1 INTRODUCTION

1.1 The research problem

This book focuses on the relationship between firm relocation and regional policy. These two domains are only partially overlapped: firms do move for several reasons, not necessarily linked to regional policy measures; and regional policy deals with many topics that have little to do with firms relocation. Therefore, this study investigates the role of government measures as determinants of companies’ decision to relocate. The scope of the research is limited to three European countries, Italy, the Netherlands and the United Kingdom, where subsidies have been used for decades – and, to some extent, still are, despite modern location theories argue on their effectiveness.

Firm relocation from the core area to the periphery, promoted by policy measures, was an important research topic in West European economic geography in the 1970s. Especially in the United Kingdom but also in the Netherlands, Germany, France and Italy many firm migration studies were published. Luttrell (1962), Cameron and Clark (1966), Keeble (1968) and Townroe (1972) published results of firm migration research in the United Kingdom; Molle (1977) and Kruyt (1979) explored the phenomenon in the Netherlands; Bade (1983) focused on Germany; Aydalot (1978) on France; Camagni (1976) and others i.e. Ortona and Santagata (1983) did the same for Italy – naturally with a strong accent on the Italian Mezzogiorno, the main target area for Italian regional policy.

After the 1970s, however, the interest in firm migration almost disappeared. But in the 1990s a renewed interest was evident especially in the United Kingdom (Cheshire and Gordon, 1995; Prism Research, 1992, 2001) and in the Netherlands (Pellenbarg, 1985; Kemper and Pellenbarg, 1997; Pen and Pellenbarg, 1998). Both countries, in fact, developed a database on firm migration: the ‘CREDO database’ for the UK and the ‘Mutation Balance’ for the Netherlands. Instead, in Italy, discussion and analysis of industrial movement have been heavily conditioned by the lack of complete and reliable national-level data on firm migration. The only studies undertaken in 1990s are those by Bramezza and Gorla (1995), Seen (1995) and Tamberi and Traù (1996, 1999), mainly focused on short-distance industrial location (suburbanisation) from the core of large metropolitan areas.

What is evident, however, is that the instruments conceived to promote firm relocation have decreased over time. Since the end of Second World War until the beginning of the 1980s, regional development was based on government incentives promoting industrial decentralisation from the core areas towards the periphery, both for social (i.e. employment, development) and practical (i.e. decongestion, pollution) reasons. From the mid-1980s onwards, there has been an increasing emphasis on framework measures and on regional strategy development. In this period new concepts of regional development were formulated; the competitiveness of econo-
names was increasingly attributed to the ability to innovate, particularly within the context of environments that facilitate learning, interaction and networking between enterprises.

However, as stated earlier, the shift in terms of theoretical approach does not necessarily imply a consistent and complete change in terms of instruments. The contamination is still very strong and also in these days the core-periphery relocation is promoted with ‘old-fashioned’ measures. Although policy measures supporting the core-periphery relocation are still in place, their amount of subsidies decreased and firms looking for cost-advantages tend to invest in low-wage countries such as Central Eastern Europe or the Far East. Since the middle of the 1980s, small and medium-sized firms have been involved in a growing internationalisation process, mirroring the path of multinational enterprises. As a consequence, in 1950-1970s firm were willing to relocate production activities to the peripheral areas where they could exploit cost-advantages (particularly as concerns wages), while nowadays these regions are not so attractive as in the past and they may be substituted by foreign countries. Besides, international delocalisation also regards R&D departments and service firms. The contraction of business subsidies from the 1980s onwards together with the increasing firm internationalisation process might have been the cause of a reduction of firm migration flows towards the peripheral areas.

1.1.1 Defining firm relocation

A great part of all firms tend to remain at their present location throughout their life. Firm relocation is not a goal per se but it is a particular form of locational adjustment that implies a spatial reallocation of economic activities (Pellenburg et al. 2002). In this book the terms ‘relocation’ and ‘migration’ are assumed to have the same meaning.

The definition of relocation needs however to be clarified. Spatial moves by firms and plants can be ordered into at least three categories: intra-regional, inter-regional and international (see Pellenburg et al., 2002; Mariotti, 2002a, 2002b). Intra-regional moves mainly concern the industrial suburbanisation around the larger urban agglomerations while inter-regional relocation mainly involves industrial decentralisation from the economic core areas to peripheral and/or development areas. Industrial suburbanisation and industrial decentralization, that mainly refer to the first two types of relocation, became an important focus of American and European regional policy during the 1950s and 1960s. Firm relocation was seen as a means to transfer work and prosperity to depressed regions and at the same time ease the congestion, the labour market and space capacity problems in the core regions. International relocation is becoming more and more popular for small and medium-sized firms that are indeed experiencing a growing internationalisation process, similar to that of the multinational enterprises. This is observable in Europe, where the inner borders have been opened since 1992 and the European Union is expanding to embrace more countries and SMEs are utilising alternative and more attractive locations outside their home country to handle part of their activities.
Most studies on firm relocation at the intra-regional and inter-regional levels identify at least two types: integral relocation and partial delocalisation (Figure 1.1). Integral relocation is a strategy mainly adopted by single-site firms and it tends to be executed locally because firms prefer to find a new location that is near their existing site so as to keep their workforce and suppliers. Partial relocation is mainly adopted by large firms whose aim is to differentiate their production in particular areas, taking advantage of the most favourable locations. It concerns the opening of a new branch plant which is linked with a pre-existing unit, which is not abandoned (see Ortona and Santagata, 1983; Schmenner, 1982). Partial relocation can also assume the form of a partnership with a local firm or a group of firms and can be adopted by SMEs that cannot bear the cost of opening on their own.

Figure 1.1: Types of firm relocation

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<thead>
<tr>
<th>Types</th>
<th>Spatial scale</th>
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<tr>
<td></td>
<td>INTRAREGIONAL</td>
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<tr>
<td>Integral relocation</td>
<td>✓</td>
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<tr>
<td>Partial relocation or delocalisation (branch movement)</td>
<td>✓</td>
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<tr>
<td>Foreign direct investment (FDI)</td>
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<tr>
<td>International Strategic Alliance (ISA)</td>
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The definition of firm relocation assumes additional meanings when we consider the international level. In the literature on internationalisation, the term international delocalisation indicates the many ways the pieces of the research/production/marketing processes can be moved abroad (Leamer, 1998). International delocalisation can arise through FDI or International Strategic Alliance (ISA) (Figure 1.1). FDI is an investment realised abroad (‘active’ or ‘outward’ investment) or from abroad (‘passive’ or ‘inward’ investment) in plants, and can take place either through the opening of branch plants (‘green-field’ investment), or through the acquisition of or financial participation in existing firms (‘brown-field’ investment). ISA can be defined as a co-operative relationship with a partner operating backward, forward or in the same stage of a value chain and aimed at the development, distribution, and/or production of products in a foreign market (Gemser et al., 2004). ISA can take the following forms: non-equity strategic alliance, equity strategic alliance and joint venture (Dunning, 2001). Among the non-equity forms, international subcontracting is one of the most popular internationalisation strate-
gies adopted by Italian SMEs. Chapter 8 presents a detailed description of firms internationalisation strategies.

The kind of movement that has attracted a lot of attention in empirical research by professionals as well as by university researchers is inter-regional migration. This attention corresponds with the objectives of regional development policy in the 1970s, which focuses on stimulating firms to move to assisted regions. As stated earlier, the analysis mainly focuses on inter-regional migration, particularly the movement from the core area to the periphery, in the three countries of Italy, the Netherlands and the United Kingdom, a choice that will be further explained in section 1.2. Besides, in this book an analysis of cross-border delocalisation of Italian and Dutch firms, is presented in Chapter 8.

1.2 Objective, research questions and hypotheses

1.2.1 Objective

As stated earlier, many scientific papers and books have been written about firm migration in the 1950s-1970s while the last two decades have seen a growing body of literature on international firm delocalisation. Nevertheless, there is little comparative research on interregional moves from the core area to the periphery, which have been facilitated by policy measures, as well as on cross-border delocalisation. By filling gaps in research, the study described in this publication aims: (i) to give deeper insights into the role of regional policy measures in promoting the relocation of manufacturing firms from the more developed areas of a country to the periphery, from the end of the Second World War to the present; (ii) to investigate whether cross-border delocalisation substitute core-periphery relocation. It examines whether the periphery gains or loses firms, what has stayed the same and what has changed in the period of analysis, the role of policy measures on firm relocation and the obstacles they faced during the relocation process are investigated.

The countries which constitute the objects of analysis are Italy, the Netherlands and the United Kingdom. As presented in Figure 1.2, for Italy, the core area is the centre-north (north-west, north-east and centre macro regions) and the periphery is the Mezzogiorno (South macro-region and the Islands). For the Netherlands, the core region is the Randstad, while the periphery comprises the northern provinces of the country (Groningen, Frysland and Drenthe) (Figure 1.3). For the UK, the core region is the South East, while the periphery is represented by Scotland, Yorkshire and Humbershide, East Midlands and West Midlands (Figure 1.4). In particular, Scotland is taken as an example of a 'distant periphery' and the others as 'close periphery', the latter representing a situation which is more comparable to the Dutch case.
Figure 1.2: The core area and the periphery in Italy

Figure 1.3: The core area and the periphery in the Netherlands
However, it cannot be denied that the comparison of these three countries presents a problem of dimension because Italy and the UK are much bigger than the Netherlands. At the Dutch geographical scale, indeed, the relocation of businesses from the Randstad to the periphery is considered as a ‘long-distance’ move, while it is considered a short-distance move in the other two countries. The relocation of Italian companies from the centre-north to the Mezzogiorno and the movement of the UK firms to Scotland are labelled long-distance moves. On the other hand, the relocation of the UK firms to Yorkshire and Humberside, East Midlands and West Midlands constitutes short-distance migration. Although an overview of the investments which have been financed by different policy subsidies in the three countries to relocate in the periphery is presented, the focus is on the following measures: the Area Contract (in Italy), the IPR premium (in the Netherlands) and the Regional Selective Assistance (in the UK).

The analysis also includes trans-national migration in the case of cross-border de-localisation to adjacent states. In particular, in the case of Italy and the Netherlands, it aims to compare the size and motives of firm migration inside the country with moves to adjacent parts of Europe. The third case study country, the United King-
dom, is not treated because of lack of information on the specific aspect of cross-border firm migration. This may be related to the somewhat different position of the United Kingdom as an island, being not immediately surrounded by neighbouring countries. Border countries are interpreted here not only as countries just across the Italian and Dutch national borders, but also those bordering their immediate neighbours within easy reach (i.e. Poland and Hungary for the Netherlands, or Hungary and Romania for Italy).

1.2.2 Research questions and hypothesis

The book aims at providing an answer to the following four research questions:

1. How are regional policies related to the location and relocation theories?
2. What regional policies have been applied along the period from 1945 till the present in Italy, the Netherlands and the United Kingdom? Is there a consistent correlation between the regional policy’s theoretical framework and the measures that have been enforced to promote core-periphery relocation?
3. What makes firms move from the core area to the periphery? And what is the impact of regional policy on core-periphery relocation?
4. To what extent has globalisation affected firm relocation?

Each question will be addressed by testing one or more research hypothesis, whose basis is briefly described below:

Hypothesis 1: The traditional approach to regional policy is based on the neoclassical location and relocation theory, while the contemporary approach is linked to the behavioural, institutional and evolutionary location and relocation theories.

Hypothesis 2: Although regional incentives promoting firm relocation have decreased over time, the contemporary approach to regional policy still makes use of these ‘old-fashioned’ measures. In other words, not all the policy measures belonging to the contemporary approach are in line with its philosophy.

Hypothesis 3: Labour market and policy incentives were important determinants promoting the core-periphery relocation in 1950s-1980s, while nowadays ‘softer’ factors (i.e. image of the location, quality of the local environment, etc.) play a relevant role.

Hypothesis 4: The globalisation of financial and industrial markets has dramatically increased the phenomenon of firm internationalisation and cross-border delocalisation has become a substitute for core-periphery relocation.
In 1945-2000s two approaches to regional policy have been defined by scholars: the so-called ‘traditional’ and ‘contemporary’ approaches. Both are related to the location and relocation theories. The traditional approach advocates cost-related measures (i.e. regional incentives) to speed the development of the depressed areas by inducing core-periphery relocation. This approach is in line with the neoclassical location and relocation theory according to which a firm moves from the current location to a new one when the first is no longer inside the spatial margins of profitability. As a consequence, the neoclassical location factors are mainly cost-oriented (i.e. transportation cost, labour cost and market). Instead, the contemporary approach focuses on integrated development plans and strategies designed to and delivered by a partnership between regional and local players. It favours soft measures aiming to improve regional competitiveness and the business environment. The contemporary approach refers to behavioural, institutional and evolutionary theories according to which firm’s relocation determinants are associated to ‘internal’ (i.e. perception and images), ‘institutional’ (i.e. networks) and ‘external’ (i.e. path dependence) factors, respectively.

However, empirical evidence shows that boundaries between the traditional and the contemporary approaches are not so well defined and that, especially as far as policy measures are concerned, the legacy of the old framework still survives. Even in contemporary-approach oriented policies, in fact, some of the tools typically labelled as “traditional”, such as incentives, are widely used. There is a broad area of overlap which highlights a discrepancy between the ideal situation as planned by theorists and the reality designed by policy makers.

While cost related factors (i.e. labour cost, transportation cost, cost of land) were the main motives behind the relocation of economic activities from the core areas to the depressed or peripheral areas in 1945-1970s, internal and external factors (soft factors) became most important in 1980-2000s. In particular, in the first period of analysis core-periphery relocation was primarily driven by the search for available (low skilled) labour and lower salary levels. Nowadays, as empirical studies have demonstrated, firms tends to relocate over short and very short distances in order to keep their employees, which, as stressed by the institutional theory, form a part of the network of personal and organisational relations wherein the firm is embedded and through which it is tied to its location. Besides, factors such as image and representativeness of the headquarters building can play a key role on the relocation decision making process.

Since the beginning of the 1980s, SMEs started to relocate towards adjacent countries part of their production activities in order to benefit of cost reduction (particularly wages). Although policy measures supporting the core-periphery relocation are still in place, the amount of subsidies they offer decreased and firms looking for cost-advantages tend to invest in low-wage countries such as Central Eastern Europe or the Far East. Besides, international delocalisation does not only concerns production departments, R&D departments and service enterprises are following the trend. The analysis of whether cross-border delocalisation is a substitute for core-periphery relocation provides additional insights about the home country effects of delocalisation.
1.3 Scientific and social relevance

Firm relocation is one of the events (i.e. birth, growth, death and possible survival of new firms) which have been studied in the last twenty-five years by the *demography of firms*, a research area within the broader domain of economic geography. These studies have been put forward for explaining regional differences in economic development within countries (see Birch, 1979; Wever, 1984). For most countries there are fewer firm relocation studies than studies on the other firm demographic events because of the absence of good quality empirical data sources and because firm migration for most regions tends to be of minor importance for the firm mutation balance (i.e. Wever, 1984; Wever and Van der Velden, 2000). The rationale of this assumption cannot be denied if we consider that the vast majority of firm relocations are short-distance migrations within rather than between regions. Nevertheless, a number of arguments can be presented that contradict the unimportance of firm relocation as a firm demographic event (see Pellenbarg and Van Steen, 2003). First, the frequency of firm relocations is much higher than generally assumed. Second, relocated firms tend to be growing firms. Growth is the single most important push and pull factor for most firm relocations and correspondingly, many firms show considerable employment growth in the first years after relocations. Finally, the small spatial scale of firm migration movements requires some revision.

Firm relocation on the local, regional and national scales has been the object of three decades of research experience at the Faculty of Spatial Sciences of the University of Groningen (among others: Pellenbarg, 1985; Kemper and Pellenbarg, 1988, 1991, 1993, 1995, 1997). The present book refers to this tradition of firm migration research and seeks to make a contribution to the field of firm relocation, by providing a better understanding of the relationship between regional policy approaches and location and relocation theories as well as of firm relocation determinants in the three countries with a specific focus on the role played by regional policy measures as a trigger to relocate from 1945 to the present.

Looking at the situation from the perspective of society, there are reasons, though more practical, to investigate firm relocation at inter-regional as well as cross-border levels. The physical movement of businesses together with business formation and expansion, decline and closure influence the geographical distribution of economic activity at any point of time. Relocation is especially important from a spatial perspective, because it implies a spatial reallocation of economic activity and offers an indication of the changing competitiveness of an economic area. Industrial migration is recognised as being of great importance for regional and local development because it has direct influence on the creation of wealth on the regional as well as on the local level. Nevertheless, the heterogeneity of data available together with the lack of effective research on firm relocation at interregional and cross-border levels in the three countries, and particularly in Italy, contributed to a lack of insight among policy makers in this topic. The present book, on the basis of existing data on firm reloca-
tion, aims to fill this gap by providing evidence on the core-periphery relocation process in Italy, the Netherlands and the United Kingdom and on cross-border delocalisation in Italy and the Netherlands. In particular, the study of the inter-regional level has attained most of the attention because it corresponds with the object of regional development policy.

Thus, a complete view of the firm migration flows in and out of the regions at the national level can directly influence the course of regional policy. In addition, the knowledge of the push and pull motives indicated by the relocated firms, as well as the obstacles encountered in the relocation process, are food for thought for all policy parties. The knowledge of both firm relocation flows, factors and obstacles to invest in the peripheral areas is necessary to evaluate whether the regional policies have been structured properly, that is whether they satisfy the entrepreneur’s need and foster the socio-economic development of the depressed areas. Strengths and weaknesses of these policies can be measured by means of appropriate indicators such as, for instance, the number of relocations. Besides, a micro-analysis based on interviews to firms and local actors can help in understanding whether the regional policy played a fundamental role in the decision making process or the managers would have invested regardless of incentives.

Since the 1980s, the growing delocalisation between neighbouring countries, has attracted attention for its social and economic consequences on the host and home countries. If we look at the home country effects, long-distance migration – integral or partial migrations – on the spatial level of continents and sub-continents tends to become plausible alternatives in an era of gradually fading national borders. Thus, the knowledge of such impact might be used to re-design regional policy axis so that measures are capable to safeguard the economy of an area facing growing internationalisation process.

The analysis of cross-border delocalisation is very important to understand, evaluate and predict the impact of international relocation on the socio-economic development of the home countries. This knowledge might be used to understand whether cross-border and core-periphery relocation are substitute. If so, policy measures have to be reoriented in order to avoid the risk that peripheral areas suffer the competition of foreign countries and fall again in the vicious circle of underdevelopment.

1.4 Research design

1.4.1 Methodology

Firm relocation processes are normally studied on a macro and/or a micro level. The former uses regionally aggregated data and focuses on the development of firm migration over time and space by sector. The latter aims at understanding the factors (push, pull and keep) causing firm migration on the basis of written questionnaires or personal interviews with managers/decision makers. Both approaches are useful, but in order to be able to record the dynamics in industry accurately, it is
essential to have a nationwide database first. These data can subsequently be used to identify certain patterns, which can be tested by a more micro approach. Nevertheless, it is important to underline that the study of firm migration has always fallen prey to the availability of reliable and complete data, at quantitatively as well as qualitatively. In order to answer the research questions this research is based on a thorough investigation of the macro and micro levels.

The macro approach is adopted to describe firm relocation in the last decade, in the three countries, as well as to report and analyse the investments, which have been granted by the regional policy measures to locate in the peripheral areas. The information used for the first analysis is provided by the databases on firm migration process at the national level. These are only available for the Netherlands and the United Kingdom.

The Dutch Chambers of Commerce developed the so-called ‘Mutation Balance’ project, which annually produces national data about firm formation, firm migration and firm closure. The data available concerns firm migration in 1986-1995. In the United Kingdom, the private Consultant Company Prism Research owns the ‘CREDO database’ which records the relocation process of single location companies, head offices and holding companies in 1988-2001. In Italy no database on firm migration has been set up yet. However, the Italian database on firm demography (Registro Imprese), developed by the Italian Chamber of Commerce, and the ASIA database, by the Italian Statistical Institute (ISTAT), provide data on the geographical location of branches (partial relocation) and of head offices (complete relocation), respectively.

The British CREDO database does not cover branch plants. On the whole, job migration is overestimated. On the other hand, the Dutch Mutation Balance that counts both head offices and branches has been criticised because of the pollution of its data. Finally, the Italian data on firm relocation are often incomplete or polluted. The last but not least important consideration regards the different geographical scale of the three countries, as stated in section 1.2.1. One might argue, therefore, that a comparison on general relocation patterns in the three countries is not possible because of the differences in migration data, but these information do not bias the core of the study which focuses, instead, on the role of regional policies in promoting core-periphery relocation. The data used for the second analysis, examining the number and type of investments, the grant provided and the number of new jobs created, are supplied by the government bodies in charge of monitoring the policy measures in each country.

Starting from the assumption that quantitative data cannot yield insight into the forces governing firm relocation, a micro-approach, based on a questionnaire (see Appendix 3) and interviews with key actors has been adopted. The questionnaire was addressed to all relevant companies that obtained grants to invest in the peripheral areas through the Area Contract (AC) in Italy, the IPR premium in the Netherlands and the Regional Selective Assistance scheme (RSA) in the UK. The questionnaire was structured into three main sections. The first concerns firm char-
acteristics (typology, age, size, market, etc.) and the relationships with suppliers and local or public bodies such as the development agency. Push and pull factors driving relocation are investigated in the second section. Particular focus is put on the policy measures which act as a trigger to relocate. Finally, in the third section the managers are asked: (i) whether they have considered other locations where to invest and why; (ii) if they are thinking of making other investments in the area; (iii) which was and is the ‘image’ of the area and why.

The difficulties encountered in collecting firm-level data as well as securing a reasonable number of respondents, led to the use secondary information for the British case. Finally, face-to-face and telephone interviews have been conducted among a representative sample composed by researchers, experts and other actors involved in the relocation process, in each of the three countries.

1.4.2 Overview of the chapters

This section provides a short description of the chapters in which the book is structured.

Starting from the assumption that the migration of firms cannot be considered independent of their location, Chapter 2 deals with the main theories about the location and relocation of enterprises: neo-classical, behavioural, institutional and evolutionary.

Chapter 3 focuses on the approaches to regional policy in 1945-2000s: ‘traditional’ and ‘contemporary’ approaches. It is stressed that while the ‘traditional’ approach focused on offering regional incentives to promote firm relocation towards the peripheral areas, the ‘contemporary’ approach gave an emphasis on framework measures and regional strategy development. Special attention is given to the link between the location and relocation theories, described in Chapter 2, and the regional policy approaches. Chapter 3 answers question 1 and tests Hypothesis 1. Besides, it seeks to test Hypothesis 2.

Chapter 4 presents an overview of the studies on firm relocation at the national level from the end of the World War II to the present. In addition, the recent literature on international delocalisation of SMEs is reviewed and further research interest are presented.

While Chapters 1-4 investigate the general problem, the following chapters focus on core-periphery relocation in Italy, the Netherlands and the United Kingdom. Chapter 5 and Chapter 6 report the main findings of the macro-approach to firm relocation. Chapter 5 describes the business registration systems of the three countries and presents the most recent data on core-periphery migration (in 1990-2000s). Chapter 6 specifically stresses the impact of regional policy measures on core-periphery relocation in 1945-2000s, in the three countries, using as a parameter the amount of granted investment. Chapter 6 answers questions 2 and 3 and tests Hypothesis 2, with reference to the cases of Italy, the Netherlands and the United Kingdom.

The results of the micro approach are presented in Chapter 7 which describes the business investments that have been financed through grants from three specific
policy measures (the Area Contract for Italy; the IPR for the Netherlands; the Regional Selective Assistance for the UK) to locate in the peripheral areas. Thus, Chapter 7 answers question 3 and tests Hypothesis 3.

Chapter 8 analyses cross-border relocation which plays a relevant role in the present scientific debate for its social and economic consequences on the country of origin and of destination of the investments. In particular, the internationalisation strategies of Italian and Dutch firms investing in border countries are presented and it is investigated whether cross-border relocation is a substitute for core-periphery relocation. This chapter provides an answer to the last question and tests Hypothesis 4.

Finally, Chapter 9 summarises the report, rounding off issues posed by research questions. Moreover, a few general conclusions are drawn with respect to the evolution of firm relocation process over time and the course of future research investigations.

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1 CREDO stands for Company Relocation and Economic Development Observatory. It has been developed by a private consultant company ‘Prism Research’ in Telford (see Chapter 5 for a detailed description).

2 The ‘Mutation Balance’ project has been developed by the Dutch Chambers of Commerce (see Chapter 5 for a detailed description).

3 The economy is assumed to consist of at least two regions: one core region and one peripheral region. The core region is typically highly urbanised with high densities of both people and economic activities. The peripheral region, typically, has the character of a rural region, although its main source of income may well be in manufacturing and services, with only a small share in agriculture.

4 Job migration is overestimated because all the employees working both in the head office and in the branches are registered at the head office level. If the head office relocates, all the employees result to have being moved with it.