

Migration and Development in Italy's Inner Areas

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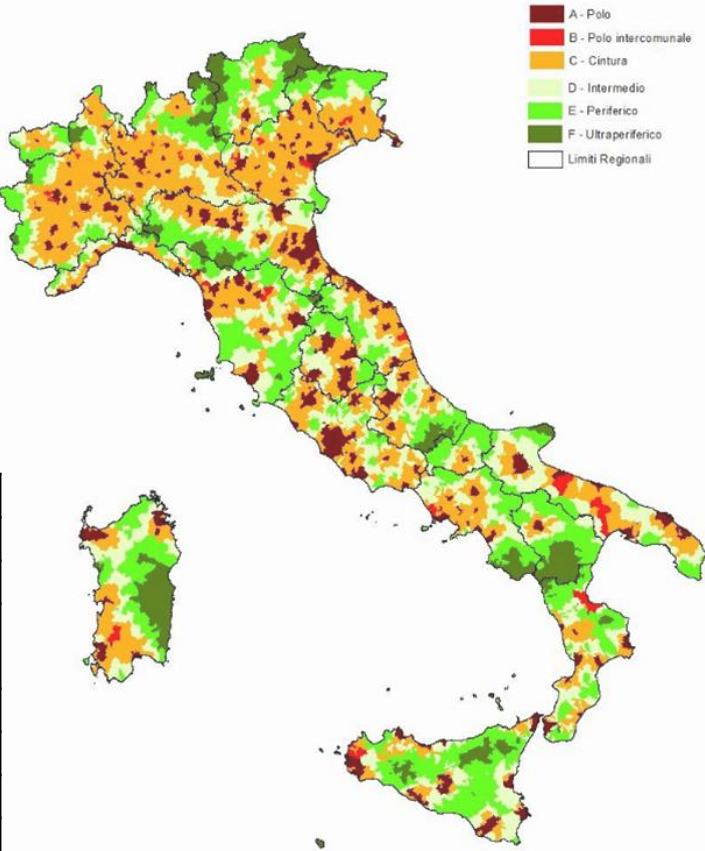
Migration and development in Inner Areas, why should we care?

Italy's Inner Areas:

Building the Map of Inner Areas:

- 1. Definition of “Pole” and “Inter-municipal Pole” (at least one high school, hospital with Level I emergency, Railway Station with silver category)
- 2. Definition of the distance of each Italian municipality from the nearest “Pole” or “Inter-municipal Pole”
- 3. Municipalities located within 27.7 minutes are classified as “Belt”; between 27.8 and 40.9 minutes as “Intermediate”; between 41 and 66.9 minutes as “Peripheral”; beyond this threshold as “Ultra-peripheral”

Classification	N. of Municipalities		Population		Area (kmq)	
	Value	Share	Value	Share	Value	Share
Pole	178	2,3%	20.103.897	34,1%	24.418	8,1%
Inter-municipal Pole	88	1,1%	2.376.790	4,0%	8.842	2,9%
Cintura	3.817	48,3%	23.375.037	39,6%	99.200	32,8%
Intermediate	1.909	24,2%	8.146.100	13,8%	73.324	24,3%
Peripheral	1.527	19,3%	4.308.326	7,3%	74.335	24,6%
Ultra-peripheral	382	4,8%	679.599	1,2%	21.949	7,3%
Totale Italia	7.901	100,0%	58.989.749	100,0%	302.068	100,0%



Migration and development, why should we care?

The European debate on **migration** has intensified in recent decades → **raising public concern on labor market, welfare, social cohesion.**

However, scholars have shown that:

Geographical mobility plays an important role in the efficient functioning of the labor market (Dohmen et al., 2010).

Migrations contribute to economic development in the countries of origin through remittance flows (Adams & Page, 2005; Acosta et al., 2008; CeSPI, 2013; Frigeri, 2015; Rhi-Sausi & Zupi, 2009).

Migrants play a positive role in offsetting demographic change (Cuaresma et al., 2015).

High rates of self-employment and entrepreneurship among migrants can have multiple positive effects:

- **introducing new skills into the labor market (Hunt, 2010; Ottaviano & Peri, 2012),**
- **creating opportunities for internationalization due to the transnational nature of migrants (Bratti et al., 2014),**
- **increasing domestic demand and generating new jobs, with positive consequences for employment rates and social security systems (Lacomba & Lagos, 2010).**

Migration and development, why should we care?

International mobility and entrepreneurial activity are both associated with elevated risk, yet they potentially yield higher returns compared to employment within the domestic labor market. Consequently, migrants—characterized by a propensity for novelty, risk-taking, and self-actualization—may exhibit a greater likelihood of engaging in both behaviors (Vandor, 2009).

This dynamic partially mitigates the structural labor market constraints that limit the absorption of migrant labor.

In Italy, there exists a significant skill underutilization phenomenon, reflecting both overqualification and the labor market's limited capacity to fully recognize and valorize migrants' human capital and professional qualifications (ISMU, 2016; ONC-CNEL & Ministry of Labor, 2013).

Migration and development in Inner Areas, why should we care?

Migrants can support demographic stabilization and facilitate the **maintenance or reopening of schools and services** threatened by local population decline (JRC, 2019; Ambrosini, 2020); **foster economic revitalization through entrepreneurship and self-employment**, transferring human capital—especially in sectors like agriculture—and stimulating local demand (Cueto & Rodriguez Alvarez, 2015, Spain).

In Germany, migrants have played a **pivotal role in the manufacturing sector of inner areas, addressing labor shortages and promoting technological innovation** (Constant et al., 2007).

Under enabling conditions (adequate infrastructure and institutional support) evidence from France, Spain, and Germany shows that migrants can **create new socio-economic spaces in economically depressed areas** (Cattacin and Gamba, 2021).

Their presence can also **enhance social cohesion by enriching the local social fabric and promoting integration across communities**. However, **local policies that recognize migrants' skills and support inclusion are essential to maximize benefits and reduce social tensions** (Ragazzi, 2020).

Migration and development in Inner Areas, why should we care?

The risk of segregation and marginalization of migrants in inner areas is a key issue. Scarcity of public services and opportunities can lead migrants to live in precarious conditions and remain socially and economically isolated (Pastore, 2018).

The effectiveness of migration policies in inner areas depends on place based integrated strategies combining economic incentives, social inclusion measures, and targeted interventions to improve local infrastructure and services (Fioretti Proietti and Tintori, 2023).

In France, rural integration programs have facilitated migrants' access to education and vocational training, enhancing their economic and social participation (Lacomba & Lagos, 2010).

In Colombia, economic development influences internal migration patterns: migration from rural to urban areas rises in early development stages and declines as rural opportunities improve (Acosta & Gu, 2024).

Hypothesis and research questions:

Given the role highlighted in the literature of migration in labor market, demographic, and service development processes, and the opportunities this creates for territories, we leveraged the richness of the SNAI OpenKit, enriched with other administrative and survey data, to test and quantify our initial **hypothesis**: namely, that **migrants remain in inner areas under certain conditions** (welfare, economic opportunities, availability of housing, social cohesion), and that **migrants presence can foster economic and social development**.

Research Questions:

- I) **What are the determinants of higher migrant presence in Italian inner areas?**
- II) **Can the presence of migrants generate development even in the context of Italian inner areas?**

The dataset

We collected data from the Open Kit produced by the Department for Cohesion Policies and the South, as well as our own elaborations from other sources (Istat, Revenue Agency, Ministry of Economy and Finance, etc.). The main data domains used in the analyses are:

- **Demographic data** on residents and foreign residents, by number and age groups
- **Economic data**, including sectoral specialization indices by employment, wealth, and enterprises
- **Public services data** (health and education) for the 128 areas, produced by the Department for Cohesion Policies and the South → we built a composite indicator of essential services' quality (ISEAI) from two indicators of health and education (each area's variables were compared to the national average; values above the mean were coded positively. Quartiles were computed, and areas above the 3rd quartile in both base indicator received a positive score in the composite indicator)
- **Social data**, including housing (occupied and unoccupied, share of rented units among occupied housing), and reception (presence, capacity, and number of residents in CAS - Extraordinary Reception Centers and SIA - Reception and Integration System - facilities)

The 128 Areas of our analysis

The 128 areas under consideration are composed of:

- a) 72 areas selected in the 2014–2020 programming period
- b) 56 new areas selected in the 2021–2027 programming period

	N. of regions		N. of selected areas	
	Value	Share	Value	Share
Nord Ovest	4	19,0%	24	18,8%
Nord Est	5	23,8%	26	20,3%
Centro	4	19,0%	24	18,8%
Sud e Isole	8	38,1%	54	42,2%
Totale Italia	21	100,0%	128	100,0%

The 128 areas **were chosen to ensure temporal comparability of the data used, thereby enhancing the robustness of the analyses and their corresponding results.**

	N. of Municipalities		Population		Area (kmq)	
	Value	Share	Value	Share	Value	Share
128 Aree	1.824	23,1%	3.929.917	6,7%	89.647	29,7%
Italia Aree Interne	3.818	48,3%	13.134.025	22,3%	169.608	56,1%
Totale Italia	7.901	100,0%	58.989.749	100,0%	302.068	100,0%

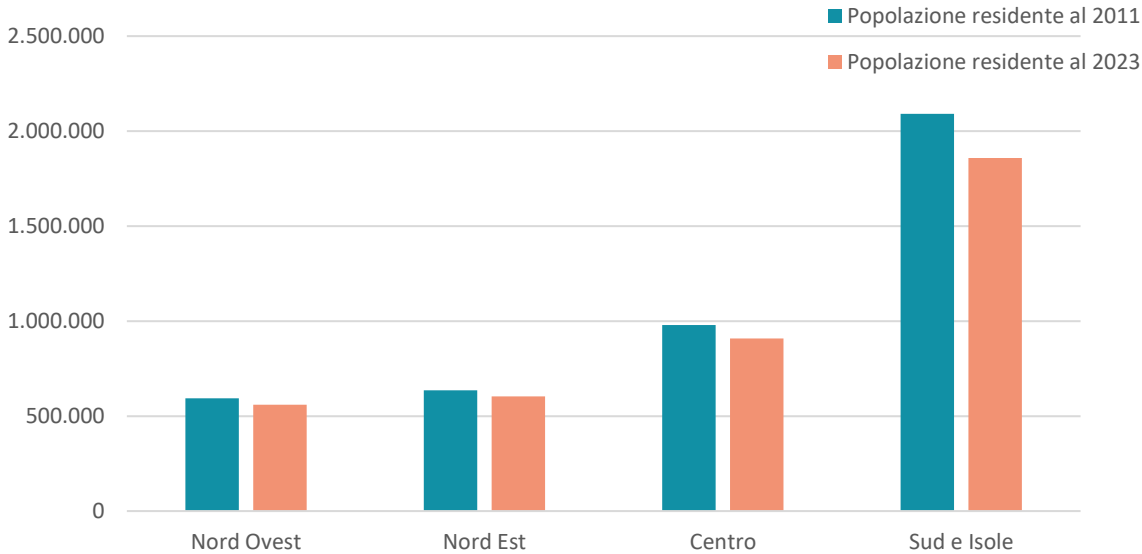
Demographic analysis

- The data show a general, **modest** in percentage terms, **decline in the Italian population**.
- There is an internal migration of residents from inner and marginalized areas toward large urban agglomerations.
- Among the 128 areas, those in the South and Islands experienced an **11.1% population loss** between 2011 and 2023.

Classificazione	Pop. residente 2011	Pop. residente 2023	Variazione Perc. 2023-2011
128 Aree	4.300.919	3.929.917	-8,6%
Aree Interne	13.722.675	13.134.025	-4,3%
Italia	59.433.744	58.989.749	-0,7%

Dist. 128 Aree	Pop. residente 2011	Pop. residente 2023	Variazione Perc. 2023-2011
Nord Ovest	593.901	559.071	-5,9%
Nord Est	636.100	604.121	-5,0%
Centro	980.084	908.216	-7,3%
Sud e Isole	2.090.834	1.858.509	-11,1%
Totale 128 Aree	4.300.919	3.929.917	-8,6%

Popolazione residente per localizzazione 128 Aree

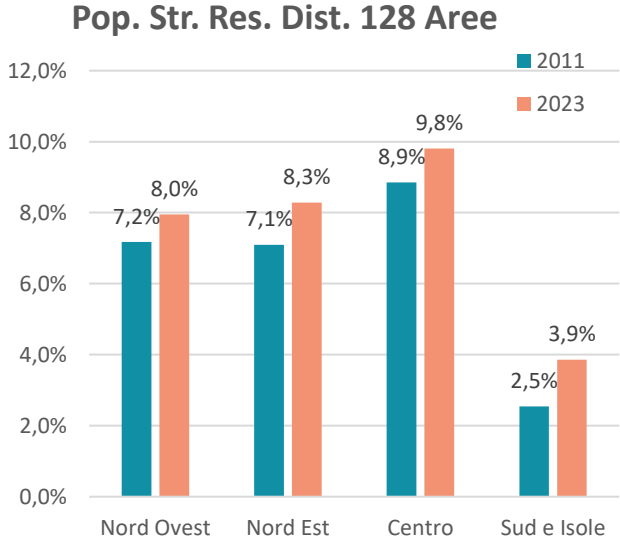
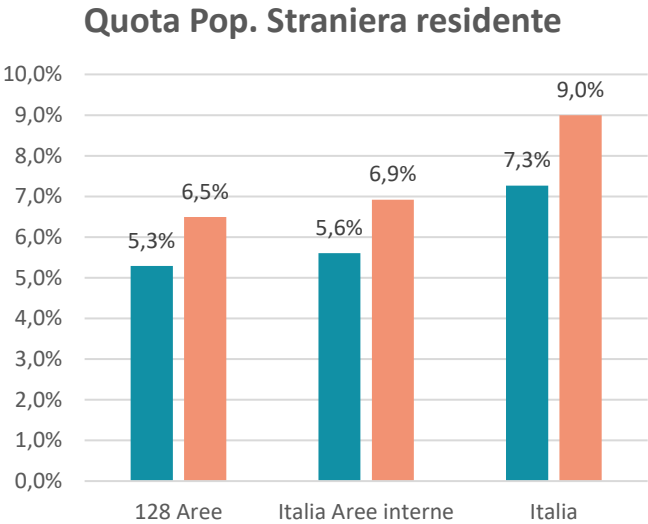


Foreign residents analysis

- The number of foreign residents has steadily increased over the last decade, not only at the national level or in major urban centers, but also in inner areas.
- Overall, the 128 areas saw an increase of approximately 27,000 foreign residents over the last decade (a 12.5% rise), with around 17,000 settling in the most marginalized municipalities.
- Among the 128 areas, those in the South and Islands experienced a 35.0% increase in foreign residents between 2011 and 2023.

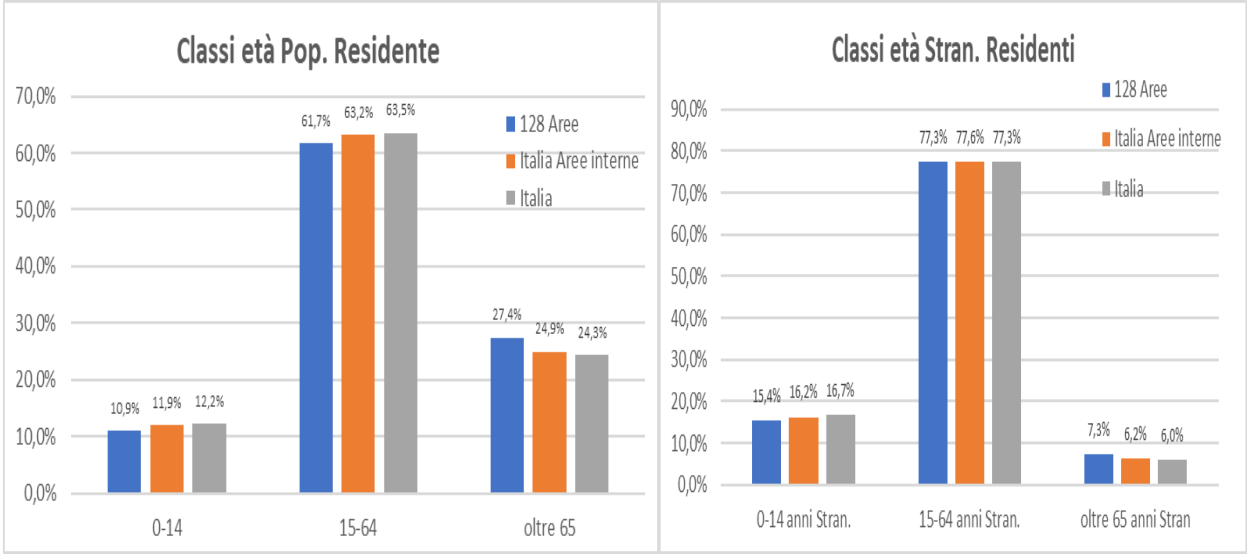
Classificazione	Pop. Str. Res. 2011	Pop. Str. Res. 2023	Quota Pop. Str. Res. 2011	Quota Pop. Str. Res. 2023	Var. Perc. 2023-2011
128 Aree	227.621	255.292	5,3%	6,5%	12,2%
Italia Aree interne	769.545	908.589	5,6%	6,9%	18,1%
Italia	4.319.201	5.307.598	7,3%	9,0%	22,9%

Dist. 128 Aree	Pop. Str. Res. 2011	Pop. Str. Res. 2023	Quota Pop. Str. Res. 2011	Quota Pop. Str. Res. 2023	Var. Perc. 2023-2011
Nord Ovest	42.622	44.463	7,2%	8,0%	4,3%
Nord Est	45.145	50.063	7,1%	8,3%	10,9%
Centro	86.750	89.091	8,9%	9,8%	2,7%
Sud e Isole	53.104	71.675	2,5%	3,9%	35,0%
Tot. 128 Aree	227.621	255.292	5,3%	6,5%	12,2%



Age classes analysis

- In 2023, the resident population aged **over 65** ranges from 24% to 27% (for foreign residents, 6.0%–7.3%), while the **under 14** group ranges from 10.9% to 12.2% (foreign residents: 15.4%–16.7%).
- Over time, no significant trends are observed in the age distribution of foreign residents within the 128 selected areas.
- From a territorial distribution perspective, age classes of foreign residents show no major differences across the 128 areas, except for the share of foreign residents over 65 in the **Central** area.



	RESIDENTI STRANIERI					
	0-14 (2011)	15-64 (2011)	+65 (2011)	0-14 (2023)	15-64 (2023)	+ 65 (2023)
128 Aree	19,4%	77,4%	3,2%	15,4%	77,3%	7,3%
Italia Aree interne	19,9%	77,3%	2,8%	16,2%	77,6%	6,2%
Italia	20,3%	77,3%	2,4%	16,7%	77,3%	6,0%

Dist. 128 Aree	RESIDENTI STRANIERI					
	0-14 (2011)	15-64 (2011)	+65 (2011)	0-14 (2023)	15-64 (2023)	+ 65 (2023)
Nord Ovest	21,2%	75,3%	3,5%	16,1%	76,2%	7,7%
Nord Est	20,6%	76,7%	2,7%	16,5%	76,6%	7,0%
Centro	19,4%	76,7%	3,9%	14,7%	76,6%	8,7%
Sude Isole	16,9%	80,6%	2,4%	14,9%	79,5%	5,6%
128 Aree	19,4%	77,4%	3,2%	15,4%	77,3%	7,3%

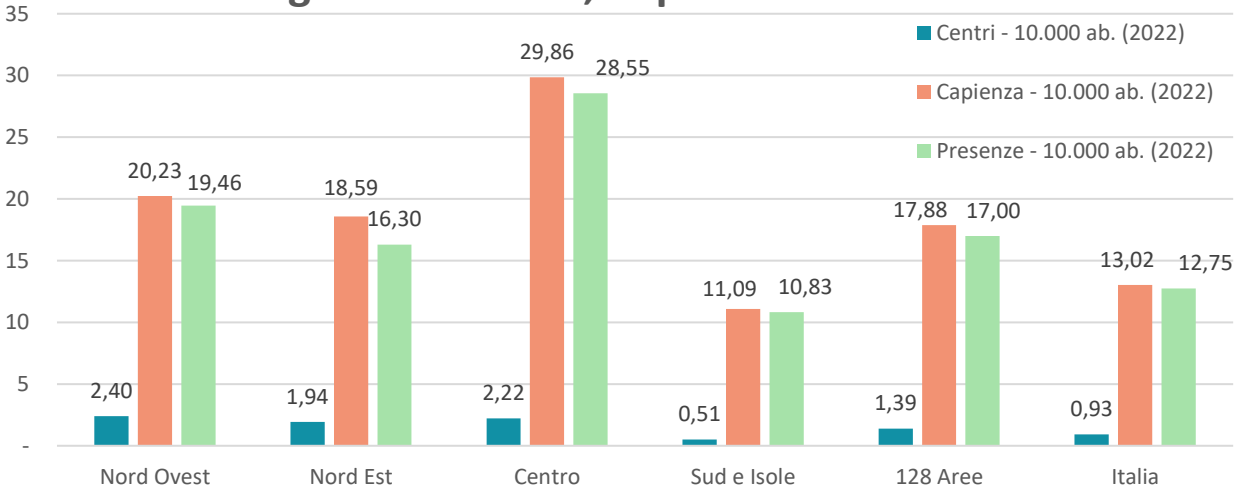
Migrant reception (CAS/SIA) analysis

- The 128 areas show values above the national average.
- Having values above the national average does not imply that substantial differences do not exist among the 128 areas.
- From a geographical distribution perspective, while acknowledging notable exceptions in both directions, values in the South and Islands are generally lower than those recorded in other territories.

	Centri - 10.000 ab. (2018)	Capienza - 10.000 ab. (2018)	Presenze - 10.000 ab. (2018)	Centri - 10.000 ab. (2022)	Capienza - 10.000 ab. (2022)	Presenze - 10.000 ab. (2022)
128 Aree	1,92	38,62	24,45	1,39	17,88	17,00
Italia	1,57	26,32	17,77	0,93	13,02	12,75

Dist. 128 Aree	Centri - 10.000 ab. (2018)	Capienza - 10.000 ab. (2018)	Presenze - 10.000 ab. (2018)	Centri - 10.000 ab. (2022)	Capienza - 10.000 ab. (2022)	Presenze - 10.000 ab. (2022)
Nord Ovest	2,58	35,13	25,14	2,40	20,23	19,46
Nord Est	3,54	84,64	52,94	1,94	18,59	16,30
Centro	1,22	23,40	16,97	2,22	29,86	28,55
Sud e Isole	1,54	32,58	18,97	0,51	11,09	10,83
128 Aree	1,92	38,62	24,45	1,39	17,88	17,00

Accoglienza - Centri, Capienza e Presenze



Methodology

Model (1) explains the presence of migrants in inner areas.

The dependent variables (Y) are: (a) the log of the number of foreigners in each area and (b) the variation in the number of migrants from 2020 to 2023. The baseline model is re-estimated controlling for macro-area.

Predictors of Model (1) are: the logarithm of the number of migrants in reception facilities (ERC) lagged at 2022, the logarithm of average taxable income (2022), the share of rental housing (2019), the number of non-profit institutions per 100,000 inhabitants (2019), the logarithm of the population (2023), the number of enterprises per 1,000 inhabitants (2020), the distance in minutes from the Centre of services and the dummy indicating if the area is highly marginalized or marginalized, alongside macro-area of residence. A variant of Model (1) employs as predictor the change in resident population between 2011 and 2020.

$$\begin{aligned}
 Y_i &= \alpha + \beta_1 \ln \text{Foreigners in ERC}_i + \beta_2 \ln \text{Income}_i + \beta_3 \text{Housing}_i \\
 &+ \beta_4 \text{Distance from the centre} + \beta_5 \text{IstNonProfit}_i + \beta_6 \ln \text{Population}_i + \beta_7 \text{Enterprises}_i + \varepsilon_i
 \end{aligned}$$

Methodology

Model (2) explains the relationship between migrants' presence and economic development, measured by two dependent variables: (a) the level of Average Taxable Income in 2022, used as a proxy for local wealth, and (b) the number of enterprises per 1,000 inhabitants. The baseline model is re-estimated controlling for macro-area.

Predictors of Model (2) are: the share of migrants in the population lagged at 2020, the logarithm of the population (2020), the employment rate (2019), the total number of enterprises per 1,000 inhabitants (2020) and the share of migrant-run enterprises (2020), alongside macro-area of residence.

$$\begin{aligned} Y_i &= \alpha + \beta_1 \text{Share of Foreigners}_i + \beta_2 \ln \text{Income}_i \\ &+ \beta_3 \text{Employment rate}_i + \beta_4 \ln \text{Population} + \beta_5 \text{ZEnterprises}_i + \varepsilon_i \end{aligned}$$

Descriptive statistics

Foreign residents account for an average of 6.5% of the population, below the national average of approximately 8.7% (ISTAT, 2024). The average change in the number of migrants from 2011 to 2023 is about 20 percentage points.

The employment rate in inner areas is approximately 41.5%, and the 2022 IRPEF is €17,643. On average, in 2022 there were around 52 migrants per reception facility located in these areas.

The total number of enterprises per 1,000 inhabitants averages 111, of which 6.3% are run by foreign residents. On average, there are over 13,000 unoccupied houses out of a total of 27,760, with only 1,442 available for rent. Non-profit institutions per 100,000 inhabitants average 84.6.

They are 46 minutes far away from center and half of them are highly marginalized.

Variables	Obs	Mean	Std. dev.	Min	Max
Growth rate of foreign population '20 to '23	128	0.09	0.11	-0.16	0.67
Growth rate of tot population from '11 to '20	128	-0.08	0.04	-0.19	0.07
Foreign population 2023	128	1,994	1,890	100.00	8,684
Share of foreign population 2020	128	0.06	0.03	0.01	0.15
Average Taxable Income	128	17,643	2,769	12,975	23,427
Employment rate 2021	128	0.41	0.06	0.30	0.63
Number of foreigners hosted in ERC 2022	128	52.18	69.62	0.00	498.00
Population 2023	128	30,702.48	19,562.93	2,169.00	80,569.00
Number of enterprises per 1,000 inhabitants 2020	128	111.39	23.36	63.49	172.46
Percentage of enterprises owned by foreign population 2020	128	6.31	2.60	1.34	14.33
Share of rental housing 2019	128	0.10	0.03	0.04	0.20
Non-profit institutions per 100.000 inhabitants	128	84.62	45.77	23.90	254.76
Distance from the center (minutes)	128	46.10	12.23	25.75	84.89
Highly marginalized areas	128	0.5	0.50	0	1
Marginalized areas	128	0.5	0.50	0	1

Source: elaborations of authors.

Descriptive statistics

- Greater positive change in the presence of foreign residents in the South corresponds to a larger negative change in the total resident population.
- Significant differences across macro-areas are observed in terms of wealth, employment rates, presence of the third sector, welfare quality, and unoccupied housing (including between the two levels of marginalization).

Variables	Marg media (64)	Marg elevata (64)	Nord-Ovest (24)	Nord-Est (26)	Centro (24)	Sud (54)
Foreigners Δ 2017–2023	0.03	0.05	0.07	0.12	0.06	0.01
Foreigners Δ 2020–2023	0.09	0.10	0.09	0.03	0.01	0.14
Total Pop Δ 2011–2023	-0.09	-0.09	-0.07	-0.06	-0.08	-0.12
% Foreigners 2023	0.07	0.06	0.08	0.07	0.09	0.04
N. of Foreigners 2023	2,039	1,950	1,853	1,925	3,712	1,327
IRPEF 2022 (<i>Income Tax</i>)	18,055	17,232	19,844	20,508	18,430	14,936
Employment Rate 2021	0.42	0.41	0.45	0.48	0.43	0.36
Migrants in CAS 2022	57.64	46.71	45.33	37.89	108.04	37.28
Log pop 2023	10.04	10.16	9.75	9.79	10.40	10.27
Enterprises per 1,000 Inh. 2020	114.3	108.47	103.50	108.23	117.54	113.6
% Foreign Enterprises 2020	6.52	6.10	6.87	6.20	7.67	5.51
Total Housing 2021	24,930	30,390	25,811	22,727	31,026	29,361
Unoccupied Housing 2021	11,853	15,558	14,753	11,900	13,839	14,049
Rental Housing 2019	1,437	1,448	1,581	1,245	1,851	1,293
Non-Profit Inst. per 100k Inh	93.73	75.50	122.74	119.32	89.79	48.66

Multivariate Analysis Results on the Presence of Foreign Residents

	Foreigners (ln)- -2023 - 1a	Foreigners (ln) -2023 - 1b	Foreigners' growth rate 20-23 - 1c	Foreigners' growth rate 20-23 - 1d	Foreigners' growth rate 20-23 - 1e	Foreigners' growth rate 20-23 - 1f
Average Taxable Income (ln) - 2022	1.3763***	0.5053	-0.3427***	-0.2489**	-0.2547***	-0.1778+
Foreigners in reception facilities (ln) - 2022	0.0447**	0.0354**	0.0138**	0.0144***	0.0136**	0.0144***
Population (ln) - 2023	0.9797***	0.9573***	-0.0167	-0.0127	-0.006	-0.0006
Share of rental housing - 2019	4.8990***	5.2062***	-0.0022	-0.2216	0.0077	-0.2073
Enterprises per 1.000 inh (N.) - 2020	0.0052***	0.0041***	-0.0006+	-0.0004	-0.0006+	-0.0004
Distance from Centre (minutes)	-0.3139**	-0.1163	0.0248	0.0226	0.0296	0.0241
Highly marginalized areas	0.0435	0.0043	-0.013	-0.0095	-0.0119	-0.0077
Macro-area. Ref: Northwest						
Northeast		-0.0375		-0.0507+		-0.0472+
Center		0.2588**		-0.0461*		-0.0536**
South and Islands		-0.2958+		-0.0082		-0.0148
Population growth rate (2011-2020)					-0.6150**	-0.6302**
Constant	-16.1415***	-7.9386+	3.5484***	2.6226**	2.5179***	1.7547+
N	128	128	128	128	128	128
R2	0.83	0.86	0.22	0.25	0.25	0.28
Mean Vif	1.35	2.37	1.35	2.37	1.46	2.35

Multivariate Analysis Results on Development

	Average Taxable Income (ln) - 2022- 2a	Average Taxable Income (ln) - 2022- 2b	Number of enterprises per 1.000 inh 2020 – 2c	Number of enterprises per 1.000 inh - 2020 – 2d
Share of foreigners - 2020	1.2259***	0.7407**	433.4456***	424.7370***
Population (ln) - 2020	-0.0011	0.0116*	0.2885	-0.6738
Enterprises per 1.000 inh (N.) - 2020	-0.0020***	-0.0013***		
Percentage of enterprises owned by foreigners - 2020	-0.0035	-0.0038	-3.5463***	-3.4464***
Employment rate - 2019	1.8661***	1.1478***	214.9915***	227.0057***
Macro-area. Ref: Northwest				
Northeast		0.0042		-0.1027
Centre		-0.0548***		5.6962
South and Islands		-0.1463***		8.3527
Average Taxable Income (ln) - 2020			-136.7072***	-120.8118***
_cons	9.1671***	9.3638***	1336.2251***	1182.5684***
N	128	128	128	128
R2	1.61	2.43	2.37	0.43
VIF	0.81	0.85	0.42	3.14

Conclusion, public policy considerations and next steps

The preliminary analyses presented here show that:

- As expected, **foreign residents** tend to be more concentrated in inner areas with higher economic wealth, employment rates, entrepreneurial density, and rental housing: **the stock of foreign residents is shaped by structural pull factors (Benassi and Strozza 2025).**
- At the same time, **the growth of the foreign population** has been strongest in areas where the decline in the total population has been greatest: **migrants have tended to increase precisely where the total population has been decreasing, supporting the idea—already emphasized in the literature—that migrants may compensate for demographic decline and depopulation trends in these territories.**
- **The presence of reception facilities for asylum seekers and refugees** plays an important role in these dynamics, **acting as a driver both for the share of foreign residents and for their recent growth.**
- Finally, **the presence of foreign residents tends to foster the economic development** of the areas where they settle.

Foreign residents are more present where conditions are better, but in recent years their growth has been stronger in more disadvantaged Inner Areas. Their presence contributes to the development of Inner Areas, whether more or less marginalized.

However, even if we find encouraging results, when looking at the comparison with the rest of Italy, foreigners are still less present in Inner Areas (Benassi and Strozza, 2025) --> **only real integration can foster the social and economic inclusion of migrants and make their presence an asset for the demographic and economic future of Inner Areas**

Conclusion and next steps

- I) Add a variable that quantifies the relevance of the agricultural sector in the 128 areas under consideration.
- II) Add information on policies implemented for the socio-economic integration of migrants.
- III) While in the analyses presented here the appropriate variables were selected following the reference literature, the next steps will involve fully exploiting the richness of the available information by using efficiency algorithm models that perform variable selection, identifying those most appropriate for the analyses.

Thank you for your questions and feedback!

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