Demographic Change and Local Development: Shrinkage, Regeneration and Social Dynamics

Cristina Martinez-Fernandez, Naoko Kubo, Antonella Noya and Tamara Weyman
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FOREWORD

OECD countries are affected by demographic change at the local level in different ways. For example, many countries have been experiencing a decline in the urban population over the past few decades due to suburbanisation and de-industrialisation, which has resulted in a wide range of socio-economic issues (e.g. increased unemployment rate, decrease in revenue, degradation of properties). Mainly due to falling fertility rates, many cities and regions in OECD countries are likely to continue to “shrink” in the coming decades, even with some increases in population due to migration (from within or outside the country). Some notable examples can be found in Eastern Germany and Japan.

This report highlights the issues faced by local areas against the backdrop of policies or planning models that have directed local development in the past decades (e.g. introduction of new industries such as information technology/bio-technology following the de-industrialisation of mining/manufacturing industries) but today appear less suitable than expected to ensure the sustainability of local development. There is a need for new thinking and policies to overcome some of the expected challenges ahead (e.g. ensure financing of services that are likely to see increased demand with the growth of the ageing population; balance employment opportunities for the youth and the elderly; innovate the management of urban infrastructure). The silver economy (referring to the elderly workforce) and the white economy (referring to the economic opportunities of healthcare) could be new sources of growth together with opportunities from green economy activities, but there is a need to create an enabling environment by providing appropriate support to local governments and business.

At the same time, national and local governments are already working to address the ageing workforce, which is a priority issue, and a number of programmes and initiatives are in place. For example, in Canada and Germany, programmes have been set up to help connect workers older than 50 with potential employers to ensure their continued employability; in Austria, a programme has been set up to help older workers with health problems to continue working. However, these programmes have yet to fully address the issue of social inclusion (e.g. balancing employment opportunities for the youth, the elderly and disadvantaged groups).

This report is timely in discussing cases from 20 countries around the world and particularly signalling local strategies and initiatives for policy consideration and learning. The report considers together issues at the crossroads of modern local development in the context of demographic change: population mobility and urban shrinkage, regeneration strategies to stimulate sustainable growth, and social dynamics underpinning community stability.

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TABLE OF CONTENTS

Executive summary .................................................................................................................. 11

PART I THE CROSSROADS OF DEMOGRAPHIC CHANGE AND LOCAL DEVELOPMENT ........ 15

PART II COMMUNITY SHRINKAGE AND SUSTAINABILITY ............................................. 37

Introduction by Naoko Kubo ................................................................................................. 39

Chapter 1: Shrinking cities in the United States: policies and strategies by Karina M. Pallagst ........................................... 41

Chapter 2: Urban shrinkage patterns in Japan: the case of the Osaka Metropolitan Area by Sophie Buhnik ................................................................................................................................. 47

Chapter 3: Demographic change and shrinkage in Australia communities by Tamara Weyman and Cristina Martinez-Fernandez ............................................................................................................. 57

Chapter 4: Search for sustainable means for managing shrinkage in a peripheral city in Finland by Juha Kotilainen, Ilkka Eisto and Eero Vatanen ........................................................................................................... 65

Chapter 5: Sustainability and shrinkage: three case studies in Zuid-Limburg (Netherlands) by Lieve Drejerink, Laura van der Noort and Jaap Kortman .................................................................................. 71

Chapter 6: Urban shrinkage and the post-socialist transformation: the case of Wałbryzych (Poland) by Tadeusz Stryjakiewicz, Emilia Jaroszewska and Przemysław Ciesiółka ..................... 79

PART III REGENERATION STRATEGIES FOR COMMUNITIES ..................................... 85

Introduction by Cristina Martinez-Fernandez and Tamara Weyman .................................... 87

Chapter 7: Making places in increasingly empty spaces: causes and outcomes of demographic change in Germany by Thorsten Wiechmann and Anne Volkmann .................................................................................. 91

Chapter 8: Policies and strategies for dealing with demographic change/shrinkage in Oporto (Portugal) by Silvia Sousa and Paulo Pinho ........................................................................................................ 103

Chapter 9: Aviles (Spain): from urban decline to the definition of a new development model by Simón Sánchez-Moral, Ricardo Méndez and Jose Prada ............................................................................. 113

Chapter 10: Policies and strategies for dealing with different forms of shrinkage: the case of Taranto (Italy) by Domenico Camarda, Francesco Rotondo and Francesco Selicato ........................................................................ 121

Chapter 11: Housing strategies for a shrinking French city: the case of Roubaix (France) by Yoan Miot ......................................................................................................................................................... 131

Chapter 12: Planning responses of shrinkage in the Slovak Republic’s largest cities by Ján Buček and Branislav Bleha ......................................................................................................................... 141

Chapter 13: Demographic and economic challenges of Latgale Region, Latvia by Zanda Kalniņa-Lukasevica ................................................................................................................................. 149

Chapter 14: Urban planning strategies for dealing with shrinkage and suburbanisation in Slovene cities by Mojca Sasek Divjak ........................................................................................................ 159

Chapter 15: Urban regeneration and revitalisation strategies in the Czech Republic by Karel Schmeidler ..................................................................................................................................................... 167
Chapter 16: Regeneration strategies in shrinking urban neighbourhoods: dimensions of interventions in theory and practice (Switzerland) by Walter Schenkel ........................................ 179
Chapter 17: Shrinkage and sustainability: a future for the Filigree city by Helen Mulligan ........ 187
Chapter 18: Strengthening the evidence base for regeneration strategies: the European statistic as a basis for creating territorial knowledge of demographic change by Manuel Wolff .......... 193

PART IV SOCIAL DYNAMICS OF DEMOGRAPHIC CHANGE ........................................... 203
Introduction by Antonella Noya ............................................................................. 205
Chapter 19: Urban shrinkage in Brazil by Sergio Torres Moraes ................................ 209
Chapter 20: Skill development and transfer in shrinking regions: case study of the shikinen-sengu of the Ise shrine (Japan) by Tetsuji Uemura ............................................. 215
Chapter 21: Social exclusion of the elderly in China: one potential challenge resulting from the rapid population ageing by Wenmeng Feng ........................................... 221
Chapter 22: Supporting older workers in Canada’s vulnerable communities: the case of the Targeted Initiative for Older Workers Human Resources and Skills Development Canada ................................................................. 231
Chapter 23: The socio-spatial dimensions of urban shrinkage (France) by Sylvie Fol ....... 241
Chapter 24: People’s climate in shrinking areas: the case of Heerlen, the Netherlands: how investing in culture and social networks improves the quality of life in shrinking areas by Nol Reverda, Maurice Hermans and Maja Rocak ................................................................. 249
Chapter 25: Perspective 50 plus: regional employment pacts for older long-term unemployed persons (Germany) by reiner aster and Daniel F. Heuermann ...................................................... 257
Chapter 26: Successful active ageing in dynamic societies by Jasper B. van Loo ............... 263
Chapter 27: A place to be proud of: heritage and social inclusion in shrinking cities (Germany and United Kingdom) by André Mulder ................................................................. 273
Chapter 28: The impact of European demographic trends on regional and urban development by Eva Gerőházi, József Hegediıs, Hanna Szemzö, Kyra Tomay and Iván Tosics ........................................... 281
Chapter 29: Productivity and local employment as contributors to growth: vis-à-vis the demographic shift in the EU by Jörg Peschner ...................................................... 291
Annex: Author’s biographies ............................................................................. 299

Tables

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 1.1</td>
<td>Triple helix shrinkage</td>
<td>32</td>
</tr>
<tr>
<td>Table 2.1</td>
<td>Migration balance of several prefectures covering Japan’s main metropolitan areas, 2008</td>
<td>50</td>
</tr>
<tr>
<td>Table 3.1</td>
<td>Top ten shrinking cities in Australia since 1960</td>
<td>60</td>
</tr>
<tr>
<td>Table 4.1</td>
<td>Main characteristics of the municipality of Lieksa</td>
<td>67</td>
</tr>
<tr>
<td>Table 5.1</td>
<td>Characteristics of the three redevelopment areas</td>
<td>73</td>
</tr>
<tr>
<td>Table 7.1</td>
<td>Selected shrinking cities in East Germany</td>
<td>93</td>
</tr>
<tr>
<td>Table 12.1</td>
<td>Population size in the biggest Slovak cities</td>
<td>142</td>
</tr>
<tr>
<td>Table 13.1</td>
<td>Characteristics of the Latgale Region</td>
<td>150</td>
</tr>
<tr>
<td>Table 16.1</td>
<td>Social data in Berne and west Berne, 2008</td>
<td>182</td>
</tr>
<tr>
<td>Table 17.1</td>
<td>Typical urban densities</td>
<td>188</td>
</tr>
<tr>
<td>Table 24.1</td>
<td>Population projection for the city Heerlen</td>
<td>251</td>
</tr>
<tr>
<td>Table 27.1</td>
<td>Population decline in selected cities within the Ruhr area</td>
<td>274</td>
</tr>
<tr>
<td>Table 29.1</td>
<td>Targeted employment rates for 2020 as set by member countries in their April 2011 National Reform Programmes for the age range 20-64 years</td>
<td>293</td>
</tr>
</tbody>
</table>
Figures

Figure 1.1. World total population and growth rates, 1960-2010................................. 17
Figure 1.2. Change in population growth rates, 1960-2010........................................ 18
Figure 1.3. Comparison of population growth rate (%), 1960 and 2010.......................... 18
Figure 1.4. Change in fertility rates, 1970-2008.......................................................... 20
Figure 1.5. Comparison of fertility rates, 1970 and 2008.............................................. 20
Figure 1.6. Change in youth population rate, 1960-2010.............................................. 22
Figure 1.7. Comparison of youth population rate (%) between 1960 and 2010.................. 22
Figure 1.8. Change in elderly population rate, 1960-2010.......................................... 24
Figure 1.9. Comparison of elderly population rate (%) between 1960 and 2010.............. 24
Figure 1.10. Dynamics of demographic change and local economic development........... 27
Figure 1.11. Country case studies distribution................................................................ 33
Figure 1.12. Location of case studies............................................................................... 42
Figure 2.1. Population change in the Osaka Metropolitan Area, by municipality, 2000-2005.. 51
Figure 2.2. Proportion of over 65 residents by municipality in the Osaka Metropolitan Area, 2005................................................................. 53
Figure 3.1. Recent trajectory (2003-2008) of LGAs (population greater than 10 000)........ 59
Figure 3.2. Three cycles of shrinkage in Australia........................................................ 61
Figure 4.1. Location of Lieksa, Finland........................................................................... 66
Figure 4.2. Number of inhabitants in Lieksa, 1910-2010................................................. 67
Figure 5.1. Approximate location of the three analysed areas........................................ 72
Figure 5.2. DPL profiles of Hoensbroek, Kerkrade and Sittard (score 6: reference)........ 73
Figure 6.1. Location of Walbrzych in Poland................................................................. 80
Figure 7.1. Demolition of housing in Dessau.................................................................. 95
Figure 7.2. Road deconstruction in Dessau.................................................................... 96
Figure 7.3. Urban core areas: landscape zones.............................................................. 97
Figure 7.4. 400 m² of Dessau: claims for citizen involvement........................................ 97
Figure 8.1. Priority intervention zone............................................................................ 107
Figure 9.1. Case study map: Aviles (Asturias)................................................................. 114
Figure 10.1. City of Taranto in the south of Italy and in the Apulia regions.................... 122
Figure 11.1. Roubaix in France and in Nord-Pas-de-Calais........................................... 132
Figure 12.1. Cities with population above 50 000 in the Slovak Republic, 2009 (within regional borders)................................................................. 143
Figure 13.1. Location of the Latgale Region................................................................. 151
Figure 13.2. Completed European Social Fund projects by region as at 31 March 2009...... 152
Figure 13.3. Registered unemployment rate in Latvia, September 2011......................... 153
Figure 13.4. Answers to the question “If thinking about the future, what are you planning to do to ensure your job and income in the long-term perspective?”........................................ 154
Figure 13.5. Answers to the question: “If thinking about the future, which of the following are you planning to do to ensure your job and income over the long term?” (%) ........................................ 154
Figure 13.6. Answers to the question: “If thinking about the future, are you planning to change your place of residence (move to another part of Latvia or abroad)?” (%) ........................................ 155
Figure 13.7. Answers to the question: “If thinking about the future, are you planning to change your place of residence (move to another part of Latvia or abroad)?” (%) ........................................ 156
Figure 14.1. Slovenia’s territory with Pan-European transport corridors........................ 160
Figure 14.2. Model of decentralised concentration in Ljubljana functional region.......... 162
Figure 14.3. Model of decentralised concentration for Koper (black rimmed) and suburban settlements (future urbanisation linked to the development of public transport).......................... 164
Figure 15.1. Interrelated factors of urban sustainability.................................................. 171
EXECUTIVE SUMMARY

Countries across the world are affected in different ways by demographic change at the local level. For example, decline in the urban population due to suburbanisation and de-industrialisation, has resulted in a wide range of socio-economic issues (e.g. increased unemployment rate, decrease in revenue, degradation of properties). As a result of falling fertility rates, many cities and regions in OECD member countries are likely to continue to “shrink” in the coming decades, even with some increases in population due to migration (from within or from outside the country).

Demographic change is one of the key challenges today for local development together with globalisation, knowledge/technological shift, climate change and the development of the green economy, inclusiveness and poverty. Strategic solutions cannot be based on addressing one of these factors alone but must take into account the interplay of these elements within a particular local area of development (urban or rural). At the same time that there are important challenges to be addressed, there are also opportunities to be fostered such as the development of the “silver” economy for older entrepreneurs, the “white” economy for medical services for the elderly population, or the natural “green” advantage of shrinking areas. However, policy responses are still fragmented and there is no articulation of a sustainable answer to ensure and increase the quality of life in the light of these changes.

In order to succeed in addressing the challenges associated with demographic change, it cannot be left to the market alone to find a solution, effective policy interventions are needed. A multi-disciplinary approach with a long-term perspective is crucial and all actors (government, social partners, community organisations, etc.) need to share responsibilities. There is a need for new ways of thinking regarding ageing and older workers’ output to overcome some of the expected challenges and to ensure financing of services that are likely to increase, with the growth of an ageing population, but a declining resource base (OECD, 2011a).

This report presents chapters detailing cases from 20 countries divided under the following sections: community shrinkage and sustainability, regeneration strategies for communities, and the social dynamics of demographic change.

Community shrinkage and sustainability

Overall, the contributing chapters of this part indicate that there is a need for local governments to accept the growing trends of community shrinkage and to adapt to the emerging demographic trends of an ageing and declining population. From an economic sustainability point of view, the chapters underline the importance of diversifying the local economic base and exploiting local resources (e.g. natural environment for tourism or other renewable products) as well as other sources of growth (e.g. the “silver” and the “green” economies). Furthermore, collective efforts by both national and local governments are important in better managing the fluctuating trends (i.e. population growth and shrinkage in a given geographic area) and to respond appropriately to the changing environment (as seen in the examples of Finland and Poland). Efforts made at the individual city/municipality level alone may not be sufficient, and more consolidated regional efforts may be required. From an environmental sustainability point of view, shrinkage could offer opportunities (e.g. it may remove environmental pressures and increase green spaces), but adequate management and resources will be required in order to ensure the sustainability of cities/regions (e.g. to re-size infrastructure and unused space). It is also important to include different
stakeholders in decision-making processes, particularly local communities that are most affected by the shrinkage process. Local governments have wide-ranging responsibilities in dealing with community shrinkage. The declining resource base is expected to pose additional challenges and careful assessments are needed in prioritising and allocating appropriate funds (e.g. EU funds) in managing community shrinkage.

Regeneration strategies for communities

Local communities facing demographic changes are responding in different ways. In some cases, regeneration tries to address social phenomena while in others major economic changes are responsible for out-migration of large population from the the local area. The examples provided in this part show the diversity of actions needed as well as the interrelation of elements, for effective strategies to take place. Notably, many of the regeneration strategies try to re-orient the paradigm of growth to pragmatic downsizing (Germany) while in other cases the focus is on improving residential housing and living conditions, strengthening future socio-economic structures, and improving urban governance (Switzerland). Some countries continue efforts towards brownfield site regeneration, social planning, and housing policy (Czech Republic) while others think in terms of a new urban governance system, regeneration strategies, and new development models for residential use (Spain). In some countries there is no explicit urban policy imposed by the central state, existing planning documents are not sufficiently used for the clear identification of shrinkage processes in cities, and the potential of local planning is not sufficiently utilised for setting the context of different kinds of development priorities (Slovak Republic).

Social dynamics of demographic change

The complexity of the interaction between demographic change and shrinkage is especially witnessed when the social dynamics are considered. Keeping social cohesion and inflating new social dynamism in shrinking areas, where the economic and social fabrics are eroded and where groups at risk of exclusion live (elderly, lone parents, long-term unemployed) require a set of integrated approaches. Co-constructed, holistic policies and socially innovative practices and programmes are needed to provide services to the elderly, to families and the excluded. Social innovation, whose aim is to improve the quality of life of individuals and communities, has a central role to play in addressing these issues. Intangible factors such as culture and creativity can be excellent levers for the revitalisation of shrinking areas, and skills development and transfer can harness capabilities in shrinking areas.

Emerging policy responses

Common policy responses to the demographic challenges identified by author contributions within this report include the following:

Community shrinkage and sustainability

- Specific policies for areas in decline need to be tailored to a comprehensive local strategic approach employing a multitude of efforts, such as greening, revitalisation, economic development, social cohesion.

- There is a need to employ sustainability measures for declining areas by diversifying local utilisation of natural resources by incorporating other values in addition to the industrial ones, such as offering sustainable environments for housing and nature tourism businesses.

Declining areas require local actions for development such as business/industry clusters, marketing, skills and employment programmes, focusing on new growth areas such as the green and silver economies, to boost the local economy.

Local development needs to focus on attracting youth and encouraging entrepreneurs to settle within declining areas through a systematic process of incentives and networking strategies aimed at target-group programmes for reducing unemployment and more active implementation of revitalisation programmes.

Local programmes for declining areas need to be supported, not only by the local, regional and national governments, but also by supra-national authorities such as the EU for developing regions.

Governance needs to be strengthened by establishing rich communication, networking or partnerships to encourage leadership, involvement by all stakeholders (public, private and community sectors), and provision of funds/resources.

**Regeneration strategies for communities**

- Specific policies for regeneration require robust and flexible strategies that encourage creative solutions; a model of urban governance with a clear vision and operational objectives incorporating local, regional and inter-municipal co-operation; the integration of multiple public and private stakeholders.

- Local strategies of urban restructuring may prepare declining areas for the consequences of demographic change and urban shrinkage, and offer favourable conditions for new development opportunities.

- Regeneration strategies need to be long term and have a comprehensive strategic agenda, focusing on a detailed analysis of the conditions of the urban area and interactions of its actors and institutions. They need to integrate economic, socio-educational and urban policies and consolidate efforts in relation to innovation, entrepreneurship and human capital. Strategies should be aimed at improving the physical condition, social and economic situations and environmental amelioration, to achieve better urban quality.

- Maintaining employment is critical to regeneration strategies, therefore it is essential to examine opportunities to strengthen and stimulate economic activity in the region, creating conditions for business opportunities to be supported by regional and municipal authorities focusing on emerging activities especially in high-tech and knowledge-based activities.

- Regeneration planning documents need to incorporate citizens’ participation and involve leading local stakeholders in the preparation of the local policy, thereby increasing the awareness of demographic change within the local community to assist in the adoption of more realistic provisions/measures.

- To develop regeneration strategies, the quality of local population forecasting has to be improved. A common legal framework for small-scale surveys; a set of indicators for demographic change, which is simple to use and update; and co-ordination and co-operation to ensure consistency and synergy of data are needed. This would allow the development of a local urban perspective in planning policies and decision-making processes.
* There is a need to continue to support funding of ongoing research into sustainable urban forms, particularly in areas of decline and to promote the uptake of research outcomes.

**Social dynamics of demographic change**

* Social inclusion is important within the social dynamics of demographic change for local development to allow local populations to take an active part in the economic and social life of their community. Involving people will help build trust in the community and has the potential to influence individual decisions about whether to stay or leave the area. Social inclusion can also contribute to the community learning process by helping people understand how society works and how they can improve their own lives.

* There is a need to give priority to improving local living conditions (housing, public space), which could serve the needs of the existing population and attract new inhabitants, such as increasing the quality of the housing stock to help retain the most well-off population, and maintaining the provision of social housing to avoid the displacement of low-income households.

* Policy makers must recognise the importance of the vibrant social cultural climate in urban areas in order to promote the quality of life and economic prosperity of the city. Public policy should not only focus on places or industries but on people as well, creating opportunities for people to exercise their creativity.

* Regional employment pacts should be established to complement local approaches, providing a simple and effective mode of governance whereby stakeholders communicate and co-operate as equal partners, thus encouraging local empowerment. The implementation of local employment programmes can activate hidden reserves of the labour market and reduce the effect of the shrinking workforce due to ageing.

* It is important to raise awareness of the benefits and challenges of active ageing to employers and encourage them to invest in their staff and stimulate age-friendly HR policies; organise initiatives to eradicate the negative perceptions of age; encourage guidance and counselling services that incorporate a life-cycle perspective, that promote employability and that are adapted to the needs and abilities of the ageing population.
CHAPTER 28:

THE IMPACT OF EUROPEAN DEMOGRAPHIC TRENDS ON REGIONAL AND URBAN DEVELOPMENT

BY

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Introduction

This short chapter is an extract of a larger synthesis report entitled: “The impact of European demographic trends on regional and urban development”, which was prepared under the Hungarian Presidency and was presented and debated in a high-level conference in May 2011. The whole report is accessible at www.mri.hu.

The most important outcome of the analysis is that demographic change is a main threat that challenges the sustainability of labour markets by the fast ageing of the population, but besides that, it also has significant impacts in territorial terms, reinforcing the already huge disparities between the regions and cities of Europe. (The phrase “Europe” in this chapter refers to the 27 member countries of the European Union.)

All these challenges have to be taken into account in the implementation of the EU 2020 strategy, besides the parallel fulfilment of the main goals of EU 2020, the disparities between the regions and the cities of Europe should be kept under control as well.

Demographic change on EU level: the challenge

Europe has a population of approximately 500 million people. The fertility rate of the European Union is 1.6 (2009) which is far below the replacement rate of 2.1. The fertility rate differs significantly from country to country (ranging from 1.31 in Latvia to 2.07 in Ireland [European Commission, 2010a]) and the predictions of future rates are very uncertain. There are two factors that can mitigate the effects of low fertility levels and thus postpone the population decrease of the European Union: the first is increasing life expectancy and the second is migration from countries outside of the EU. As Figure 28.1 shows, according to the predictions by the United Nations – which are more negative concerning the timing of population decline than the forecasts by Eurostat – increasing life expectancy will not be enough to counterbalance low fertility rates (a natural decrease was predicted to start in 2010), and the positive migration balance can only mitigate this process until approximately 2025. By that time, the population of the EU may reach 520 million, from which level it will begin to decrease.

According to the predictions (Figure 28.1), the current high level of migration to the EU would be able to counterbalance natural population loss in the European Union for a long time, mainly in the western, southern and northern parts of Europe, but it is doubtful how long this high level of net migration can last. The United Nations predicts a somewhat decreasing and then constant level of third country migration from 2010, which will bring about the beginning of population decrease around 2025-30. The forecast decreasing level of net migration may be a reflection of the current debates on the integration capacity of the EU. However, the migration pressure to the EU is evident and the high level of illegal migration (about 500 000 people annually) cannot be controlled properly. Moreover, the latest flow of asylum seekers moving from North Africa predicts a possible future when war and climate refugees may not be stopped at the borders of the EU.

1. The Europe 2020 Strategy is the most relevant ten-year Strategy of the European Union accepted in 2010. It aims at achieving smart, sustainable and inclusive growth. The strategy defines five headline targets (concrete, measurable goals) in the fields of labour market activity, research and development, CO2 emissions, school drop-out rate, rate of graduated inhabitants, population living under the poverty line.

2. According to the latest Eurostat forecast, population decline in the EU will only start in 2040. This is a modification of their previous prediction, which put this date at 2025, like the UN.

3. In this context, the mentioned parts of Europe (European Union) are the following: Western Europe: Austria, Belgium, France, Germany, Ireland, Luxemburg, the Netherlands, United Kingdom; Southern Europe: Greece, Italy, Portugal Spain; Northern Europe: Denmark, Finland, Sweden.
Demographic change on the national level: problems and policies

General European tendencies

Natural population change and the pace of migration vary strongly across the years and there are a number of policies that may influence these phenomena, which means that estimates of the future population size of Europe are very uncertain. One phenomenon, which is clearly becoming more significant over time, is ageing: the population of the EU will become significantly older, no matter whether the current low fertility rate increases to the reproduction level or whether migration from third countries can counterbalance the natural decrease. The increasing number of the elderly in the population is a consequence of longer life expectancy, which is definitely a positive phenomenon and displays the increasing quality of life in the European Union. On the other hand, the elderly dependency rate (rate of elderly above 65 divided by the share of population aged 15-64) is currently around 20% and it may increase to 45%-55% by 2050, which would definitely put pressure on public spending (first and foremost pensions, health care and social services).

Actually, member countries of the European Union are already in the process of implementing a systematic intervention, gradually altering the way the welfare state functions. The constant growth of the elderly segment of the European population necessitates a thorough restructuring of the pension, health care and elderly care systems, and there are changes with regard to the retirement age as well. However, we must stress that the increase in the retirement age does not automatically lead to an increase in the labour force, as only part of the older generation is healthy enough and equipped with up-to-date skills in order to be able to remain in the labour market. Further public policies have been introduced which aim to compensate for the loss of the younger part of the workforce and thus to maintain the economic competitiveness of the EU. They mostly plan to increase productivity and the employment level.

Many argue that a co-ordinated migration policy is the only way to tackle the coming demographic crisis of the European Union. However, relying only on the number of migrants may not be enough to solve the problem of the shrinking workforce, as different economic sectors are predicted to evolve
differently. According to a recent Cedefop report (2010: 13) the jobs that need high skills and education will increase by 16 million by 2020 while jobs requiring low qualifications will decrease by 12 million by 2020. Thus, the EU does not only need new entrants to the labour market, it needs labour in certain sectors with certain skills. Migrants (and the workforce that can be gained from the currently inactive population) should be equipped with the skills necessary to fill the gap that occurs when the number of active age workers diminishes while the demand posed by new technologies increases. It has to be stressed that with labour immigration there will be an increased burden on welfare expenditures. Migrants not only need jobs but also housing, social and health care services. It is hard to estimate the balance between the costs of and the revenues from migration. It seems that for internal migration within the EU, the direct revenues outweigh the costs, but this might not be the case with third country migrants. The low integration capacity of many societies poses a further problem: the integration of different cultural behaviours and the fight against social and spatial segregation require extra effort. In the early 21st century political parties with an anti-migration agenda gained ground in several countries, and in addition, several EU countries have decided to tighten migration policies and limit the migrant inflow. However, these national reactions do not necessarily reflect the opinion of the bigger cities which experience the most immigration.4

In spite of the problems concerning the migrant population, Europe has to work out and implement effective integration and empowerment strategies as according to the most recent forecasts (European Commission, 2010a: 3) if nothing unpredicted happens than by 2060, one-third of the population in the EU will have at least one parent with a foreign-born background.

Territorial differences across the EU countries

Ageing and its fiscal and social consequences affect all EU countries (though to a varying extent). Vast immigration with all its social and infrastructural consequences can be observed in metropolitan areas of Western Europe. At the other extreme, other aspects such as extremely low fertility and high emigration affect mainly new member countries.5 A number of regions in all member countries experience a constant decrease of population at a restrained pace, but the fast rate of emigration together with a dropping fertility rate is particular to most new member countries and the eastern part of Germany.

The evaluation of this specific development path is not easy. The growing GDP of the new member countries divided by a decreasing number of residents leads to the increase in GDP/capita. On that basis, one could assume that the new member countries would benefit from large-scale emigration. This simple statement, however, has to be reconsidered for the following reasons:

1. From a purely economic point of view, labour migration within the EU is a favourable process that reflects the free movement of the labour force inside the EU and contributes to the effectiveness of the European Union by providing labour where there is a demand and removing redundant workers from places where there are no jobs. Emigration in the short run may reduce the unemployment rate of the country of origin as people that are not able to find a job may seek employment possibilities abroad. In addition, most emigrants send remittances back, contributing to the development of their home country. Also, a substantial share of the migrants returns after some

4. There are a number of research results showing that most people who are against migration have very little contact with migrants. In addition, people living in the countryside generally have more negative attitudes against immigration than citizens in urban areas.

5. Foreign-born in this sense includes all residents – besides third country migrants – that were born in a different member country than the one they currently live in.

6. New member countries are: Bulgaria, the Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, the Slovak Republic, Slovenia.
years to their country of origin, bringing back knowledge and a new life-strategy. Despite all these positive effects, the emigration of the workforce and families mostly from the new member countries to the old member countries can lead to a negative overall balance. This is mainly due to the several serious problems it causes, especially taking into account that the highly skilled workforce who could otherwise be the engine of growth in the home country often leaves (thus the brain drain). It is impossible to replace these emigrants with talented migrants from third countries, as these migrants also go to the growth poles of Western Europe. A further point to be considered is that people leaving the settlements of the countryside usually go back to bigger cities of their home country after spending some years in more developed regions of the EU. Thus, even if they return to their country, they do not return to their original home, contributing to the territorial inequalities of their home country.

2. Although migration is not a panacea for economic growth – its relation to both economic productivity and unemployment is complex – a certain positive balance of migration seems to be essential for sustaining economic growth in the long term and for maintaining the welfare state (De Giorgi and Pellizzani, 2006). Continuous lack of migration to the new member countries, coupled with very low fertility rates will produce a very strong fiscal imbalance, making it impossible to keep up their current level of redistribution as part of the welfare state. It is of course still a question of how the future migratory flows will react to the continuing economic development in these countries and if the Structural and Cohesion Funds can help economic convergence. (Engbersen 2009, Eurocites, 2010): considering all aspects, there is a real danger that the continuation of the current trends would lead to deepening of the division between the two parts of the European Union.

According to the 5th Cohesion Report (European Commission, 2010b) new member countries are catching up to the EU average GDP per capita, although more slowly than expected. However, regional disparities are growing within the new member countries: the capital cities and western regions of the new member countries are developing faster, while other regions are increasingly lagging behind. These regions – suffering the most from vast out-migration – are in economic and demographic decline, which may become even more dramatic in the upcoming decades.

The case of the southern European countries (having faced serious migration outflows in the 1960s and 1970s, while currently experiencing vast immigration) shows that economic development might change migration tendencies – although this positive tendency does not necessarily affect all remote regions of southern Europe. Accordingly, the new member countries could also become capable of attracting migrants in case economic convergence continues. (Abiad at al, 2007; Berglöf and Bolton, 2002) The question is, however, whether this convergence will occur fast enough to prevent the regional and micro-regional disparities to reach the “point of no return”, from which they cannot catch up any more.

Demographic change on the local level and the possible strategies

In the long term many European regions/cities will face shrinkage and the ageing of the population both on the national and the urban level. However, these processes will not be of similar intensity all over Europe. Moreover, the tendency of the demographic processes may not coincide with those of the economic processes (Figure 28.2).

7. The local level is understood in the study as a functional (metropolitan) area, i.e. cities are considered together with their surrounding areas of influence.
Figure 28.2. **Position of selected urban areas according to their demographic and economic performance**

The inclusion of economic parameters in the demographic analysis is essential because the real challenges for the future are the economic and social causes and consequences of demographic change, not demographic change itself. In fact, similar demographic processes may occur together with very different socio-economic structures. That is why our analysis has put great emphasis on typologies of urban areas not only according to demographic characteristics but based on a complex approach covering demographic and economic parameters at the same time.

Based on these considerations, three main types can be distinguished:

1. Even in the long term there will be cities that **experience strong population increase** caused mainly by their large economic power. These cities are mostly the larger cities in Western Europe with local economies connected closely to the world economy. As the economy is the most relevant

8. We could define a fourth type of city, characterised by economic decline or stagnation despite population growth. This type of city is mostly found in rural areas of Eastern Europe. The source of population growth is typically the high birth rate of Roma families who are crowded out to (or stuck in) remote regions struggling with economic difficulties. The favourable demographic situation of these cities is vastly eroded by the economic problems, resulting in high inactivity and unemployment rate of the population. Due to the differences in the migration patterns of the Roma (in some countries they move to urban, while in others to rural areas) this type of urban area could not be identified clearly and needs more research in the future.
factor in attracting migrants (who are usually younger and have a higher fertility rate), these cities may remain hosts to migrants also in the long run. Migration is generally regulated on the national level in the EU, but the local level has a lot to do to foster the integration of migrants. There are many European cities that have worked out efficient integration strategies, based on offering high-level local services (registration, education, health and housing) and ensuring the most important requirements for integration (studying, working, knowing the language), thus enabling migrants to join European society. In addition to integration policies, these cities face the challenge of pressing additional demand for infrastructure and public services. Dynamic population growth may result in further increasing the density of the built environment or in the uncontrolled sprawl of the urban area. In order to avoid spatial and social tensions as a result of growth and increasing heterogeneity, **dynamically growing cities should concentrate on retaining the territorial and social cohesion of the urban area.**

2. Cities with a strong economic background are gradually shrinking – sometimes slightly increasing – or maintaining a stable population. Population shrinkage in itself cannot be considered a serious problem unless it has a dramatic effect on the local economy and infrastructure. Gradual population loss in a city may even be advantageous: as the density of the urban environment decreases, economic output will be divided among fewer residents (resulting in higher GDP per capita). The main task of cities with a more or less stable demographic and strong economic background is to create flexible urban strategies. Population decline, or slight growth can quickly turn around – as economic and population dynamics are not stable in the long term – changing the age and ethnic composition of the residents, leading to new requirements towards public services. Flexibility means the improvement of urban infrastructure and environment in such a way that it can serve different purposes (e.g. new housing, which can be both for the youth and the elderly, low-density housing inside the urban borders). Besides flexibility, these cities should definitely prepare themselves for the consequences of ageing, by redesigning the urban environment, transport and services according to the new type of needs.

3. Urban areas of complex shrinkage experience both demographic and economic decline. These urban areas are mostly located in the central and eastern parts of the EU (in the eastern part of Germany, the eastern regions of Bulgaria, Hungary, Poland, Romania and the Slovak Republic) but some peripheral areas of Western Europe are also affected (like the southern part of Italy, the eastern part of Portugal, the northern part of England, the northern part of Scandinavia, etc.) (Mykhnenko, 2007). The decline of a region does not necessarily mean the decline of the city as well; there are vital cities to be found in declining regions. The main cause of complex shrinkage is economic restructuring: the city starts to lose its population when it is not able to provide enough jobs compared to other cities (countries or regions). **Thus, the strategy to mitigate complex shrinkage should concentrate on the redefinition of the economic basis.** It is an important question whether all urban areas of complex shrinkage could become capable of revitalising their economic base. Several examples (e.g. German reunification, the Italian efforts to diminish the development gap between the southern and northern part of Italy, and the Scandinavian policy to integrate the northern part) show the difficulties of achieving full economic recovery in the less developed regions, despite the often enormous amounts of money invested. Another question is whether the development of the economy automatically results in the increase of population in shrinking countries. In many cases "jobless growth" is the outcome, when economic development means that the urban area recovers its economic basis but does not require more workforce, thus population increase may not be the consequence or only at a modest rate. Thus, besides concentrating on the economic recovery policy, these cities should adapt to the partial collapse of

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9. Economic decline in this sense does not necessarily mean a decline of output in net terms, rather economic stagnation or slower development than the national average.
the overdeveloped infrastructure, housing and public services. Cities may aim at downsizing the urban infrastructure with fewer residents thus reaching a new equilibrium on a smaller scale. For already smaller shrinking cities, the establishment of proper territorial connectivity to large urban centres in order to strengthen the access to high-quality services may be of high importance.

**Recommendations for local urban policy**

The paragraphs above indicated the special measures that urban areas of different economic-demographic types should concentrate on. Besides, there are certain measures that are advisable for all urban areas no matter which special demographic process they experience:

- to implement local employment programmes in order to activate the hidden reserves of the labour market and reduce the effect of the shrinking workforce due to ageing;
- to provide new and improved local services for the fast-ageing generations (social, health care, transport, etc.);
- to strengthen local child-care services to encourage the labour participation of mothers;
- to implement methods in housing and spatial planning to encourage the formation of mixed residential areas regarding age and social composition;
- to create a family-responsible environment and strengthen the social context supporting family-oriented values in order to encourage families with children to stay in urban areas;
- to provide a secure and safe urban environment in order to lower spatial segregation and increase the quality of life of all generations.

These policy elements should be grouped into integrated policy interventions. Integration in this sense means vertical co-operation (between different levels of governance including the EU, national state, region and local authorities), horizontal co-operation (between settlements of the same functional urban area), and transversal co-operation (between different sectors of intervention).
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