and address relationships between neighbouring regions: not only flows of specific user groups between these regions (as in the case of Lubelskie and LKT) but also competition and complementarities between regions (the Algarve and Costa de la Luz, for example), affecting their ability to attract user groups from elsewhere. Furthermore the cases show that also non-neighbouring regions interact with each other: there are flows from the east to the west (e.g. from Poland to Ireland), from the west to the east (e.g. return migrants to Istanbul) and from the north to the south (e.g. from the UK to Portugal). Explanations for these flows are to be found in (changing) coefficients regarding factors such as the access to jobs and the availability of (affordable) real estate. In

general, improvements in infrastructure – such as high-speed train and flight connections – lead to more interaction between the connected regions (as we observed for example in the cases of LKT and Istanbul).

Another issue that has been addressed by three of the eight case studies concerns the diversity of drivers for the attraction of different audiences (that in some cases are the target of specific attraction policies).

While the case studies of Algarve and Istanbul only give some indications that the preferences of migrants and visitors depend on factors such as age, education, income and country of origin, the case of Denmark presents strong evidence that age and education explain flows between communities. An interesting finding is that young people often leave rural areas (such as the island of Bornholm), but that they are willing to return when they get older.

The mobilisation of territorial capital

In this last part of our case study research we took a closer look at the way the factors that constitute elements of attractiveness in the regions considered have been mobilised (or not).

First we must note that the eight case studies we analysed illustrate the great diversity in institutional contexts among European regions. Some regions are able to take control of their own development (e.g. Trento, a province that enjoys autonomous legislative power and special financial regulation, and Bornholm) while other regions are much more dependent on state-led policies (e.g. Algarve). In general the mobilisation of regional attractiveness is a combination of top-down EU and state policies and bottom-up initiatives of local and regional stakeholders such as municipalities, universities and businesses. Organisations that operate on the level of the region we selected are not necessarily leading in the development of the region. A good example is the cross-border partnership for LKT, which is only one of the many institutions that can mobilise attractiveness in this French-Belgian region. Another conclusion is that EU policies play an important role in making regions attractive for particular audiences; this is mentioned explicitly in the cases of Denmark/Bornholm, Cornwall, LKT and Lubelskie. Within these institutional contexts, regions have tried to improve their ability to attract and retain audiences in various ways.

- In the case of the Algarve we analysed the (intended) impact of regional and state policies on different forms of territorial capital. We conclude that investments in environmental protection, healthcare and sanitation, education and culture have presumably enhanced the attractiveness of the Algarve for foreign tourists and buyers of second homes. The Regional Tourism Entity is clearly targeting specific markets and user groups, following the national tourism plan which identifies several strategic tourism products. The ambition is to make the region more attractive for visitors who share specific preferences. A good example is the development of a Golf Academy and the organization of an annual Golf Cup to promote the region as a destination for golf players. Apart from the five core tourism products (Sun and Sea, Gold, Nautical, Residential and MICE), the regional tourism policy also defines some secondary tourism products to be developed: Culture, Nature, Gastronomy and Health & Wellness.
- In Bornholm, the Rural Development Programme aims to make rural areas more attractive and economically vital by combining investments in the regional economy with the preservation of environmental capital. Many of the national policies also have a regional perspective, e.g. on research and innovation, business development, education and taxation. Therefore it is often a complicated task for local authorities to develop

their own attraction policy and to adapt to the national strategy simultaneously. Many municipalities do not have sufficient administrative resources to ensure a rigorous attraction policy. In the Bornholm case local officials are seeing job creation as the most important element of a mobilisation strategy. In addition they try to sell and brand the island as a “nice place to live” thus aiming to attract new residents and commuters. While many acknowledge that Bornholm will face depopulation in the coming years (like many peripheral areas), a proactive adaptation strategy seems to be lacking.

- In the case of Cornwall we tried to assess the impact of investments in higher education provision, and more specifically of the Combined Universities in Cornwall (CUC) project. This project not only aims to attract and retain students, but also to stimulate the development of a regional knowledge-based economy (e.g. through a Research Knowledge Transfer Team and the establishment of Innovation Centres). Looking at the results so far we conclude that CUC has helped the region to attract more students, or – to formulate it more accurately – to retain students and prevent a “brain drain”. Between 2001 and 2010 the number of students in Cornwall increased from 3,000 to 7,700. It is, however, too early to measure the impact on the regional economy. Cornwall’s economic performance is still below the UK average, not only in terms of GVA but also considering the share of knowledge workers in the labour force. The peripheral location and poor access to other parts of the UK (and Europe) are still significant factors explaining the underperformance of the Cornish economy. It will probably take many years before we can actually measure the full impact of CUC.
- The strategy of Istanbul is to make the city more competitive while securing the quality of the living and built-up environment (historical, cultural and natural heritage). Although it contains elements of sustainability, it is clearly a “pro-growth strategy” that aims to attract more skilled workers, more visitors and more investors to the city. As part of this strategy the city aims to present itself as an international Finance Center, thus trying to attract business visitors who are potential investors at the same time. Various public and private stakeholders such as the Greater Municipality of Istanbul and the Chamber of Commerce cooperate to this end. Events and place promotion – such as the European Capital of Culture event in 2010 – also help to make the city known among various audiences.
- Analysing the vision and strategy for the cross border region of LKT we come to the conclusion that the principles and actions proposed cover the different types of capital. Actors from both sides of the border are willing to take advantage of possibilities to build on common assets and complementarities between assets: diversity as strength. Essentially the aim is to make the area as a whole more attractive, taking advantage of synergies and critical mass. As we see more often in cross-border cooperation, actions focus on “win-win solutions” not on solutions that involve a redistribution of functions (‘win-lose solutions’). Important themes of cooperation are joint territorial marketing, coordination in planning for infrastructure and the environment, cultural events and the exchange of students. The vision and strategy have resulted in various actions, though not necessarily as part of the cross-border cooperation. Interviewees refer to various successful projects (e.g. the creation of platforms and cross-border institutions), often funded by the EU and evolving around economic issues as well as around cultural events (e.g. the European Capital of Culture event in Lille).
- In Lubelskie local authorities and universities try to attract students in a proactive way: by introducing curricula in English and helping students to find their way (in Lublin). Apart from the national policies (Charter of a Pole), there are no explicit policies (yet) to attract foreign workers, although this might change in the near future with an increasing

inflow of registered workers. The question is not how to attract foreign workers (they will come anyway), but how to make sure they pay taxes and social insurance premiums.

- In the case of Slovenia we present the model as a tool to analyse the impact of different mobilisation strategies on migration and commuter flows. Although the parameters of this model change in space and in time, the model may also be useful for policy makers in other countries.
- In Trento the marketing organisation promotes the region as a tourist destination, but at the same time stakeholders indicate that there are limits to growth in tourism. More attention is paid to the quality of flows, possibly explaining the “underperformance” in the attraction of visitors. As the region has entered the stage of maturity in the destination life cycle, a more selective policy targeting specific visitors, is preferred above a pro-growth strategy.

In general, policy makers and other stakeholders in these case studies have had various opportunities to invest in the attractiveness of regions and cities for residents and visitors. In view of the transition to a global knowledge-based economy it has become particularly important for regions to invest in the access to (higher) educational institutions as we could see, for example, in Cornwall. Another frequently used tool to attract audiences is place marketing. While some regions are more selective, targeting specific groups, other regions have no explicit policies to attract particular audiences. When the costs of agglomeration (diseconomies) become higher than the benefits (economies) regions tend to become choosier: paying more attention to quality and the contribution of migration and tourism to the prosperity and wellbeing of the current citizens.

4.6. Attractiveness as a policy dimension

A policy framework for attractiveness as a key dimension in EU territorial policy

The territorial policy focus of ATTREG is based on the exploration – by way of formulation of scenarios – of the long-term impact of the application of specific policy bundles in different regions that are the target of European policy. In relation to normative policy discourses this entails the definition of a set of variables and *alternative policy bundles* related to the three dimensions identified in the EU 2020 Strategy (i.e. smart, cohesive and sustainable growth). The aim is to define a set of key drivers within each normative policy discourse and their implications for attractiveness-enhancing policies.

Although the three dimensions are not mutually exclusive alternatives, we have decided to emphasize the three policy approaches (smart growth, inclusive growth and sustainable growth) mentioned in the EU2020 strategy, drawing out their territorial consequences. The idea is to extrapolate each of them (through the scenario model developed as part of RA5) to their logical conclusion thereby emphasising the different potential trajectories and their implications.

The **smart-growth policy approach** thus entails a concentration of resources and efforts in hi-tech investments, and particularly the NBIC sectors (Nanotechnology, biotechnology, information technology and cognitive science). The enhancement of Europe’s research and enterprise networks and their connections to global networks, together with strong investments in higher education institutions and private high-tech companies, strengthening the role of big metropolitan areas and specific centres of specializations. This trend is enhanced by investments in infrastructure networks and accessibility among European metropolitan places (highways and high-speed train connections). Metropolitan areas are

the main drivers of territorial attractiveness. In addition close links in rural areas to territorial hubs are facilitated by ICT systems and network relationships favour advanced productive agriculture systems, and clusters of excellence in smaller towns are supported in order to achieve the critical mass necessary to operate in the global market. Moreover, related characteristics of different rural areas are promoted to be used as tourist attraction factors, enhancing rural regions as consumption regions with a strong role for private sector services.

The **inclusive-growth policy approach** is characterized by major investments in social capital with a particular focus on deprived areas, on overcoming internal and external borders building cross-border metropolitan regions, and on balancing development capacities between the EU core area and peripheral areas. The demographic structure of Europe and its challenges (aging, labour force, etc), together external immigration trends represent a crucial issue for a cohesive-growth policy approach. We suggest that accessibility to the nearest urban centre, good secondary networks and levels of service provision (stronger focus on local accessibility than to the European scale) will be enhanced in this perspective, reinforcing (or creating) a polycentric structure based on small and medium-sized towns. At the same time attention will be paid to policies on immigration and to increasing accessibility to services of general interests in small towns for rural residents, and increased accessibility to job opportunities and services, this will also include enhancing local public transport systems and public networks among small and medium-sized towns. Efforts to sustain services of general interest in risk-of-deprivation areas (accessibility to the nearest urban centre, good secondary networks and levels of service provision) will be key factors for maintaining population in difficult areas. Policies supporting the localization, or re-localization, of traditional firms in lagging-behind regions in order to gain from the competitive labour-force costs will be a way to boost economic growth and employment strategies in peripheral areas.

The **sustainable-growth policy approach** will be characterized by a strong emphasis on improving the resource efficiency of Europe, especially in peripheral locations, through a proactive push of regions and cities toward greener economic development strategies, and supporting measures of adaptation to climate change and regional resilience. Here policy is directed to the diversification of an area's economic resources with an emphasis on the utilisation of environmental capital (mass tourism along coastal areas, or mountain areas with snow-based winter tourism), and the promotion of a region's natural and ecological assets. As there is a strong urban dimension to climate vulnerability, major investments will be focused on a drastic reduction in traditional polluting economic sectors, and more resources focussed on the green economy involving support for innovative ecological approaches. Large-scale investment will be directed to public infrastructures, together with policy and increased taxation aiming to reduce private forms of transportation. Traditional economic sectors such as intensive agriculture, forestry and mass tourism will be penalized, while the protection of existing landscapes and natural resources will favour selective forms of tourism and integrated local communities" approaches.

For our scenario models, we have decided to use the variables listed in Table 4 as proxies representing the different policy levers available in relation to the three different policy scenarios. Policy bundles are then applied in specific regions in our set of policy experiments:

- Convergence (Objective 1) regions as defined in EU policy with less than 75% of the EU average GDP.
- "Overheating" regions as classified in Cluster 4 from our regional typology on retentiveness and visitors attractiveness (of Fig. 11).

Table 4: Policy bundles for scenario analysis and selected policy instruments in each bundle

<p>Smart policy bundle</p> <ul style="list-style-type: none"> • Investments in accessibility of places and transport connections, in order to increase spatial factors of economic development <i>proxies: 1) ranking of airports; 2) accessibility through road and ferry network</i> • Boosting tourism performances and investments in tourist facilities and infrastructures <i>proxies: 3) tourism accommodation (bedplaces); 4) accessibility through road and ferry network</i> • Investments in R&D and higher education, attraction of high-skilled migrants <i>proxies: 5) tertiary educated workforce; 6) higher education provision</i> <p>Inclusive policy bundle</p> <ul style="list-style-type: none"> • Investments in social capital, supporting residential economy and the quality of place <i>proxies: 1) NACE G-I employment; 2) life satisfaction</i> • Investments in accessibility of services of general interest and employment of teachers, doctors, etc. <i>proxies: 3) public sector employment; 4) satisfaction with health services</i> • Investments in education and in services to younger population <i>proxies: 5) enhance provision in higher education; 6) dependency rate</i> <p>Sustainable policy bundle</p> <ul style="list-style-type: none"> • Protection of cultural and natural environments, protection and valorisation of cultural heritage and other visitor attractions <i>proxies: 1) monument index; 2) Natura 2000 protected area</i> • Limitation of polluting factors (particularly those related to transport, such as cost of fuel, taxation, etc.) <i>proxies: 3) ranking of airports; 4) accessibility through road and ferry network</i> • Policies related to quality of life and capacity of retention, in particular for the younger population <i>proxies: 5) life satisfaction; 6) dependency rate</i>
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The “ATTREG future” model

The *ATTREG future* model puts together the state of the art in European demographic scenario modelling (as represented by the DEMIFER ESPON 2013 project) and the findings of the ATTREG statistical analysis on the relation between territorial assets and flow outcomes, as presented in Section 4.4, which involves the *direct effects of changes in attractions/attraction policies and the derived effects*.

The structure of the ATTREG model presented in Chapter 5 is summarized in the left side of Fig. 13 where it can be seen that the various flows analysed in this study are mobilised by 19 different attraction variables, subdivided into 5 groups corresponding to classes of territorial capital, according to “signs” that were discussed in 4.4.

From a policy point of view, not all exogenous variables can be used as instruments for attraction policies. Some variables such as the “coastal” and “island” variables are exogenously given by definition and cannot be manipulated in an attraction policy. In Fig. 15 this type of variables is marked with an “N”. Other variables (marked with a “P”) may be targeted or influenced by specific policies. Thus,

- The four (exogenous or non-cumulative) *antropic capital* variables all have a direct impact on migration and tourism flows: the higher the number of monuments and other

tourist sight, the higher the rank of airport etc. the higher the in-migration and the higher the tourism flows. Higher population density leads to higher in-migration of young and lower in-migration of old population and lower accessibility to lower the in-migration.

- The *Economic and human capital* also matters: the higher the share of working age adults with tertiary education and the higher the relative consumption related employment are in general the higher the in-migration rates etc. For the GDP per capita attraction variable, the multivariate model analysis show positive signs for the young and middle age cohort migration and negative of the old age cohort migration. The higher the share of working age adults with tertiary education and the higher the relative consumption related employment are in general the higher the in-migration rates.
- Following the figure three other types of territorial capital – *Environmental capital*, *Institutional* and *socio- and cultural capital* – are included in the explanation of mobility flows. Institutional capital reflects the fact that people seek “good institutions” and “freedom and openness”. Socio-cultural capital involves the effects of sharing with other people of varying ages and educational backgrounds. The university student-population ratio can be decided directly (through capacity increases at universities), whereas the state of health services satisfaction rate only can be manipulated indirectly (through improvements in level of service within health services).

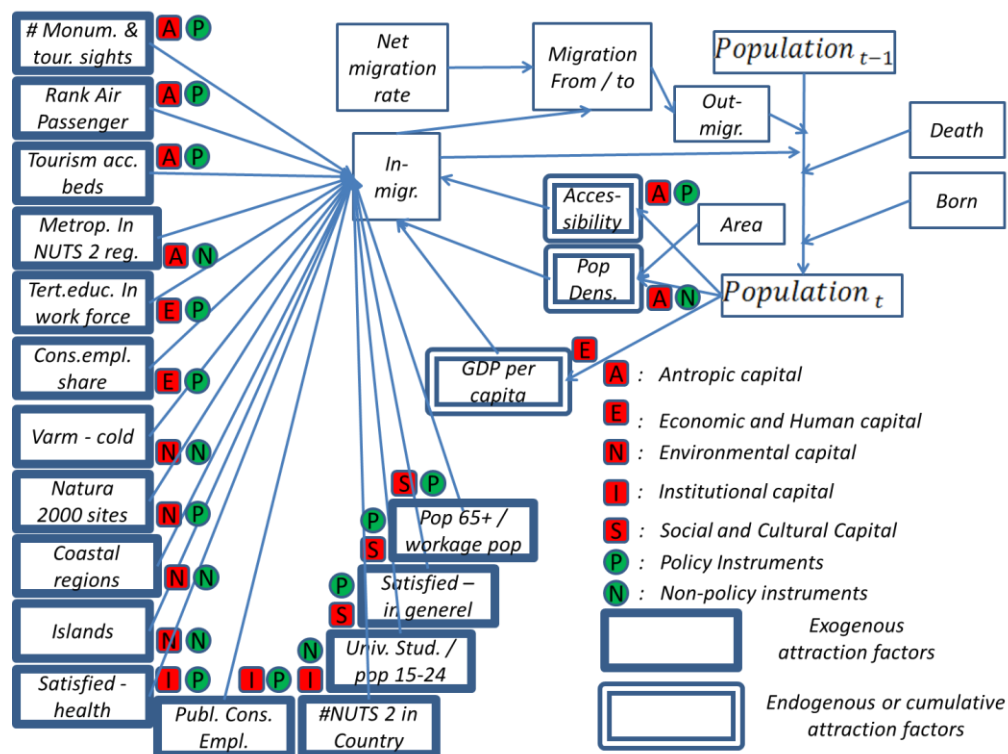


Figure 16: Logical structure of the ATTREG model

The outcomes represent the cumulative/endogenous effects of territorial capital: If population increases, so does by definition population density, which leads to higher in-migration flows, which leads to higher population and population density etc. Similarly,

higher population leads to lower population accessibility scores, which reduces immigration potentials.

In the *ATTREG future* model attraction is assumed to influence gross immigration. But following the right side of Fig. 16, the immigration must “come from somewhere”, which might be from other European regions and from “rest of the world”. In other words: migration patterns are assumed to be “path dependent” where the origin of the migration flows follows the historic or average pattern of migration. This means that net migration is a function of the gross in-migration driven by changes in attraction and path-dependent patterns of out-migration: migration takes place when attraction increases and migrants come from regions which have a tradition to migrate to the region in study. Population is determined by historical population patterns, where immigration is added and out-migration is subtracted (moreover new-born are added and deaths are subtracted to determine the final population).

A number of “rounds” in Fig. 16 are needed to find the net effects from changes in attractions. From this it can be concluded, that the results (Russo et al. 2011 based upon analyses with multivariate models of the relations between mobility and outcomes) have to be adjusted with the cumulative effects from changes in population density and accessibility to capture the total impacts of changes in regional attractions.

The exact structure of the “ATTREG-future” model is discussed in depth in the Scientific Report (Ch. 8). For the purposes of this Final Report we need to point out that model has been formulated on attractions and outcomes, which reflect our understanding of the derived effects within the region and on other regions in the EU as well as the possible feedback on the region itself. The model is both a conceptual model, which extends our description of regional development from a mainly demographic (as in DEMIFER) to a broader social and economic understanding of regional development, and an applied model (called the ATTREG-future model), which can be used to model the broader and dynamic effects of attractions policies.

Scenarios of future development in relation to territorial attractiveness

We now present the results of the scenario experiments for each policy bundle (the results are discussed in greater detail in the Scientific Report). Every experiment produces a scenario which is determined by the type of policy applied (inclusive – smart – sustainable), the territorial target of policy (in our experiment, convergence and “overheating” regions), and the resulting predicted variable: we have focused on the three key variables for territorial cohesion, that is population, per capita GDP, and jobs by place of production or “expert jobs”.

As a necessary word of warning with respect to our scenario analysis, we do not have the ambition to “predict” future developments, but only to present European policymakers with a certain sense of the different impacts of given policy courses, which can be broadly described as relating to the “inclusive”, “smart” and “sustainable” storylines of the Territorial Agenda 2020, and possibly to help devise superior solutions (in terms of spatial strategies) that may bring to a more cohesive and integrated European territory at every scale. Scenarios are a point for (attraction) policy development; their role is to set the scene, they are intellectual devices for thinking about possible alternative futures (ESPON, 2006). Scenarios are rarely used as predictions of likely futures because there are so many uncertainties involved in their construction.

All scenarios are formulated in terms of percentage changes of these variables in 2025 from a baseline scenario which is the DEMIFER’s “status quo” prediction for 2025. The maps in Fig.

17-19 illustrate the results in a comparative way, highlighting the territorial effects of the application of policy bundles over the “target” regions and illustrate how flows mobilised by such policies produce a leakage of such effects to other regions⁹. These predictions are merely indicative and have obvious limitations in the way that “policy bundles” have been constructed. Their value is to show that, apart from what could be expected in the future on the basis of pure demographic development, and all other factors being equal, the explicit consideration of human mobilities, and the proactive mobilisation of territorial capital to attract flows, is bound to produce effects that alter those predictions according to territorial patterns that are captured by the following maps. Moreover these experiments demonstrate the use of an analytic methodology, grounded in the ATTREG model framework (both the static and dynamic parts), which could be extended to a more complex prediction model and replicated for different “policy experiment” combinations.

Fig. 17 documents the application of the “inclusive” policy bundle in convergence and overheating regions. In general, we observe a decrease in population loss from peripheral regions towards the core and the most attractive areas of Europe. A “rebalancing effect” takes place concerning the main trends; however, the inability to attract that characterises convergence regions tends to persist. This scenario shows a diffuse growth of GDP in all regions; but it appears to make a contribution to counterbalancing the concentration of GDP in the core of Europe. In terms of urban/rural divide, it also produces a decrease in the role of big metropolitan areas as attractive hubs (especially in the wealthiest regions) in favour of a better territorial balance with less urbanised regions. In terms of employment, the increase in job opportunities is not particularly significant, and it tends to even out with the concentration of jobs in the coastal tourist regions. This is the only policy bundle that does not involve a direct correlation between new job opportunities and the mobility of populations, probably due to the redistributive capacity and welfare effect of the policy bundle.

In general terms, this policy bundle also appears to “cool down” overheating regions, where we also see that metropolitan areas tend to lose population to neighbouring regions. The pattern of job availability coincides with population trends and indicates a straightforward relation between the two variables, which is not the case in its application to convergence regions. In general, this policy bundle tends to stabilise population mobility and to reduce the fragility of overheating regions.

The application of the “smart” policy bundle to convergence regions, illustrated in Fig. 18, yields more varied scenarios in comparison to the other bundles. What emerges is a lower capacity to attract population from other regions; at the same time, coastal areas generally perform positively, probably due to the presence of airports and the attraction of a younger population. The distribution of population and job availability tends to have the same spatial patterns, and indicates a straightforward relation between these two factors. In general, this policy bundle appears to be able to correlate population mobility, job opportunity and GDP, but within limits. With reference to metropolitan areas, it seems that the urban nodes are characterized by a stronger attraction capacity. When applied to the overheating regions, the effects of the smart bundle on the attraction of population do not express a clear spatial logic. This policy bundle does not seem to be particularly effective in the regions to which it is applied, the performance of which mainly follows existing trends. In terms of employment, however, the policy bundle seems capable of increasing job availability, while the effects on GDP are less pronounced.

⁹ The format of these maps is intended to allow comparability though it involves a certain loss of detail. The reader is invited to refer to Maps 42-59 in the Scientific Report for a greater resolution.

Convergence regions

Overheating regions

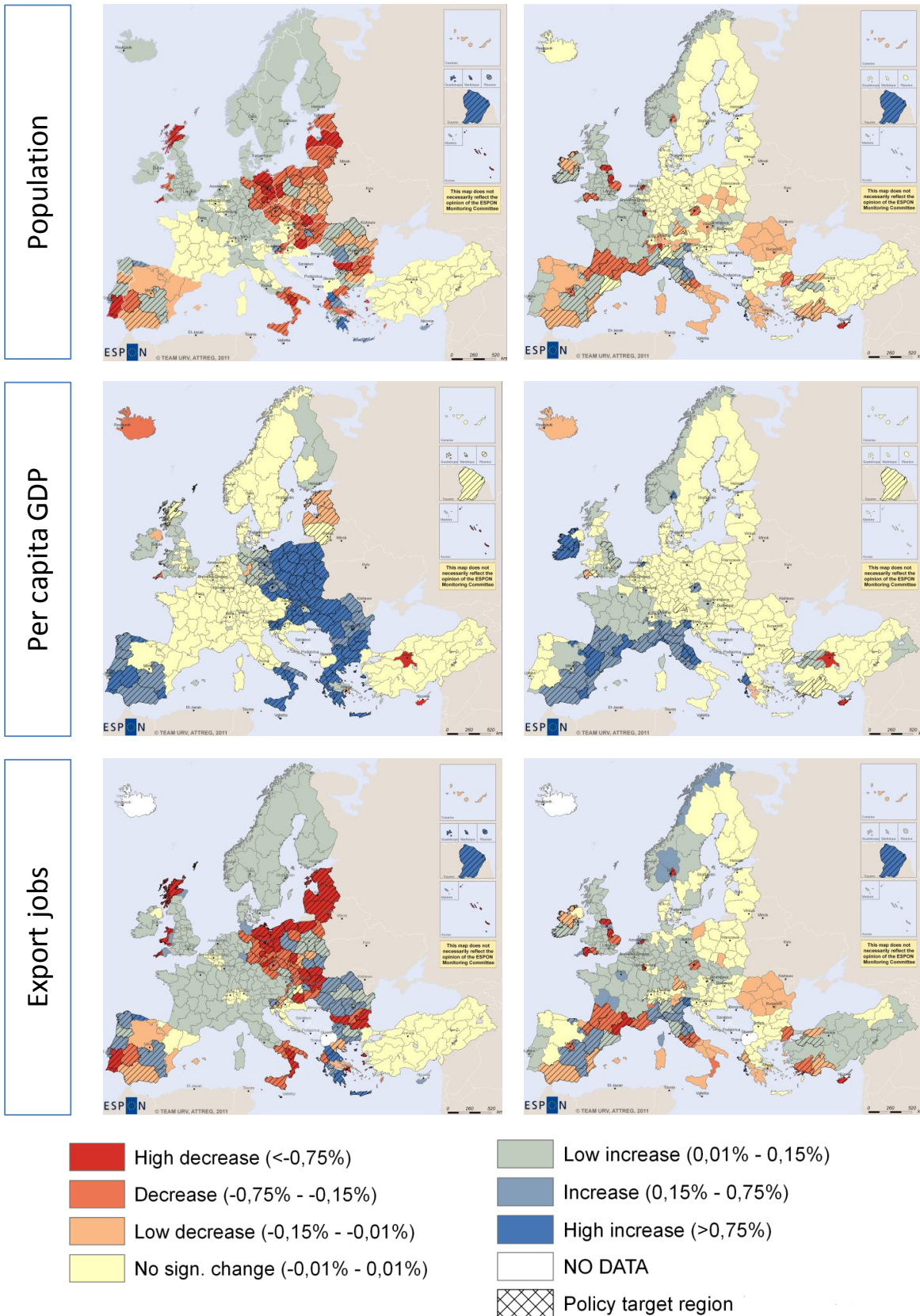


Figure 17: “Inclusive” policy bundle – predicted impacts with respect to the baseline scenario

Convergence regions

Overheating regions

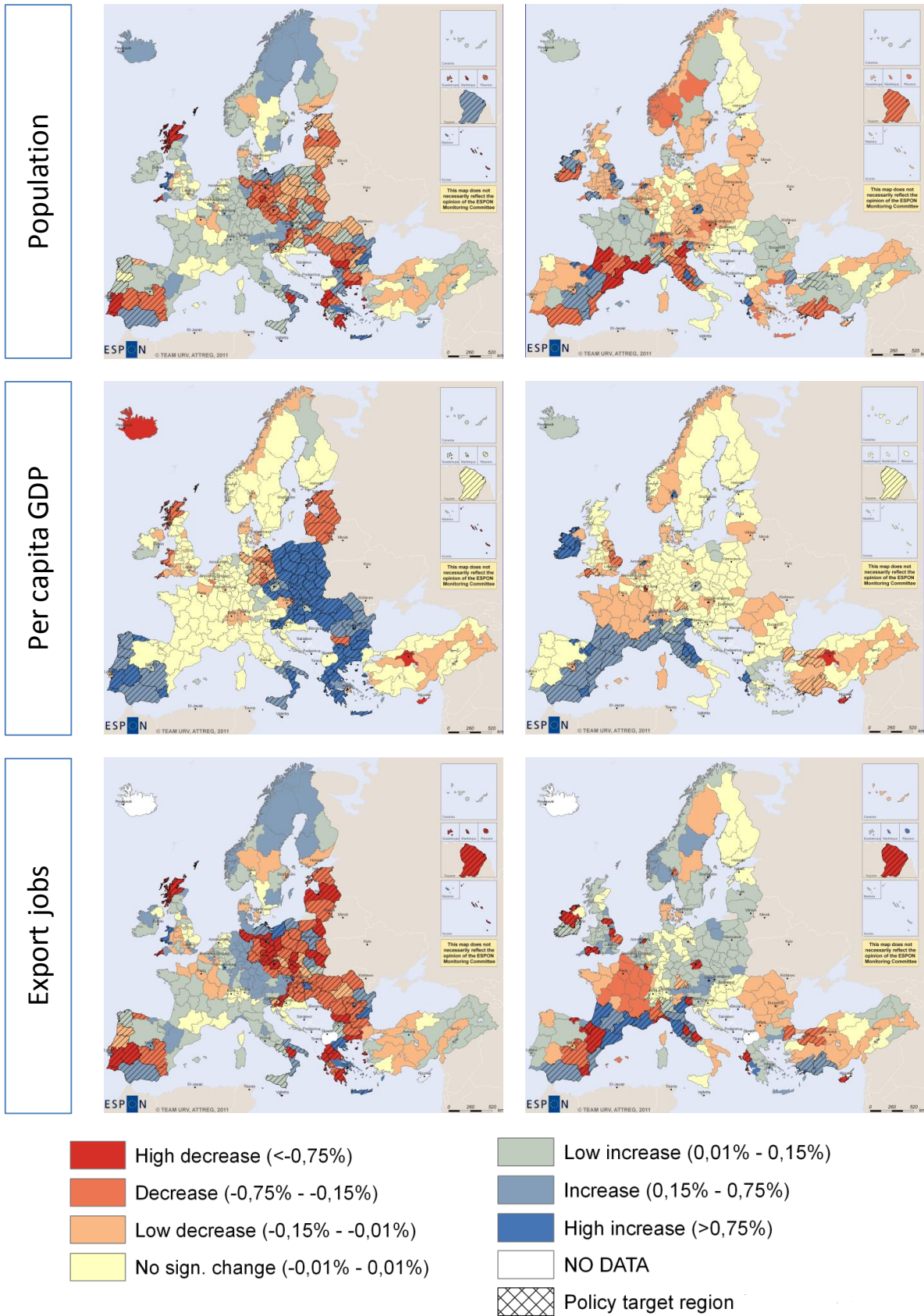


Figure 18: "Smart" policy bundle – predicted impacts with respect to the baseline scenario

Convergence regions

Overheating regions

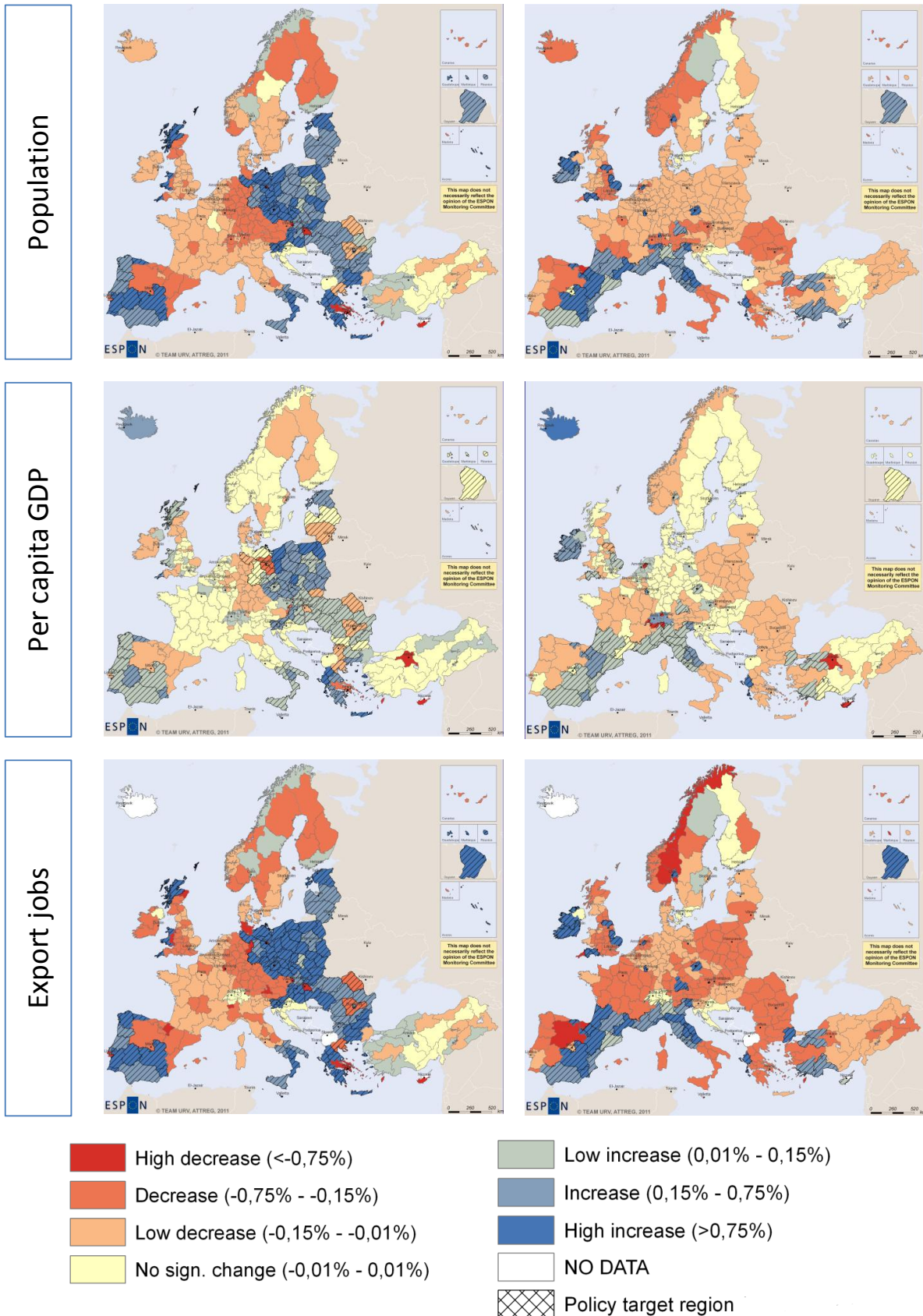


Figure 19: “Sustainable” policy bundle – predicted impacts with respect to the baseline scenario

In general, it seems that this policy bundle is most effective in regions that already exhibit a growing trend or large and clustered regions. Concerning GDP, the general figure tends to indicate a certain effectiveness of the policy bundle especially in the Mediterranean regions and in Ireland. On the other hand, the application of this policy bundle to averagely performing regions does not seem to be particularly effective.

Finally, the effects of the “sustainable” policy bundle are illustrated in Fig. 19, signalling a certain capacity to generate attractiveness in almost all target convergence regions, and especially those that are less attractive in absolute terms. This general picture is counterbalanced by a decrease of population in neighbouring regions. The level of job availability goes along with population and GDP distribution. This is the least effective policy bundle in terms of increasing GDP, but it has the greatest impacts on the regions that in absolute terms have less job opportunities and lower GDP, thus representing an important cohesion tool. In terms of geographical characterization, the strongest attraction capacity is found in rural regions with small and medium towns, while metropolitan areas experience a decrease in attractiveness.

The application of this policy bundle to overheating regions tends to increase the attraction of population in almost all the target regions, in particular those of the Mediterranean area, but also some metropolitan regions in the north of Europe. When these regions form a cluster (as in the case of the Western Mediterranean arc) they tend to attract population from neighbouring regions. The general picture of employment coincides with population trends (both in general and in the difference with the baseline scenario) and exhibits a straightforward relation between the two variables. However, this policy bundle indicates a lower effectiveness in increasing GDP.

5. GENERAL CONCLUSIONS

This project focused on the characterisation and measurement of territorial attraction, and on the operationalisation of attraction strategies within the usual multi-scale framework of ESPON. In this sense, it is arguably a relevant addition to the scientific knowledge developed in the ESPON 2006 and 2013 programmes, most projects of which assume a “sedentary”, static human capital, or they do not care to model explicitly mobility as an endogenous force which may offset the main development trends and spatial effects.

Specifically, the explicit consideration of attractiveness as a multidimensional policy dimension and of human mobility as a “variable” activating (and responding to, in complex non-linear ways) place development processes led us to modify the predictions of DEMIFER in terms of “status quo” developments. Simplified as they may be, these scenarios disclose that sometimes the impact of policy measures bring about unwanted side effects as they have the effects of changing place potentials and the relations between them, thus producing population shifts. This is something that arguably provides new insights in the evaluation of policy impacts from a variety of ATTREG projects.

Our analysis confirms that regional policymakers can indeed improve the attractiveness of their city or region and reconcile the interests of visitors with those of their residents if they touch the right “strings”, according to a set of objectives that is best specified by the regional typology (and connected policy prescriptions) illustrated in Section 3.2. European policymakers can “steer” local attraction strategies ensuring a certain degree of coherence and channelling efforts towards the overarching goal of territorial cohesion according to the logical framework of Section 3.3, with the effects illustrated in an exploratory way in Section 4.6.

We have ascertained that in the period 2001-07 different groups distinguished in terms of demographic profiles and motivations reacted to different territorial asset endowments according to definite spatial patterns, and that some territorial assets were more important than others to explain the mobility of specific groups, though in general all the indicators selected as determinants had some effect.

Territorial attractiveness has not varied greatly between periods, indicating a certain stability of these relationships, but we did observe that the attraction of different groups into places, especially distinguishing a stable younger working population, a pre-retirement type of migration, and tourism attractiveness, may include synergetic effects and also incompatibilities, which in the longer period (as measured tentatively in the “critical” period of 2007-09 following our research period) may not be sustainable. In this light it was observed that the great metropolitan hubs in the economic core of Europe may have gone through a phase of “dimension diseconomies” in the mid-2000s when their attractiveness for young skilled workers and other short-term mobilities may have been offsetting the retention capacity for other groups. Conversely, the attraction of new workforce has gone hand in hand with the attraction of tourists in the southern resort regions, especially in the Western Mediterranean arc, and also in some of the economic “tigers” of the early 2000s, but that may have been a factor of fragility of these regions in sustaining this pattern in the subsequent years. On the other hand, peripheral and rural regions may have been gaining from these trends, attracting an audience which is more responsive to the high level of place amenities that these places offer.

We also saw that different “economic orientations” throughout the 2000 decade did have an effect on flows attracted and that some place endowments that may be strengthened by place development policies, such as the quality of services of general interest (but more in general by investments in social cohesion and balance) had an effect on regional attractiveness.

These indicative conclusions must be taken with more than a grain of salt in the next context of economic crisis, which in the shorter term is probably bound to “re-centralise” population and jobs out of the regions more exposed to the economic downturn: this is actually happening as demonstrated by recent ESPON evidence as shown by the “map of the month” of September 2011 on European Regions 2010: Economic Welfare and Unemployment (www.espon.eu/main/Menu_Publications/Menu_MapsOfTheMonth/map1103.html). Yet they indicate that in the longer term places that will be able to mobilise their territorial capital assets in a coherent way could be more resilient to external shocks anchoring place advantages in terms of working population and tourism.

Obviously there is a need for further research to confirm and further operationalise these indications.

A first area of study is related to following on this line of research for a longer time horizon. In this project we were constrained by data availability on migration to a two-period analytic framework (endowments and changes in endowments in the early part of the 2000 decade being assumed to produce effects on flows in the mid-late 2000s); it will be especially important to analyse the post-crisis effects re-doing this analytic exercise in a couple of years’ time when the data on migration in the latest part of the 2000s will be available.

Secondly, it would be important to dispose of more disaggregated data on migration and tourism, not only at a regional scale (NUTS3 and LAU level) but also in terms of matches between origins and destinations, both within and outside the ESPON space, and motivations for mobility. These data are not available now, but they may become available in the future if a “European Migration Observatory” will be given this type of mandate for regional evidence.

Thirdly, focused case study research may gather further insights on place processes and policies that have a bearing on attractiveness for different groups. This issue was addressed through a necessarily limited number of case studies in ATTREG but in our opinion it could become a topic for targeted analysis in specific regions and cities characterised by different place profiles and endowments, like for instance coastal tourist regions, large cities at the centre of knowledge and innovation networks, and transition regions in the north and east of Europe.

Fourthly, there is a need for further development of extended interregional demographic models (such as the ATTREG future model) for scenario evaluation. This involves scenario modelling of future development within alternative baseline scenarios as well as for the impact assessment of policy packages. Especially the inclusion in the modelling framework of the interaction between demography, human mobility and the regional economic system seems to be of special importance to capture and project into the future the effects of policy initiatives and external shocks.

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The ESPON 2013 Programme is part-financed by the European Regional Development Fund, the EU Member States and the Partner States Iceland, Liechtenstein, Norway and Switzerland. It shall support policy development in relation to the aim of territorial cohesion and a harmonious development of the European territory.

ISBN