

OPENCities Baseline Report Summary - February 2009

Openness and the Competitive Advantage
of Diversity



Connecting cities
Building successes





"Towards the OPEN City" -
Openness - A Driver for Successful Cities

BASELINE REPORT SUMMARY

FEBRUARY 2009

1. Introduction

Belfast City Council, together with a number of partners in a network of European cities were successful in securing access to funding from the URBACT II programme for the development and operation of a Thematic Network (TN) of cities to exchange ideas on policy and best practice. The OPENCities partnership starting point was a draft definition developed by the British Council (Towards OPENCities)¹. The cities committed to take forward this project want to identify what makes a city open and attractive to economic migrants - essentially how do we define Openness - what is an Open City? - and how can cities develop more pro-active policies to create open cities to better attract or retain mobile international populations, which are important to both the competitive and convergence objectives of the European Union.

The funding allocated by the European Commission for the OPENCities project financed a series of activities over an initial DEVELOPMENT Phase which started in April 2008 and which finished leading into a 30 month IMPLEMENTATION Phase. OPENCities was selected as a "Fast Track" project by the European Commission² which ensures that Commission will work closely with the partner cities to share information and exploit opportunities for pilot projects, ensuring active engagement with the national Managing Authorities for European Structural Funds and taking the views and opinions of Local Support Groups (LSGs) on board.

The partners in the OPENCities project include a mix of cities from competitiveness and convergence regions of Europe which bring different perspectives to the OPENCities concept and the mobility of economic migrants, given that in some cases partner cities are net recipients of inflows of migrants and in others (at least in the short-term) have witnessed net outflows of national population to take full advantage of economic opportunities within the European Union.

OPENCities - Partners -

	COMPETITIVENESS		CONVERGENCE	
1	Belfast	UK		
2	Dublin	IE		
3	Vienna	AS		
4	Dusseldorf	DE		
5	Bilbao	ES		
6			Sofia	BG
7			Bucharest	RO
8			Poznan	PL
9			Nitra	SK
10	British Council			
11	Madrid ³	ES		
12	Cardiff	UK		

¹ OPENCities is based on a concept developed by British Council

² "Regions for Economic Change" initiative of European Commission

³ Madrid and Cardiff are observer cities in the network engaged in project activities and thematic exchanges

1. The European Context

Cities are increasingly the poles for growth, enterprise, innovation and technology and equally must balance the problems which can arise in failing to plan for and proactively address the issues associated with social inclusion and economic diversity. Making European Cities more attractive and giving them the flexibility to pick up on the drivers for economic growth and to react to the increased pressures of globalization - we argue is increasingly linked to effective urban and population planning strategies. The project is consistent with the EU Cohesion Strategic Priorities, which recognize the importance of cities in terms of growth and creation of jobs. The partner cities will work through the exchange of best practice, peer reviews and workshops to address issues related to the social and economic integration of migrant groups, addressing barriers to labour market entry and education, sharing experience on providing social assistance measures and considering the measures which improve the potential for increasing business-starts amongst the immigrant communities.

Cities have a vital role to play in the achievement of the Lisbon and Gothenburg strategy aims. The URBACT II programme will facilitate this task by allowing cities to exchange experience on key urban policy fields to help improve the effectiveness of sustainable integrated urban development policies in Europe. The URBACT II programme is focused on bringing together actors at local and regional level to exchange ideas and learn from each other on a wide range of urban policy themes with the focus on achieving the main objective of improving the effectiveness and impact of such policies at urban level. Most EU cities have policies in place which aim to meet the challenges linked to urban sustainable development. However not all policies turn out to be effective in solving problems faced by cities so far, hence the need to exchange experience and learn from good practice in these fields.

On 8 November 2006 the European Commission adopted a new initiative for the 2007-2013 programming period under the Territorial Cooperation objective called "Regions for Economic Change" (REC). It introduces new ways to interface with regional and urban networks and to help them work closely with the Commission, to have innovative ideas tested and rapidly disseminated into the Convergence, Regional Competitiveness and Employment, and European Territorial cooperation programmes. Under the REC initiative the European Commission created the "fast track" option to allow it to track and provide particular focused support to innovative initiatives. OPENCities has been selected as fast track project under REC and located within the priority theme of **Managing Migration** which is contained in REC.

In the course of a European Commission Regions for Economic Change workshop in January 2007 on "Regional Challenges to Demographic Challenges", it was noted that migration was a particularly important issue for larger cities which tended to attract more workers. It was argued that without international migration there would be unsustainable demographic changes in the economic fabric of many European cities and regions. It was further mentioned that many cities depend on migrant workers to address skills shortages and other demographic issues and in the future they would have to develop strategies to attract or retain skilled workers. Our contention is that this points to a future trend where cities and city regions would be competing across the EU and beyond to attract inward migrants or avoid losing their skilled workers.

The key issues for the OPENCities project is to consider these trends, to better understand the motivations which lead to the movement of migrant groups, to define the key indicators which constitute OPENCities and develop a framework for measuring openness in OPENCities which will help city leaders to develop wider city marketing strategies to contribute to internationalization agendas. According to the European Commission their view is that cities are places where social disparities, migrant populations and ethnic minorities tend to be concentrated. Efforts should be made to exploit the huge potential of this cultural and social diversity. Cities and regions working on this theme will aim to strengthen their integration by providing these groups with access to job opportunities through education, training, micro-credits, improved infrastructure and advisory services.

2. Objectives and Challenges

The European Union continues to enjoy major population shifts in terms of the movement of international talent and economic migrants across the member states - on the one hand some countries have continued to witness significant positive inflows and some of the new member states have had to cope with steady outward flows. Previous patterns of immigration have been reversed with countries like Ireland and Spain experiencing population growth due to economic growth and open-ness to international populations. There are large variations in migration flows in terms of size and origin between the Member States, reflecting traditional patterns of migration and cultural and geographical ties. Some cities and regions are coping with the challenges of immigration and integration for the first time, like Belfast and Dublin, whereas others have developed approaches and innovative solutions for decades like Vienna, Madrid, Dusseldorf.

Richard Florida, the author of the book "The rise of the creative class",⁴ which became one of the most discussed and influential works for urban planners, suggests that economic prosperity is tied to tolerance and openness to diversity. According to him places are tolerant and open if they have "low barriers of entry for individuals". *These places are open for new people and ideas and therefore they will show a higher concentration of talent and higher rates of innovation.* Openness to the outside world is central to the debate about economic growth. Economists have looked at openness mainly in terms of exports and imports of goods as well as capital flows. The increasing importance of *human capital* and the knowledge-based economy suggests that it is also essential to be open to people and the constant ebb and flow of economic migration - **the attraction, retention and return of migrant workers.**

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Florida, R. (2004) *The Rise of the Creative Class*, New York: Basic Books

According to a recent report produced by EUROCities (2008) "Role of Cities in Managing Economic Migration", economic migration can be a difficult concept to fully define - clearly it is primarily about the relocation of migrants (usually migrant workers rather than asylum seekers) for a period or more than one year and for the most part, even though it involves challenges related to social integration, it is focused more on relocation for some economic gain which can clearly benefit the individual and the host economy.

The OPENCities project focuses on the contribution of international populations (economic migrants) to a cities' success: International populations are seen as contributors to the labour force. More importantly, they should increase local quality of life and the attractiveness of the place for international events, investors and visitors. Via different channels internationalisation and the resulting human diversity is a spur to economic success of the cities. Cities who intend to be attractive for international populations should be "open". Openness is therefore defined as "the quality and sum of the local conditions that attract and retain international populations over time".

OPENCities Main Objective

To identify what makes a city attractive to international populations and to develop practical strategies tackling economic and social integration issues, which can help cities better attract and retain international populations, thus contributing to their improved competitiveness.

In preparation of the baseline report with the partner cities, it became clear that there are *two different sides to the equation* in terms of the flow of migration between competitiveness and convergence regions. The competitiveness cities continue to be interested in attracting international population to support ongoing economic development (although with some recent changes in the aftermath of the global credit crunch). Some of the convergence cities are more concerned at this stage with attraction/ return or retention of their own population although they have begun to see increased international mobility. The core questions, however remain valid to both groups of cities what attracts international populations to a place? The expectations and aspirations of international populations vary depending on country of origin, reason of migration/visit, age, sex, family status, profession and line of business. It is therefore necessary that the cities' openness is measured as comprehensively as possible, e.g. including a wide range of indicators and taking into account the different views of the core issues.

Good economic conditions are important in order to attract and retrain human capital. They are necessary to grant economic migrants a certain standard of living. It is also necessary to offer firms an attractive business environment. Migrants contribute as workers, employees, entrepreneurs or investors to the economic success of the city. They can, however, only contribute fully to the economic performance of the city if they are integrated in the economy of the place. Poor labour market integration among immigrants, for example, can lead to tensions between native born and immigrants because unemployed immigrants need public benefits. Integration in this field is therefore vital to build an open and tolerant place in the long term.

Equally many of the measures undertaken by cities to address the social aspects of integration are equally important to new arrivals in terms of sense of belonging and security. Efforts to support cultural and social integration of newcomers are increasingly important across European Cities and the challenges for a project like OPENCities is to better understand the motivations and the appropriate mix of *social and economic factors which add value to the integration process*.

The OPENCities network proposes to organize their exchange of best practice through a series of workshops and peer review exercises around the following themes :

- **LEADERSHIP and GOVERNANCE** : understanding what contribution effective leadership makes to helping to create a more OPENCity and what factors leaders need to manage to create OPENCities.
- **INTERNATIONALISATION** : to consider what are the benefits of a city having an international population looking at examples of successful cities where having a diverse international population has made a positive contribution.
- **INTEGRATION AND INCLUSION** : to better understand what measures do cities have in place to support the integration/inclusion of economic migrants and to what extent do integration and inclusion factors in cities impact upon their attractiveness and openness to international populations. What is the link between integration and openness ?

Main Issues and Challenges for OPENCities

The project will tackle the following main issues on the basis that not all cities are equally open to international migrants, we want to better understand :

- i. What is city open-ness and how to define what makes OPENCities - considering number of factors - economic, regulatory, cultural, amenity, connectivity, risks, leadership and internationalisation ? How can we better define and measure these factors? How do they affect one another?
- ii. Why do some cities appear to be more attractive to international populations despite similar national frameworks and conditions? Can cities take effective actions locally to make themselves more open to international populations? What will make such local actions successful?
- iii. What are the different starting points of selected cities within the EU in terms of City types, economic structure, immigration history, location, stage of development and how do these affect the attractiveness of the cities for international populations?
- iv. What role does the social and economic integration of migrants play in city competitiveness and the attraction of further international human capital? For example, does an integrated city offer a more attractive environment for higher skilled international knowledge worker? Does an integrated city make better use of its existing human capital?
- v. How do different groups of international workers respond to different factors of openness? For example, are international workers in different age and income groups, in

different economic sectors, or from different parts of the world, sensitive to different local factors?

- vi. What measures and programmes do various European cities have in place in terms of local population attraction strategies, international promotion, settlement services, employment, education, and enterprise to facilitate the attraction and retention of international populations. ?
- vii. Can we explore the opportunity through exchange of best practice, peer reviews and development of case studies to develop and test the use of local action plans and strategies to attract international populations?
- viii. Can we develop clear guidance for city leaders on how to increase and promote the openness of cities to international populations?
- ix. Can we develop an OPENCities 'index'/framework to compare and benchmark various European cities and to consider the potential for an internationally recognised openness 'standard' or 'kitemark' for cities?
- x. Given that cities across the EU have different powers, competences, and fiscal systems, how can cities both manage their own open-ness and best influence other local, regional, and national bodies to help make cities and the EU more open to international talent? What leadership role can cities play?

Clearly there a number of factors and indicators which come together to frame the OPENCities concept. During the implementation phase of the project the partner cities will review and analyse the information from the OPENCities project to help develop Local Action Plans - which link into city marketing and internationalisation strategies linked to the attraction of economic migrants and to develop pilot projects with European Structural Funds to mainstream best practice in supporting economic and social inclusion. The cities participating in this project represent EU member states from across the European territory and countries which have adopted more or less open approaches to tackling the integration of migrant communities. URBACT II offers the opportunity to exchange ideas, to learn from best practice and in the case of the new member states to plan ahead for the future.

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City of
Düsseldorf



POZnań
* Eastern energy, Western style



City of Vienna



URBACT II

URBAN is a European exchange and learning programme promoting sustainable urban development.

It enables cities to work together to develop solutions to major urban challenges, reaffirming the key role they play in facing increasingly complex societal challenges. It helps them to develop pragmatic solutions that are new and sustainable, and that integrate economic, social and environmental dimensions. It enables cities to share good practices and lessons learned with all professionals involved in urban policy throughout Europe. URBACT is 300 cities, 29 countries, and 5,000 active participants. URBACT is co-financed by the ERDF Funds and the Member States.

www.urbact.eu/opencities
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EUROPEAN
PROGRAMME
FOR
SUSTAINABLE
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DEVELOPMENT



OPENCities is a British Council project funded by URBACT and led by Belfast City Council in collaboration with a network of European cities. The partner cities include Bilbao, Cardiff, Dublin, Düsseldorf, Nitra, Poznań, Sofia and Vienna.