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Les défis de développement pour les villes et les régions dans une Europe en mutation

Identifying the role of the large cities in shaping the relations between migration and Foreign Direct Investments in Eastern Europe

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Résumé / Summary

The positive impact of the migration on attracting Foreign Direct Investments in the migrant origin countries has been confirmed for the immigrants of United States of America, Germany, Netherlands or United Kingdom, but it is however unclear if the FDI have a similar determinant and behaviour in the Eastern European space, since little research was conducted on this territory.

The aim of this research is to highlight the relations between outgoing migration and the value of Foreign Direct Investments and to analyse the role that large cities played in the attraction of FDI. Previous researches on FDI flows have identified strong relationships between the spatial logic of FDI flows and the outgoing migration phenomena. We used the OECD, EUROSTAT and national databases on migration, FDI, employment, urban and regional development for the period 2000-2013. Outgoing migration (especially of high qualified active population) could be a contributing factor for bilateral FDI; this phenomenon can be

observed in the affected territories from different Eastern European countries (Romania, Poland, Czech Republic). In order to build a specific model and to better observe the time related sluggishness of FDI flows compared to bilateral migration flows, this study is investigating the potential networks determined by the location of FDI and by outgoing migration.

Our research showed a correlation at national and regional levels between outgoing migration and FDI flows, but this correlation is highly dependent on territorial assets and regional-oriented policies. The Eastern European countries from European Union could be split in 3 spatial categories, each one with a specific behaviour.

a) Baltic countries (Estonia, Latvia and Lithuania) have a stronger relation with Northern European countries (Finland, Sweden, Denmark) both in migrants' distribution and FDI origin. Historical ties, ethnic distribution and geographical proximity are strong explanations for the behaviour of those countries. However, it can be observed that during the last years, stronger ties have been developed with Central European countries (Netherlands, Germany, even Poland) as a sign of a more solid cooperation inside European Union.

b) Central-Eastern countries (Poland, Czech Republic, Slovakia, and Hungary) have a similar behaviour based on geographical proximity, ethnic and historical ties, sharing most of their migrant destinations and FDI origins with countries from Central Europe (Netherlands, Germany, France). The industrial sector plays an important role in attracting FDI and the main cities that provide a qualified workforce are the most advantaged. Interestingly, during the last years, an important part of FDI investments came from southern, Mediterranean countries.

c) The South-Eastern countries (Croatia, Romania, and Bulgaria) show the most heterogenic behaviour. The higher distance between those countries and the main destinations from Central Europe favoured more significant flows towards Mediterranean countries. A secondary feature of those countries is the constant change of main destinations for migrants, proving a flow of immigrants more adaptable and sensible to crisis.

Regarding the role of the cities in FDI attraction and regional distribution, our study revealed that the cities have played a different role depending on their size and economic power. The centralized communist economies that prevailed in those countries until the '90s increased the role of capital cities and their surrounding regions. The demographic and economic power of the capital often dictates the highest speed in FDI attraction. However, when it comes to regional main cities, the FDI attraction and regional impact often depends on their accessibility and the available labour force.

Keywords: FDI, flows, migration, Eastern Europe, regional development, urban development

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