

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT
STRUCTURAL AND COHESION POLICIES **B**



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**HOW CAN REGIONAL AND
COHESION POLICIES
TACKLE DEMOGRAPHIC
CHALLENGES?**

STUDY





DIRECTORATE-GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT B: STRUCTURAL AND COHESION POLICIES

REGIONAL DEVELOPMENT

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STUDY

This document was requested by the European Parliament's Committee on Regional Development.

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LINGUISTIC VERSIONS

Original: EN
Translations: DE, FR

ABOUT THE PUBLISHER

To contact the Policy Department or to subscribe to its monthly newsletter please write to: poldep-cohesion@europarl.europa.eu

Manuscript completed in September 2013.
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This document is available on the Internet at:
<http://www.europarl.europa.eu/studies>

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Abstract

This study provides an overview of regional demographic structures and trends in the EU with the focus on their likely effects on socio-economic and territorial cohesion and the role of Cohesion Policy in addressing demographic change. In detail it analyses how and to what extent the 2007-13 European Cohesion Policy and Structural Funds have been tackling demographic change at the regional level in order to derive useful indications on how Cohesion Policy actions could be more effective in the future programming period (2014-2020). The study contains a literature and data review on demographic and spatial trends in the EU regions and the main policy developments; a review of Cohesion Policy programming documents for 2007-2013; an in-depth field analysis of ten regional case studies and good practices and finally, a horizontal reading of the main findings to draw conclusions and policy recommendations for the 2014-2020 programming period.

CONTENTS

LIST OF ABBREVIATIONS	5
LIST OF TABLES	9
LIST OF FIGURES	11
LIST OF BOXES	13
EXECUTIVE SUMMARY	15
INTRODUCTION	19
1 DEMOGRAPHIC CHALLENGES IN EUROPE: COMMON TRENDS AND REGIONAL PECULIARITIES	21
1.1 The slowing growth and expected future decline of the European population	23
1.2 The important role of international migration in population growth and composition	27
1.3 A challenging ageing population	30
1.4 Low and late fertility: the Europe of few children	33
1.5 A longer life for the Europeans	39
1.6 Demographic change: a major challenge for European Union policy	44
2 DEMOGRAPHIC CHANGE AND TERRITORIAL POLICY APPROACH	53
2.1 European population shifts to urban areas	54
2.2 Demographic change in mountain areas	61
2.3 Demographic change in sparsely populated areas	65
2.4 Challenges, policies and projects in different territories	67
3 THE ROLE OF COHESION POLICY IN THE 2007-2014 PROGRAMMING PERIOD	73
3.1 The role of EU Cohesion Policy in tackling the demographic challenges	75
3.2 The role of Cohesion Policy in tackling the demographic challenges as internalized in National Programming Documents	86
4 THE CONTRIBUTION OF COHESION POLICY TO ADDRESSING DEMOGRAPHIC CHANGES - CASE STUDIES	101
4.1 The selection criteria for the case studies	102
4.2 The selected case studies: socio-economic conditions, demographic challenges and policy responses	111
4.3 The contribution of Cohesion Policy to tackle demographic change in the selected case studies	122
4.4 Indications for the 2014-2020 programming period in the selected cases	151

5	OVERALL CONCLUSIONS AND POLICY IMPLICATIONS	159
5.1	Main findings	160
5.2	Lessons learnt	169
5.3	Policy implications	170
	REFERENCES	175

LIST OF ABBREVIATIONS

BAUM	Bratislava Urban Regional Cooperation
BG	Bishop Grosseteste University College
BMVBS	Bundesministerium für Verkehr, Bau und Stadtentwicklung
BSR	Baltic Sea Region
CEEC	Central Eastern European Countries
CF	Cohesion Fund
CVP	Portuguese Red Cross
DART	Declin Imbatranire si Transformari Regionale
DG	Directorate-General of the European Commission
DG AGRI	European Commission Directorate-General for Agriculture and Rural Development
DG REGIO	European Commission Directorate-General for Regional Policy
DSLVS	Development Strategy for the Lower Silesian Voivodship
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EEA	European Environment Agency
EFRE	Europäischen Fonds für regionale Entwicklung
EP	European Parliament
EPO	European Patent Office
ERDF	European Regional Development Fund
ESF	European Social Fund
ESPON	European Observation Network, Territorial Development and Cohesion
EU	European Union
EU-15	European Union of 15 Member States
EU-25	European Union of 25 Member States

EU-27	European Union of 27 Member States
EUR	Euro
FILET	Förderinitiative Ländliche Entwicklung in Thüringen 2007-2013
FOCI	Future Orientations for Cities
GDP	Gross domestic product
GEOSPECS	Geographic Specificities and Development Potentials in Europe
GRW	Gemeinschaftsaufgabe Verbesserung der regionalen Wirtschaftsstruktur
HC OP	Human capital Operational Programme
HMR	Housing Market Renewal
IAS	Social Action Institute
ICT	Information and Communications Technology
JRC	Joint Research Centre
LAG	Local Action Group
LAU2	Local Area Unit 2 level
LEP	Local Enterprise Partnership
LUZ	Larger Urban Zones
MA	Managing Authority
MS	Member State
NEET	Not in Employment, Education and Training
NGO	Non Governmental Organisation
NSRF	National Strategic Reference Framework
NUTS	Nomenclature of Territorial Units for Statistics
NUTS1	Nomenclature of Territorial Units for Statistics 1
NUTS2	Nomenclature of Territorial Units for Statistics 2
NUTS3	Nomenclature of Territorial Units for Statistics 3
OECD	Organisation for Economic Cooperation and Development

- OP Operational Programme
- OP DoHR Operational Programme for the Development of Human Resources 2007–2013
- OP EG Operational Programme for Economic Growth
- OP Poc Operational Programme for Promotion of Cohesion for 2007–2013
- PA2 Priority Axis 2
- PADIMA Policies against the population in mountain areas
- R & D Research and Development
- ROP Regional Operational Programme
- RSRF Regional Strategic Reference Framework
- SF Structural Fund
- SMEs Small and Medium-sized Enterprises
- SWOT Strengths, Weaknesses, Opportunities, and Threats (Analysis)
- TFR Total Fertility Rate
- TND Thuringia Network on Demography

LIST OF TABLES

Table 1	Contribution of natural change and net migration (and statistical adjustment) to population change, 2011	25
Table 2	Foreign population by groups of country of citizenship (absolute values and as a share of the total population), 31 December 2008	29
Table 3	Population age structure by major age groups, 1991 and 2011 (%)	30
Table 4	Population age structure indicators, 2011	31
Table 5	Total fertility rate and mean age at childbirth in EU-27 countries. 2002-2009	34
Table 6	Life Expectancy at birth in EU-27 countries 1980-2011. Men and women	41
Table 7	Life Expectancy at 65 and healthy life year in EU-27 countries in 2009. Men and women.	43
Table 8	Population by urban–rural typology 1/1/2011	54
Table 9	Population change per 1000 inhabitants by urban-rural typology, 2010	55
Table 10	Population number and density in and outside mountain areas, and at the national level, for EU-27 states, 2008	61
Table 11	Population density change (%) per country, within and outside mountain massifs, between 1990 and 2005	62
Table 12	Population densities in coastal areas (LAU2 at less than 45 minutes from the coast or contiguous to the coast), inhabitants per sq. km	66
Table 13	Priority themes addressing demographic change in the 2007-2013 programming period	77
Table 14	Demographic relevant policy issues and population targets in context analysis by NSRF	87

Table 15	
Reference to demographic challenges in strategy, objectives and measures by priority theme	91
Table 16	
Clusters of regions, selected case studies and justification	105
Table 17	
Main socio-economic and demographic conditions in the selected case studies	111
Table 18	
Main policies in the field of demographic change	115
Table 19	
Cohesion measures addressing demographic change in the case studies	124
Table 20	
Selected Measures in relation to demographic change	133
Table 21	
The selected good practices	137

LIST OF FIGURES

Figure 1		
Population change by component (annual crude rates), EU-27, 1960-2011		24
Figure 2		
Population Growth components in EU-27 Regions 2008-2030		26
Figure 3		
EU-27 Population regions' relative population change between 2008 and 2030 by country		27
Figure 4		
Ratio between possible incoming workforce (population aged 20-29) in the following decade and the workforce that will retire in the same decade (population aged 55-64) by Region.		33
Figure 5		
Fertility Rate [Number of live births per woman], 2011		36
Figure 6		
Average life expectancy at birth in EU27, at regional level. 2011		40
Figure 7		
Life Expectancy at age 65 in EU-27 countries 2011. Men and women.		42
Figure 8		
Population change in different urban areas typologies 2001-2004		56
Figure 9		
population development of European large cities 1991-2008		58
Figure 10		
Demographic evolutions of core and peripheral cities, 2000-2005		59
Figure 11		
Difference between proportion of mountain massif inhabitants under 15 years old and national average		63
Figure 12		
Difference between proportion of mountain massif inhabitants over 59 years old and national average		64
Figure 13		
Relationship between the proportion of young and old people in the Sparse Territories and in their respective countries		65
Figure 14		
SF allocation to demographic change related measures by priority theme (2007-2013). % over total SF allocation		79

Figure 15	
SF allocation to demographic change related measures by country (2007-2013)	80
Figure 16	
SF allocation to demographic change related measures by country and expected impacts (2007-2013)	81
Figure 17	
SF allocation to demographic change related measures by regions (2007-2013)	82
Figure 18	
SF allocation to demographic change by area of intervention (2007-2013)	84
Figure 19	
SF allocation to demographic change related measures by group	110
Figure 20	
Socioeconomic indicators in the selected regions, 2007-2011	113
Figure 21	
Demographic indicators in the selected regions, 2007-2011	114
Figure 22	
Share of SF addressed to demographic change over the total amount of allocated SF in the region (2007-2013 period)	127

LIST OF BOXES

Box 1	Examples of development strategies with attention to demographic challenges	117
Box 2	Strategies directly addressing demographic change: the case of Lithuania and Thuringia (DE).	119
Box 3	A good practice example of integration between Cohesion Policy and national/regional strategies	132
Box 4	A good practice in the provision of health care programmes	140
Box 5	A good practice in supporting age management practices in SMEs	141
Box 6	A good practice in supporting young people's local development projects	142
Box 7	Good practices in supporting family friendly measures in private companies	143
Box 8	A good practice in supporting the return of young professionals	144
Box 9	A good practice in supporting the business start ups	147
Box 10	A good practice in supporting urban revitalisation	150

EXECUTIVE SUMMARY

This study provides an overview of regional demographic trends in the EU and of the role of Cohesion Policy in addressing demographic change, in order to derive indications for the future programming period.

Main demographic challenges

Population decline and ageing are the most challenging trends for the future, while international migration has become a major driver of population growth as from the 1990s, except for a few eastern European countries for which net migration is negative. There are however great variations in demographic patterns between the European regions, depending on various socio-economic factors. Demographic trends also have effects on the spatial conditions of the EU with peripheral and rural areas as well as post-industrial urban and mountain areas more at risk of de-population.

These demographic trends have important socio-economic and policy implications due to their impact on: productivity and growth; the provision of social and healthcare services; urban-rural population imbalances; and the shortage of workers. Demographic change is thus a mainstream issue involving different policy areas and levels of intervention including: social protection systems, employment policies, urban and rural planning, communication and social infrastructures, gender equality and family policies, education and training policies, immigration and integration policies.

Demographic change is now at the forefront of European, national and regional policies. The Commission has stimulated debate and produced data, indicators and reports; stressed the need for reforms; and adapted Structural Fund regulations and Community Strategic Guidelines to support policies to adapt to demographic change. In the Europe 2020 growth strategy, in particular, the demographic challenges are addressed by most of the Flagship Initiatives. In 2011 the European Parliament enacted a Resolution devoted to the implications of demographic change for Cohesion Policy at the regional level. Member States are reviewing their tax and benefits systems to encourage workers to remain longer in the labour market, while a number of Regions are at the forefront of strategic thinking with actions to tackle their specific demographic challenges.

The role of Cohesion Policy

Cohesion Policy can play an important role in supporting regional adaptation to demographic change and reversing the risks of wider development gaps between regions due to demographic trends. Most of the priority themes of the ERDF and ESF Structural Funds can address demographic risks. The growing importance of demographic issues is reflected in their increasing prominence in the Cohesion Policy 2007-2013 and 2014-2020 programming periods, even though there is no explicit attention to demographic change among the horizontal principles.

According to our estimations, in the 2007-2013 period a total of EUR 64.1 billion (19% of the total ERDF, ESF and Cohesion Fund allocated to the Member States) have been dedicated to priority themes directly or indirectly targeting demographic challenges.

The ten territorial case studies representative of different demographic and socio-economic conditions show an increasing awareness of and attention to demographic change at the local level:

- Cohesion Policy measures are often the main provisions that address demographic challenges at the regional and local level and often complement national/regional strategies.
- Cohesion Policy value added lies especially in the provision of social infrastructures and the regeneration of urban and/or rural areas with ERDF measures, and in the promotion of the employability and inclusion of the elderly, women, young people and migrants with ESF measures. Territorial Cooperation has been effective in supporting institutional learning in the field.
- The potential of Cohesion Policy interventions has, however, been limited in some cases by the lack of a comprehensive strategy addressing the demographic challenges and by the scant awareness of the potential of the Structural Funds in tackling demographic change. Cohesion measures have indeed the potential to exploit the opportunities arising from demographic change through the valorization of the elderly population, migrants and women as economic agents and drivers for the demand and supply of technological innovation, new products and services.

Initial discussion of the strategic priorities for the 2014-2020 period shows the intention to pay greater attention to the demographic challenges and the consequences of the crisis. Greater integration and synergies between Cohesion Policy and other Structural Funds as well as between these funds and national and regional strategies are also envisaged.

Policy implications

The following main policy implications emerge from the study. They are consistent with the indications of the European Parliament 2011 Resolution and in part they have already found reference in the amended draft legislative package framing Cohesion Policy for 2014-2020 and in the cross-cutting policy objectives of the Common Strategic Framework.

To improve the effectiveness of the Structural Funds in addressing demographic change in the next programming period it would be necessary to promote:

- greater and more specific focus on demographic change as a priority area within the final Regulations and dissemination of guidelines to support Member States and Regions, exploring the potential Structural Funds may have in addressing demographic change in the design and implementation of Partnership Agreements and Operational Programmes;
- greater coordination and integration of the activities promoted by the different Structural Funds and greater flexibility in their use to enhance complementarities and consistency;
- a more pro-active approach in demographic policy-making and the exchange of good practices and experiences for institutional learning;
- specific tools for the monitoring and evaluation of the potential and actual effects of Structural Funds in addressing demographic change through the provision of guidelines and the further development of relevant demographic indicators in order to enable monitoring and evaluation systems to collect and, consequently, evaluate, relevant key data;
- provision of technical support to the managing authorities and local stakeholders for the implementation of effective policies addressing demographic change at both the national and regional level.

Given its role as co-legislator with the Council, the European Parliament has an important role in these processes, promoting greater attention to the demographic challenges and an integrated policy approach - in EU policies in general and in Cohesion Policy in particular -, and a pro-active approach in this field. The coming months will be particularly important and the European Parliament should monitor the application of the 2011 Resolution and reinforce its supervisory role with regard to the effectiveness of Cohesion Policy in addressing demographic change.

INTRODUCTION

The European population has been characterised by increasing longevity and low fertility rates for many decades.

A shrinking workforce and ageing are the side-effects of uninterrupted low fertility and increasing longevity at older ages. Only replacement migration can counter and even reverse this phenomenon in the short and medium term, but also raising new challenges for the native population in terms of cohesion and social integration.

Moreover, early evidence on demographic trends during the economic crisis shows that in most countries, the recession has brought about a decline in the number of births and fertility rates. Similarly, deterioration in well-being could also stem the trend to increasing longevity while reducing migration flows.

Despite these features common to the European population, the demographic trends are far from homogenous and divergence among European countries and regions is a major feature. National averages can hide highly differentiated demographic patterns within countries and across regions.

The areas at demographic risk include peripheral, rural and post-industrial localities. Besides the East-West and North-South polarization, the territorial dimension of demographic change is affected by other macro trends (EPRC 2010):

- The urban-rural dimension: with the majority of urban poles (and in particular the greater ones) showing gain in population, while most of the rural areas show decline.
- The capital city factor: most capital cities in Europe have seen positive demographic development.

Thus, demographic change is strengthening the process of societal fragmentation and polarization of our urban societies, with growing disparities in terms of economic capacity and service accessibility.

As for policy implications, this means that spatial and infrastructure planning must deal with intense specific demands expressed by various different minority groups, and no longer with extensive needs. If the latter could be treated following a standardised approach, the former call for innovation. Consequently, the provision of mobility services, social housing, health care for elderly, or community facilities must incorporate a certain degree of experimentation, in order to be tailored to the new social landscape. This requires an effort to promote social innovation for service provision, and a strategy to make the urban/rural fabric more resilient to the changing scenario.

Cohesion Policy can implement various different initiatives on various scales and for different types of territories, from urban to rural, to peri-urban areas, endeavouring to tackle the problems of demographic change with a place-based approach. Cohesion policy can thus play a very important role in supporting regional adaptation to demographic change. The growing importance of demographic issues in Regional Policy is reflected in their increasing prominence in the European Cohesion Policy agenda.

Aims and contents of the study

The overall aim of the study is to provide an overview of regional demographic structures and trends in the EU, with the focus on their likely effects on socio-economic and territorial cohesion, and to provide an assessment of how and to what extent the 2007-13 European Cohesion Policy and Structural Funds have been tackling demographic change at the regional level in order to derive useful indications on how Cohesion Policy actions could be more effective in the future programming period (2014-2020).

The multi-dimensional developments and impacts of demographic change have called for a multi-disciplinary approach combining desk and field analysis as well as qualitative and quantitative research methods and tools.

The main findings of the study are presented in the following chapters:

- Chapter 1 and 2 present a review of demographic trends and their determinants, as well as their socio-economic and spatial effects at the territorial level based on a review of the literature and statistical analysis of available regional data and the indicators;
- Chapter 3 contains an analysis of the policy approaches adopted at national/regional levels and the role of Cohesion Policy in the 2007-2013 programming period. The analysis is carried out on the basis of programming and legislative and non-legislative documents as well as Structural Fund allocations to demographic change-related measures;
- Chapter 4 focuses on the contribution of Cohesion Policy in tackling demographic change in ten selected regional case studies representative of the main features of demographic change and of the policy options available under Cohesion Policy 2007-13 (Thüringen –DE, Basilicata-IT, Centru-RO, Province of Liège-BE, Lincolnshire-UK, Malta, Castilla-La Mancha-ES, Östra Mellansverige-SE, Lithuania-LT, Dolno I skie-PL). The selection of the ten case studies was based on a grouping analysis of the relevant demographic and socio-economic indicators and the financial allocation of Cohesion Policy by priority themes. The ten case studies are set out in Volume II of this study.
- The final chapter contains a horizontal reading of the main findings and policy implications, and an in-depth analysis of ten representative regional case studies and good practices to assess the role and effectiveness of Cohesion Policy 2007-13 in addressing demographic change.

1 DEMOGRAPHIC CHALLENGES IN EUROPE: COMMON TRENDS AND REGIONAL PECULIARITIES

KEY FINDINGS

- Slow population growth (or even decline) and population ageing are the most challenging tasks for the future and a priority in the European policy agenda.
- The EU-27 population will be showing a steady rise to 520.7 million by 2035; thereafter it is expected to decline gradually. One region out of three – mostly located in Central Europe, Eastern Germany, Southern Italy and Northern Spain - is projected to experience population decline over the period 2008-2030. Around 20 of these regions will face a population decline of more than 10%.
- In recent years more than three quarters of the total population increase has been due to a net inward migration. For the majority of the regions projected to show positive growth over the period 2008-2030 positive migration is an important factor, either combined with positive natural change (in 92 regions out of 281) or compensating for negative natural change (in 75). A significant exception is to be seen in a few Eastern European countries.
- The experts agree that population ageing is, and will remain, the major demographic challenge to the European Union. In the EU-27 Countries, the average share of persons aged 65 years and over is projected to increase from the 17.1% of 2008 to 30% by 2060, when the number of old people will rise to 151.5 million.
- The largest shares of old age population are projected to be reached in Eastern Germany, Northern Spain, Italy and some parts of Finland. In Central and Eastern Europe, the impacts of ageing will be delayed due to their younger population and shorter life expectancy. At the EU-27 level, 100 persons of working age are supporting 26 aged 65 or more, with a wide regional variation (5% to 43%). Old-age dependency ratios higher than 30% are found in 68 regions. The share of working age population is expected to be particularly low in several of the Finnish, Swedish and German regions. 44 European regions will experience a decline of more than 10%.
- The share of working age population is expected to be particularly low in several of the Finnish, Swedish and German regions. 44 European regions will experience a decline of more than 10%. Some will be particularly hard hit with a decline of 25-30%.
- The European Union is characterized at the same time by low fertility, motherhood postponement and an increase in childlessness among the younger generations. In the – EU-27 countries, the total fertility rate has declined from a level of over 2.5 children per woman in the 1960s to a level of less than 1.6. Cross-region differences are notable.
- For a decade, demographic change has been at the forefront of European, national and regional policies. Most of the policy fields addressing demographic changes lie within the competence of national and regional authorities, while European Institutions can initiate and stimulate debate on demographic change and its consequences and support reforms and policy making through the Structural Funds and the exchange of experiences. The Europe 2020 strategy and its seven Flagship Initiatives address the demographic challenges in a wide range of policy areas.

Introduction

The population of the European Union has by now been characterised by increasing longevity and persistent low fertility for many decades. The Europeans are living longer than ever before, and if the increased lifespan is great news it also raises many issues for individuals, their families and the social systems. Europe's fertility decline is persistent and widespread: all EU Member States now have Total Fertility Rates¹ (TFR) below 2.1, which is the level needed for the replacement of generations. Shrinking and ageing populations are the inexorable side-effects of uninterrupted low fertility and increasing longevity at older ages.

European population growth will now be slowing down considerably and decline is projected to come under way in the near future. Only replacement migration from non-EU countries can counter and even reverse these phenomena, but also bring forth new challenges to the native population in terms of cohesion and social integration. The internal migrations within Europe conversely can contribute to widening the gap between countries and regions of origin and of destination. The former usually experience an even more pronounced population decline, the latter relief.

In a context of declining mortality, population aging is the major consequence of prolonged low fertility. In most European countries, the population of over-65-year-olds is around 20% at the moment and is projected to increase up to 35% when the baby-boomers born in the Sixties grow old. At the same time, young people account for only 15% of the population. As a consequence, problems arise in welfare sustainability, replacement of the workforce in the labour market and even in solidarity ties between generations. Immigration can be a solution only in the short run for population ageing, as immigrants themselves are as a whole also a population destined to age (Billari and Dalla Zuanna 2012).

Despite the above common features of European population, demographic trends are far from being homogenous and divergence between European countries and regions is a major characteristic (Coleman 2007). National averages can hide highly differentiated demographic patterns within countries and across regions, and it should therefore be of paramount importance to identify those regions which have been suffering from "demographic malaise". Special attention must also be dedicated to demographic trends subsequent to 2009, in order to assess the effect of the economic crisis on population dynamics at the regional level.

The following literature review begins by presenting the main facts concerning demographic changes in Europe with regard to fertility, life expectancy and migration and places these issues within a long-run and global perspective. Drivers of demographic change and consequences will also be briefly discussed in this section, with special focus on regional facets. The impact of the Great Recession on demographic change has only recently been examined in the literature and conclusive results will be drawn only in the future. However, in this survey we outline a provisional picture of tentative findings. The policy implications of demographic changes will be also addressed, at least speculatively.

¹ The Total Fertility Rate is the average number of children that would be born alive to a woman during her life-time if she were to go through all childbearing years conforming to the age-specific fertility rate of a given year.

1.1 The slowing growth and expected future decline of the European population

1.1.1 The European Union is destined to decrease in population

Over the years, the population of the 27 countries of the European Union (excluding Croatia) will gradually rise from 495.4 million in 2008 to 520.7 million by 2035, and thereafter is expected to decline gradually to reach 505.7 million by 2060 (European Commission 2009).

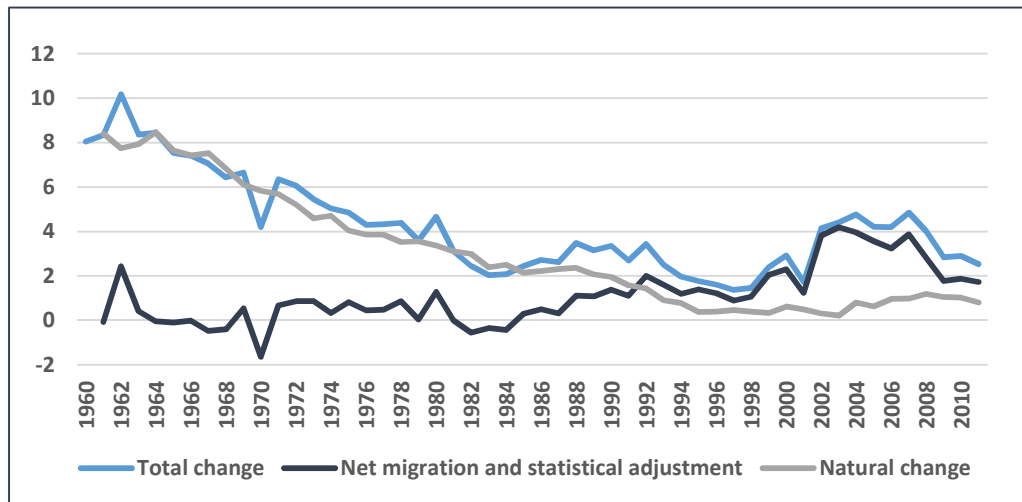
The EU inhabitants are becoming a decreasing proportion of the world population. A century ago, some 15% of the world population lived in the area of the current EU-27; nowadays this share is 7.5% and by the year 2050 the share of the EU-27 in the total world population is projected to be around 5%, according to the 2006 revision of UN population projections.

The average annual population change rate for the years 2011 is 2.5 per thousand, of which only 0.8 due to natural increase and the remaining 1.7 to net migration from outside the EU (and statistical adjustment). The “natural increase” of the population is defined as the number of live births minus the number of deaths during a given year. Until the end of the 1980s, “natural increase” was by far the major component of population growth (Fig. 1). Conversely, since 1992, net migration from outside EU has become the dominant force that allows European population to grow. Therefore, the contribution of natural change has significantly diminished over time, with the exception of the last few years. Since 2003, indeed, natural change has been accounting for a slightly increasing proportion of total population change. However, the number of deaths (in absolute terms) is necessarily expected to increase as the baby-boom generation - more abundant than the older cohort - approaches old age. If we assume that the fertility rate continues to remain at a relatively low level, negative natural change (more deaths than births) is expected to occur for the European Union as a whole as from 2015 (Giannakouris 2008).

International migration became the major source of population growth as from the beginning of the 1990s, but since 2009 net migration rate has been showing an appreciable decrease. This is one of the side effects of the economic crisis, having a negative impact on inward migration and a positive one on outward flows.

From these trends, it may reasonably be argued that one of the most important future demographic challenges for the European Union is population decline. The EU will become the first among the major world regions to have a decreasing number of inhabitants, as the rate of European Union population growth is currently the lowest among the major regions of the world.

Figure 1: Population change by component (annual crude rates), EU-27, 1960-2011



Source: Eurostat, "Population and population change statistics" - Statistics Explained (2013/6/6). http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Population_and_population_change_statistics.

1.1.2 Europe diversity in population change and in mechanisms

Although the population of the EU-27 as a whole increased during 2011, population growth showed differentiated distributed across the Member States. A total of 19 EU Member States saw an increase in their respective populations, while the number of inhabitants fell in eight (all in Eastern Europe apart from Greece and Portugal). Cyprus, Luxembourg, the United Kingdom, Sweden and France recorded the highest population growth rates in 2011 (more than 5 persons per 1 000 inhabitants), which was over twice the EU-27 average of 2.5 persons per 1 000 inhabitants (Table 1). The Baltic Republic of Latvia (-16 per 1.000 inhabitants) and Lithuania (-14.8 per 1 000 inhabitants) show the largest relative decreases in population.

Analysing the two components of population change at the national level, eight types of population change can be distinguished: the first significant divide is between countries facing population decline (8 out of 27) and those still experiencing population growth. A second distinction concerns mechanisms and the relative weights of natural change and net migration to determine either growth or decline – see table 2 for the full typology. In Germany and Italy population growth relies entirely on the contribution of migration, while in Ireland, Spain, Malta, and Poland it is sustained exclusively by net migration. In most countries both components are positive, but in 6 countries natural dynamics predominates while in 5 others the migratory component is prevailing. With regard to the countries having declining populations, in no case is the decrease entirely due to outmigration, but in most cases the negative effects of negative net migration are accentuated by natural decrease, which is prevailing in Greece, Latvia, Lithuania and Portugal. Only in two countries (namely Hungary and Estonia) is demographic decrease due entirely to natural dynamics (Table 2).

Table 1: Contribution of natural change and net migration (and statistical adjustment) to population change, 2011

Demographic drivers	EU Member States, EFTA countries
Growth due to:	
Only natural change	Ireland, Spain, Malta, Poland,
Mostly natural change	Belgium, France, Netherlands, Slovenia, Slovakia, United Kingdom
Mostly net migration (and adjustment)	Czech Republic, Denmark, Cyprus, Luxembourg, Austria, Finland, Sweden,
Only net migration (and adjustment)	Germany, Italy
Decline due to:	
Only natural change	Estonia, Hungary
Mostly natural change	Bulgaria, Romania
Mostly net migration (and adjustment)	Greece, Latvia, Lithuania, Portugal
Only net migration (and adjustment)	-

Source: Eurostat (online data code: demo_gind).

In 2011, the highest rates of natural population increase were observed in Ireland (10 persons per 1,000 inhabitants), Cyprus (4.8), France (4.2) and the United Kingdom (4.1), while the largest negative natural changes were registered in Bulgaria (-5.1 per 1,000 inhabitants), Latvia (-4.7) and Hungary (-4.1). In relative terms, Cyprus (21.3 per 1,000 inhabitants) and Luxembourg (21.2) had the highest positive net migration rates, while Lithuania (-12.6 per 1,000 inhabitants) and Latvia (-11.2) recorded the highest negative net migration rates in 2011.

1.1.3 A diverging future for the European Union Regions?








The EU-27 population on the whole is projected to increase by 5% between 2008 and 2030, but there is considerable variation between countries (Giannakouris 2008). The populations of small countries like Cyprus, Luxembourg and Malta and all the regions in Belgium, Denmark, Ireland and the United Kingdom are projected to increase by 2030. Similarly, the most heavily populated regions of Austria, the Czech Republic, Spain, Finland, France, Greece, Italy, the Netherlands, Portugal, Sweden and Slovenia are projected to increase in population over the period. Conversely, Estonia, Latvia and Lithuania and the majority of regions in Bulgaria, Romania, Germany, Hungary, Poland and Slovakia are expected to have a lower number of inhabitants by 2030.

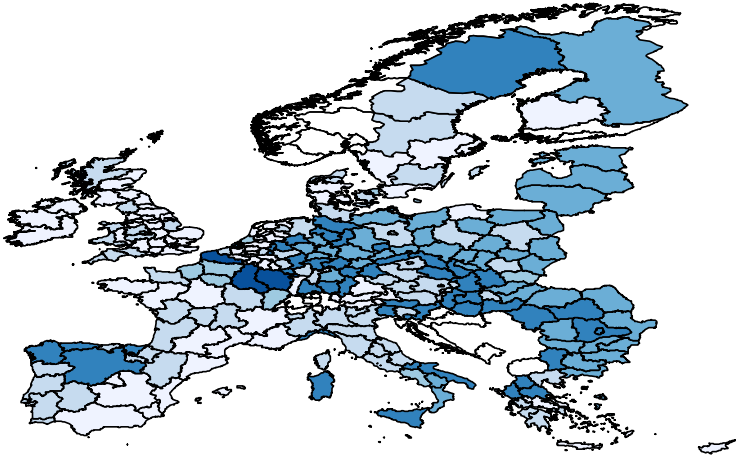
The diversity which is evident at the national level increases when a sub-national focus is introduced: even larger difformity between regions with regard to demographic trends and dynamics is observed in the EU (van Nimwegen 2008): some regions will experience solid population growth, while in the same period others (in some cases within the same country) will have to tackle stagnating populations or even severely declining. The characteristics of the regions (e.g. urban vs. rural, or mountain vs. plan), the demographic history, the economic development and the productive sectors, the social conditions as well as the Regional Policies may contribute to determine such differences. Therefore, it is possible that an opportune mix of integrated policies, at different levels, will be able to cope with population decline and even reverse this unfavourable trend.

According to the most up-to-date 2008-based regional population projections, in one region out of three the population is expected to decline (Giannakouris 2008), but it must be recalled that the previous 2004 projections were more pessimistic, as around 50% of all regions were expected to experience a reduction in population by 2030 (Lanzieri 2007).

The regions can be divided into six groups according to the results of combining natural change and migration (Fig. 2). In the majority of the regions projected to show positive growth over the period 2008-2030 (the three first groups), positive migration is an important factor, either combined with positive natural change (92) or compensating for negative natural change (75) (Giannakouris 2008). Fig. 2 presents a map (at NUTS2 level) of projected regional population growth from 2008 to 2030. The areas that are expected to grow in terms of number of inhabitants are coloured light blue (category 1 to 3), the lightest (category 1) being characterised by both positive natural increase and net migration. Conversely, the darker blue regions (category 4 to 6) are those that will have negative growth, while the darkest (category 6) are characterised by negative natural and migration dynamics. For more than half of the regions (50 of the 98 regions) in which the population is projected to decline over the period 2008-2030, positive migration may not compensate for negative natural change. Probably these regions will be the most affected by the negative consequences of demographic change and more demanding in terms of appropriate European measures. However it must be recalled that rapid population change (not only population decline but also growth) will raise specific challenges for regional planning and natural resource.

Figure 2: Population Growth components in EU-27 Regions 2008-2030

	Label		Total Growth
	1	N+, M+	+
	2	N-<M+	+
	3	N+>M-	+
	4	N-,M-	-
	5	N->M+	-
	6	N-<M+	-
	No data		



Source: Elaboration on Eurostat data.

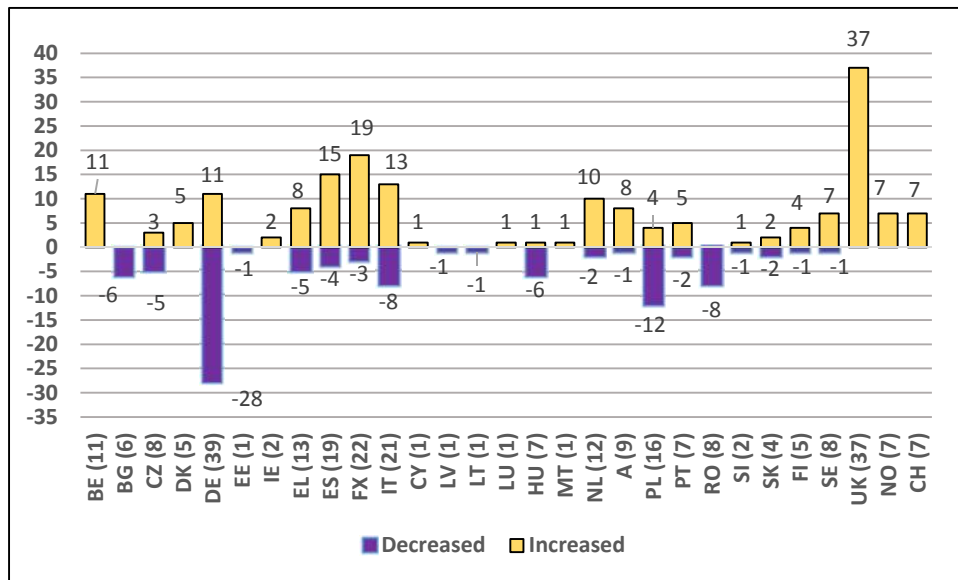
Note: The indicator assumes values between 1 and 3 if total population growth is positive, otherwise it takes values between 4 and 6. The value is also given by the combination of increase/decrease of natural growth rate of population and of increase/decrease of total migrant growth rate of population, as shown in legend.

With the exclusion of a few cases, a population change pattern can be identified across the European Union (Giannakouris 2008) (Fig. 2 and 3). The regions belonging to the Western and Northern countries are projected, with a few exceptions (mainly in the east of Germany), to show an increase in population between 2008 and 2030. The Southern European countries have no clear-cut characterization, comprising both regions with strong growth (e.g. the south of Spain and of France) and declining ones (like the south of Italy or the regions in the north-west of Spain). Poland and the Central European countries will

have a majority of regions experiencing population decrease. The most pronounced population decline will probably be experienced by the Baltic countries, together with the Central-Eastern regions.

For an idea of national differences in the number of regions where population is expected to decrease or to increase in the next two decades, see Fig. 3.

Figure 3: Number of regions with expected increasing or decreasing population, by country between 2008 and 2010



CY, EE, LV, LT, LU, MT: NUTS level 2 coincides with the country level; FX: Metropolitan France; Total number of regions for the respective countries in parenthesis.

Source: Eurostat, regional EUROPOP 2008.

1.2 The important role of international migration in population growth and composition

As anticipated in section 1.1, the mechanisms that determine population growth and structure in Europe have varied significantly over the years. International migration has gained in importance, becoming the major force of population growth as from the early 1990s (European Commission, 2007a). In recent years, more than three quarters of the total population increase was due to a net inward migration. Significant exceptions are to be seen in a few eastern European countries, where net migration is negative (e.g. Poland, Slovakia, Latvia and Lithuania).

The climax in annual net migration inflows was reached in 2004, when 1.3 million people (0.35% of the population) entered the EU net of exit. The net flows however are projected to fall to 800 000 individuals between 2015 and 2050 (0.2% of the population) (European Commission 2008). Giannakouris (2010) reveals that according to the regional projections, "for the majority of the regions expected to have positive growth over the period 2008-2030, positive migration is an important factor, either combined with positive natural change (92) or compensating for negative natural change (75)" (Fig. 2).

Regional variations in terms of international migration flows are obviously large, as they are associated with the economic and social peculiarities of each territory: for instance, good

employment opportunities may be effective attraction factors for migrants, while the lack of infrastructure can play as a “pushing out” factor. The majority of international migration is expected to go to regions in Western and Southern Europe, and in particular to regions in the United Kingdom, Southern France, Greece and Spain. Many Central and Eastern European regions will, however, experience significant outward migration, and in particular regions in Romania, Bulgaria and Poland (European Commission 2008). The recent economic crisis affecting the entire EU, but to varying degrees in the various countries, could alter (or even annul) this trend significantly (e.g. Spain could lose its attractiveness). Similarly, recent events in traditional extra-EU countries of origin (for instance, the Arab Spring or Egyptian political instability) can also have an impact on migrant choices.

Interregional migration flows (often referred to as intra-EU mobility) have also increased throughout Europe, fuelled by regional diversity in terms of opportunities. Also interregional migration is in fact influenced by the same factors as the international flows including the social and economic gradient between sending and receiving regions, but these flows are easier thanks to the legislation. Regions in South Italy, Greece, Eastern Germany and Central and Eastern Europe will experience significant outward migration, while others such as Southern France and the United Kingdom will receive interregional migrants (European Commission 2008).

The first decade of the 21st century has seen large waves of migration from both within and outside the EU. The inflow in that decade appears to have peaked in 2007. In 2008, 3.8 million people migrated to and between the EU-27 Member States. In 2008, the EU-27 Member States received nearly two million migrants of other EU nationalities. Romanians were the most mobile, followed by Poles and Germans (note that these migrants were not necessarily previously residing in their country of citizenship). If returning nationals are excluded from the analysis, Romanians still rank first, followed by Poles and Bulgarians. The EU-27 Member States received 384.000 Romanian citizens, 266.000 Polish citizens and 91.000 Bulgarian citizens. The remaining 1.8 million immigrants to EU-27 Member States were non-EU citizens. Of these, Moroccans were the largest group – the only one to exceed 100000 persons – followed by citizens of China, India, Albania and the Ukraine (Eurostat 2012a).

By the end of 2008, the stock of non-EU-27 nationals living in the 27 Member States was close to 20 million, equivalent to 4% of the total population (Table 2). The proportion of other EU nationals living in a different European Union Country accounts for 2.4% of the total population on average, with a sizeable presence of around 12 million individuals (Eurostat 2012b). Most of the older member states have above average shares of foreign citizens (up to 7 %) (Tab.2).

Luxembourg, as a centre of EU-institutions, is a unique case with non-nationals – predominately citizens of the old EU-15 – accounting for 43.5% of the population (Eurostat 2006). In Austria and Germany, foreign citizens account respectively for 10.3% and 8.8% of the total population, of which a considerable proportion come from non-EU-25 countries. France shows a comparatively modest percentage of foreigners (5.8% non-nationals, 3.8% of which are non-EU-25 nationals), which can be accounted for with a somewhat strict naturalization policy. The same holds for the Netherlands. Both the UK and the Netherlands have significant immigration from former colonies. In general these migrants already held citizenship of the receiving country before immigration and consequently do not appear in the data (Eurostat 2006). Sweden and Denmark have about 6% of foreign population, while Finland lags behind with 2.7%.

The South-European countries traditionally counted few foreign nationals, but for a number of years migrants from the African continent, Southern America and Eastern Europe have chosen to reside in those regions. As a result, the share of foreigners in these countries has increased sharply, notably in Spain and Greece, which are already above the EU-average in this respect (respectively around 12.3% and 8.8) (Eurostat 2012b).

The situation is different in the new East-European member states where relatively few inhabitants with foreign citizenship are found (less than 3%). In Hungary, Poland and the Slovak Republic, for instance, the percentage of non-EU-25 nationals is under 1%. Latvia and Estonia represent exceptions in this respect, but because there is a large percentage of non-EU-25 nationals including former USSR citizens who have not taken the citizenship of the host country (called non-citizens or persons with undetermined citizenship). (Eurostat 2012b).

A comparative study, Schoorl and van Praag (2007), focuses in greater detail on the country of origin of the ten largest foreign-citizen populations in each member state for which data are available, finding that citizens from neighbouring countries tend to be among the most numerous. For instance, in Belgium, the French and the Dutch are the second and third largest groups, while in the Slovak Republic, Ukrainians, Czechs, Poles and Hungarians are the largest groups. Former colonial ties show up in many countries, such as France (Moroccans, Algerians – even though most possess French citizenship) and Portugal or Spain (citizens from Africa and Latin America), but also special foreign political connections dating back to the cold war, e.g. Vietnamese in the Czech and Slovak Republics and in Hungary and Poland; Syrians in Bulgaria and Romania (Schoorl and van Praag 2007). The consolidated linkages between former Eastern European states and states which have split up in the past emerges clearly also in the migrant composition. In addition, the history of labour migration, as well as policies on refugees and asylum seekers, often contributes to shape the structure by citizenship in western European countries (for example, Turks in Germany and the Netherlands and Portuguese in Luxembourg or the presence of Iraqi citizens in Scandinavia).

Table 2: Foreign population by groups of country of citizenship (absolute values and as a share of the total population), 31 December 2008

	Total population (1,000)	Foreign citizens					
		Total		Citizens of (other EU Member States)		Citizens of non-EU countries (third-country nationals)	
		(1.000)	%	(1.000)	%	(1.000)	%
EU-27	499,433.1	31,860.3	6.4	11,944.2	2.4	19,916.2	4.0
BE	10,750.0	:	:	:	:	:	:
BG	7,606.6	23.8	0.3	3.5	0.1	20.3	0.3
CZ	10,467.5	407.5	3.9	145.8	1.4	261.7	2.5
DK	5,511.5	320.0	5.8	108.7	2.0	211.4	3.8
DE	82,002.4	7,185.9	8.8	2,530.7	3.1	4,655.2	5.7
EE	1,340.4	214.4	16.0	9.6	0.7	204.8	15.3
IE	4,450.0	504.1	11.3	364.8	8.2	139.2	3.1
EL	11,260.4	929.5	8.3	161.6	1.4	767.9	6.8
ES	45,828.2	5,651.0	12.3	2,274.2	5.0	3,376.8	7.4
FR	64,366.9	3,737.5	5.8	1,302.4	2.0	2,435.2	3.8
IT	60,045.1	3,891.3	6.5	1,131.8	1.9	2,759.5	4.6
CY	796.9	128.2	16.1	78.2	9.8	50.0	6.3

	Total population (1,000)	Foreign citizens					
		Total		Citizens of (other EU Member States)		Citizens of non-EU countries (third-country nationals)	
		(1.000)	%	(1.000)	%	(1.000)	%
LV	2,261.3	404.0	17.9	9.4	0.4	394.6	17.5
LT	3,349.9	41.5	1.2	2.5	0.1	39.0	1.2
LU	493.5	214.8	43.5	185.4	37.6	29.5	6.0
HU	10,031.0	186.4	1.9	109.8	1.1	76.6	0.8
MT	413.6	18.1	4.4	8.2	2.0	9.9	2.4
NL	16,485.8	637.1	3.9	290.4	1.8	346.7	2.1
AT	8,355.3	864.4	10.3	317.0	3.8	547.4	6.6
PL	37,867.9	35.9	0.1	10.3	0.0	25.6	0.1
PT	10,627.3	443.1	4.2	84.7	0.8	358.4	3.4
RO	21,498.6	31.4	0.1	6.0	0.0	25.3	0.1
SI	2,032.4	70.6	3.5	4.2	0.2	66.4	3.3
SK	5,412.3	52.5	1.0	32.7	0.6	19.8	0.4
FI	5,326.3	142.3	2.7	51.9	1.0	90.4	1.7
SE	9,256.3	547.7	5.9	255.6	2.8	292.1	3.2
UK	61,596.0	4,184.0	6.8	1,793.2	2.9	2,390.8	3.9
IS	319.4	24.4	7.6	19.4	6.1	5.0	1.6
NO	4,799.3	302.9	6.3	165.4	3.4	137.6	2.9
CH	7,701.9	1,669.7	21.7	1,033.6	13.4	636.1	8.3

Source: Eurostat (online data code: migr_popictz).

1.3 A challenging ageing population

1.3.1 An increasing population of 65 and over

Persistent low fertility levels and extended longevity are the causes of ageing of the EU population (see following sections). When the baby boomers reach retirement age in the coming years, the effect on population structure will be even more dramatic. Therefore, all the experts agree that population ageing is, and will remain, the major demographic challenge to the European Union. The EU-27 population is expected to become older, with the median age projected to rise from the 40.4 years of 2008 to 47.9 years by 2060.

In the EU-27 Countries, the average share of persons of 65 years and over is projected to increase from the 17.1% of 2008 to 30.0% by 2060; in the same time interval the number of old people will rise strikingly from the 84.6 million of 2008 to 151.5 million. In 2011 Germany and Italy showed the largest proportion of older people (more than 20%), while Ireland showed the smallest (11.5%) (Tab. 3).

Table 3: Population age structure by major age groups, 1991 and 2011 (%)

	0-14 years old		15-64 years old		65 years old or over	
	1991	2011	1991	2011	1991	2011
EU-27 (1)	19.3	15.6	66.8	66.9	13.9	17.5
Belgium	18.1	17.0	66.8	65.9	15.0	17.1
Bulgaria	20.1	13.2	66.5	68.3	13.4	18.5
Czech Republic	21.1	14.5	66.3	69.9	12.6	15.6
Denmark	17.0	17.9	67.4	65.3	15.6	16.8
Germany	16.2	13.4	68.8	66.0	14.9	20.6
Estonia (2)	22.2	15.3	66.1	67.6	11.7	17.0

	0-14 years old		15-64 years old		65 years old or over	
	1991	2011	1991	2011	1991	2011
Ireland	26.8	21.3	61.8	67.2	11.4	11.5
Greece	19.2	14.4	67.0	66.4	13.8	19.3
Spain	19.5	15.1	66.7	67.8	13.8	17.1
France	20.3	18.5	65.8	64.7	14.0	16.7
Italy	16.3	14.0	68.6	65.7	15.1	20.3
Cyprus	25.8	16.8	63.3	70.5	10.9	12.7
Latvia	21.5	14.2	66.7	67.4	11.8	18.4
Lithuania	22.5	14.9	66.4	67.2	11.0	17.9
Luxembourg	17.5	17.6	69.1	68.5	13.4	13.9
Hungary	19.9	14.6	66.6	68.7	13.5	16.7
Malta	23.3	15.3	66.2	69.2	10.5	15.5
Netherlands	18.2	17.5	68.9	67.0	12.9	15.6
Austria	17.5	14.7	67.5	67.7	15.0	17.6
Poland	24.9	15.2	64.9	71.3	10.2	13.5
Portugal	20.0	14.9	66.4	66.0	13.6	19.1
Romania	23.3	15.1	66.2	70.0	10.6	14.9
Slovenia	20.6	14.2	68.6	69.3	10.8	16.5
Slovakia	25.1	15.4	64.6	72.0	10.4	12.6
Finland	19.3	16.5	67.2	66.0	13.5	17.5
Sweden	18.0	16.6	64.2	64.9	17.8	18.5
United Kingdom	19.1	17.5	65.2	65.9	15.8	16.7

(1) Excluding French overseas departments in 1991.

(2) The population of unknown age is redistributed to calculate the age structure.

Source: Eurostat (online data code: demo_pjanind).

Similarly, the number of people aged 80 years or over (often defined as “the oldest old”) is projected to almost triple from 21.8 million in 2008 to 61.4 million in 2060. The highest proportions of oldest old are observed in Italy (6%), France (5.4%) and Germany (5.3%), against an average of 4.8%; the lowest shares are registered in Ireland and Slovakia (less than 3%) (Eurostat 2011a).

Table 4: Population age structure indicators, 2011

	Median age	Young age dependency ratio	Old age dependency ratio	Total age dependency ratio	Share of population aged 80 or over
	(years)	(%)			
EU-27	41.2	23.4	26.2	49.6	4.8
Belgium	40.9	25.8	26.0	51.7	5.0
Bulgaria	42.5	19.4	27.0	46.4	4.0
Czech Republic	39.8	20.8	22.3	43.1	3.7
Denmark	40.6	27.4	25.7	53.1	4.1
Germany	44.6	20.3	31.2	51.5	5.3
Estonia	39.7	22.7	25.2	47.9	4.3
Ireland	34.5	31.7	17.2	48.8	2.8
Greece	42.1	21.7	29.0	50.7	5.0
Spain	40.3	22.2	25.2	47.4	5.0
France	40.0	28.6	25.9	54.5	5.4
Italy	43.5	21.4	30.9	52.3	6.0
Cyprus	35.7	23.9	18.0	41.9	2.9

	Median age	Young age dependency ratio	Old age dependency ratio	Total age dependency ratio	Share of population aged 80 or over
	(years)	(%)			
Latvia	41.4	21.1	27.2	48.3	4.3
Lithuania	41.1	22.1	26.6	48.7	4.4
Luxembourg	39.0	25.7	20.3	45.9	3.7
Hungary	40.1	21.3	24.4	45.6	4.1
Malta	39.5	22.1	22.4	44.5	3.4
Netherlands	41.0	26.1	23.3	49.3	4.0
Austria	42.0	21.7	26.0	47.7	4.9
Poland	38.0	21.3	18.9	40.2	3.4
Portugal	41.9	22.6	28.9	51.4	5.1
Romania	38.6	21.6	21.3	42.9	3.2
Slovenia	41.7	20.5	23.9	44.3	4.1
Slovakia	37.4	21.4	17.5	38.9	2.8
Finland	42.1	25.0	26.5	51.6	4.8
Sweden	40.8	25.6	28.4	54.0	5.3
United Kingdom	39.7	26.5	25.3	51.8	4.7

Source: Eurostat (online data code: demo_pjanind).

The largest shares of old age population are projected to be reached in Eastern Germany, Northern Spain, Italy and some parts of Finland. In Central and Eastern Europe, the impacts of ageing will be delayed due to their younger population and lower life expectancy. However, significant increases in old age population are expected in the longer term in these regions (European Commission 2008).

1.3.2 More old people dependent on a shrinking working-age population

At the EU-27 level, the total population aged 65 or over as a proportion of the working-age population was 25.6%. In other words, on average, every 100 persons of working age were supporting 26 aged 65 or more. At the beginning of 2011, the old-age dependency ratio ranged from 6.9% in Guyane region (FR), followed by 12.4% in the Inner London region (UK), to 43.2% in Liguria in Italy. Old-age dependency ratios over 30% were found in 68 regions, mainly in: the Nordic countries, in regions of Sweden and Finland; north-western and central and eastern Europe, comprising regions of the United Kingdom, Belgium, Germany and Bulgaria; the Mediterranean countries, including regions of France, Spain, Portugal, Italy and Greece (European Commission 2008).

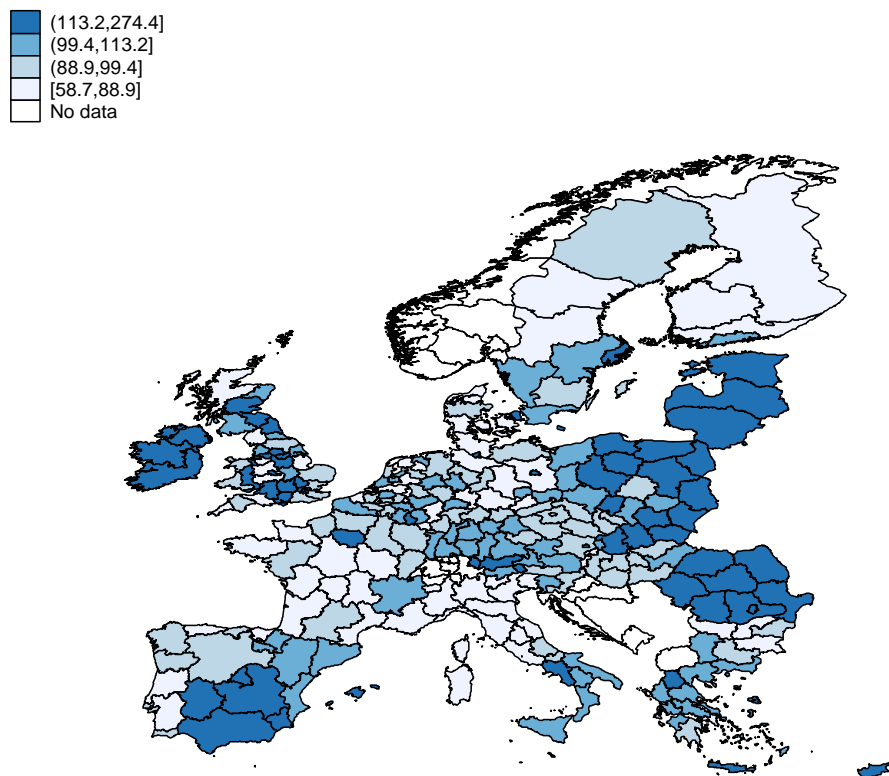
The share of working age population is expected to be particularly low in several of the Finnish, Swedish and German regions. The magnitude of decline in the working-age population shows dramatic variations: 44 European regions will experience a decline of more than 10%. These regions suffer from a combined effect of low fertility and high out migration. Some will be particularly hard-hit, with decline exceeding 30% (Severozapaden, Dessau, Chemnitz, Halle, Opolskie) and reaching 20% (Magdeburg, Thüringen, Mecklenburg-Vorpommern, Severentsentralen). The shrinking working-age population is expected to impact negatively on regional growth unless it is tackled with opportune policies. The extent to which a shrinking labour force will constitute a drag on growth will largely depend on the educational attainment and productivity of the labour force, and on future participation rates (European Commission 2008).

1.3.3 European diversity in the ageing process

Demographic ageing is especially evident in the predominantly rural regions of some Member States, notably Portugal, Spain, Greece, Italy, Germany and France, where the proportion of people over 65 is particularly large. Moreover, in Germany, the Nordic and Baltic countries and in Southern Europe, the large-scale rural-urban migration of females in the economically active age groups results in a high degree of “masculinisation” of the rural population (European Commission 2006a).

The map in Fig.4 shows the possible labour force shortages at regional level NUTS2 in the next 10 years. The indicator is intended to give an idea of the quantity of young workers (20-29) that will be available to replace 100 older workers (55-64) retiring in the following 10 years. In many regions (e.g. in the North of Italy, in the Centre of France, in some Regions in Sweden and Finland and in the Central Europe) the ratio is under 100, which means that a variable proportion of retiring people will not find a sufficient quantity of young workers entering the labour market in the next 10 years.

Figure 4: Ratio between possible incoming workforce (population aged 20-29) in the following decade and the workforce that will retire in the same decade (population aged 55-64) by Region.



Source: Elaboration based on Eurostat data.

1.4 Low and late fertility: the Europe of few children

1.4.1 Inadequate generation replacement

A major reason for the slowdown of the “natural increase” of the population and also – at least in part - for population aging is the fact that, on average and over time, the inhabitants of the European Union are having fewer children. The total fertility rate (TFR) is the average number of children that would be born alive to a woman during her lifetime if

she were to pass through all childbearing years conforming to the age-specific fertility rates of a given year. All EU-27 Member States now have TFR levels below 2.1, the level needed for the replacement of generations in Developed Countries. European Union fertility has been below the so-called replacement level since the mid-1970s, triggering population ageing and imminent population decline (European Commission 2007a). The sustained level of low fertility gives rise to concern: for instance, if the lowest low TFR persists long in a low-mortality context, TFR levels at or below 1.3 imply a reduction of the annual number of births by 50% and a halving of the population in less than 45 years (Kohler et al. 2002). The authors observe that in part this is a consequence of tempo distortions reducing the total fertility rate below the associated level of cohort fertility but in part also a consequence of deep-reaching socioeconomic changes. Increased returns to human capital and high economic uncertainty in early adulthood have made late childbearing a rational response for individuals and couples. Moreover, social interaction effects reinforce this behavioural adjustment and contribute to large and persistent postponement in the mean age on giving birth. Finally, institutional settings favour an overall low level of fertility (Kohler et al. 2002). Low fertility deserves attention also because surveys on fertility preferences show that in Europe desired fertility is higher than actual fertility (Goldstein et al. 2003). In other words, couples seem not to fulfill their reproductive desires because of a number of constraints. For the above issues, it is of paramount importance to understand the reasons why European families are having few babies and above all fewer than they say they would like to have.

The European Union is characterized at the same time by low fertility, postponed childbearing and an increase in childlessness among the younger generations. In the 27 countries that form the European Union today, the total fertility rate declined from a level of above 2.5 in the 1960s to a level of about 1.5 in 1995 where it remained for a decade. In the last few years it has shown some signs of a rebound, as the average Total Fertility Rates (TFR) in EU-27 countries is just under 1.6 children per woman (Tab. 5).

Table 5: Total fertility rate and mean age at childbirth in EU-27 countries. 2002-2009

	2002	2003	2004	2005	2006	2007	2008	2009
Total fertility rate (live births per woman)	1.46	1.47	1.50	1.51	1.54	1.56	1.60	1.59
Mean age of women at childbirth (years)	29.2	29.3	29.4	29.5	29.6	29.7	29.7	29.8

Source: Eurostat (online data code: demo_find).

1.4.2 Divergence of fertility trends across Europe

Fertility trends are far from being homogenous and divergence between European countries is a major characteristic of fertility rates (Coleman 2007). More specifically, it seems that Europe is divided into three parts on long-standing cultural, political and economic cleavages (Coleman 2007; Reher, 1998; Pinnelli et al., 2001). One demographic fault-line identifies both North-Western and Anglophone countries - where fertility levels remain relatively close to replacement level (at least 1.7 children, 2 in the case of France) facing a relatively benign demographic future, thanks also to positive migration inflows. Southern Europe and the German speaking countries comprise a second group with much lower birth rates, 1.4 or less, where women postpone motherhood, but do not recuperate the "lost fertility" at later stages of their reproductive life. Even with immigration they will face population decline and more severe population ageing. The third group of countries

includes Eastern Europe, which is suffering dramatic demographic change characterised by an extremely rapid fertility decline, relatively high mortality and most also net emigration (Coleman 2007, European Commission 2007a).

In 2011, Ireland was the Member State showing the highest fertility rate (2.05 children per woman), together with France (2.3 in 2010), Sweden (1.9), Finland (1.83) and Denmark (1.75), while Poland, Hungary and Romania showed the lowest rates, less than 1.3 children per woman.

Paradoxically, fertility is higher in those countries where the family institutions seem to be particularly weak, where couple instability is common and where women's labour market participation is high, i.e. the North-Western Countries (Kohler et al 2006). Indeed, cross-country correlations in Europe between total fertility and the total first marriage rate, the proportion of extramarital births, and the labour force participation of women has reversed over the period from 1975 to the present day. Since the end of the nineties even divorce levels have no longer been negatively associated with fertility levels (Billari and Kohler 2004).

1.4.3 Future fertility trends

Since 2000 there has been a slight but significant fertility rebound in a large number of countries. The number of countries with TFRs below 1.3 fell from 21 in 2003 to 5 in 2008 (Goldstein et al. 2009). In Southern Europe, period TFRs have exceeded 1.4 in Italy, Spain, and Greece. Moreover, the upturn in the TFR was not confined to the lowest-fertility countries, but also affected higher-fertility countries like Sweden, the United Kingdom and France. The German-speaking countries, where fertility has remained unchanged, are the only exception to this trend reversal in Europe. Is this a temporary phenomenon, or a significant change?

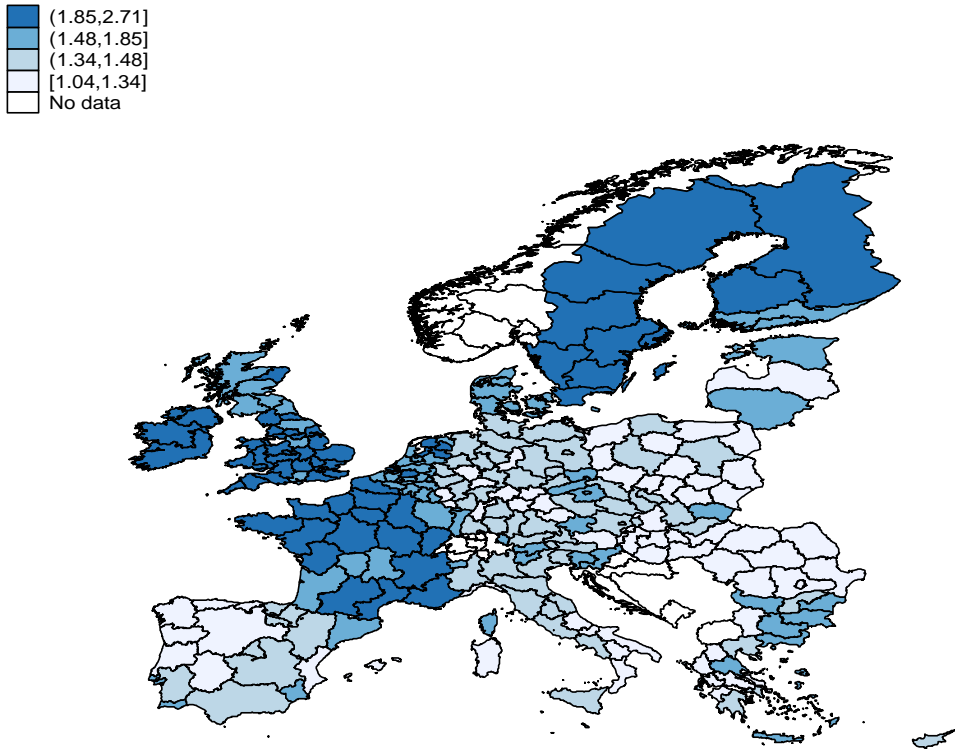
Goldstein et al. 2009 conclude that formerly lowest-low-fertility countries will continue to see increases in fertility as the transitory effects of shifts to later childbearing become less important. Therefore, just as parenthood postponement depressed period fertility levels in the Nineties, since 2000 fertility recovery at older ages has been nudging up the TFR. An external shock like the economic crisis, however, seems to have cast doubt on these optimistic conclusions since the initial evidence shows that in most countries the recession has brought about a decline in the number of births and fertility rates, often marking a sharp halt to the previous decade of rising fertility rates (Sobotka et al. 2011, Goldstein et al. 2013, Lanzieri 2013). Most studies find that fertility tends to be pro-cyclical and often rises and declines with the ups and downs of the business cycle. In the literature, however, it has been observed that pro-cyclical effects are relatively small (typically, a few percentage points) and of short duration; in addition they often influence in particular the timing of childbearing and in most cases do not leave an imprint on cohort fertility levels (Sobotka et al. 2011).

A further negative effect on the future number of births in the EU will be caused by the so-called negative population momentum: in fact the number of women and couples in childbearing age is shrinking after three decades of low fertility, and this will inevitably limit the impact of fertility recovery on numbers of births and population aging (Lutz et al. 2006). Therefore, Governments should not reduce, let alone stop, funding policies as a productive investment in the long run: a consistent system of policies (and not only a single measure) could make Europe a family-friendly place, where couples could fulfill their fertility desires, even under adverse economic conditions, and the population could limit the negative effects of aging and shrinking, creating the premises for economic growth.

1.4.4 Fertility at the regional level

Considerable differences are observable in fertility rates among European regions (Fig. 5). The degree of variability of regional fertility rates within Member States differs significantly and the total fertility rate ranged, on average, from one child per woman in Asturias in Spain to 3.7 children in the French overseas department of Guyane (Eurostat 2011b). Spain and Romania show the largest regional variations. The main underlying causes of differences in regional fertility in Europe are related to the socio-economic structure of the population, and in particular educational attainment, occupational status and income. Contextual factors linked to the place of residence (availability of infrastructure, easy childcare facilities, the housing market, as well as cultural features) also influence regional fertility levels (European Commission 2008).

Figure 5: Fertility Rate [Number of live births per woman], 2011



Source: Elaboration based on Eurostat data.

Note: Fertility rates for BE and UK regions refer to 2009.

1.4.5 Fertility postponement: trends and consequences

As anticipated, another peculiar characteristic of reproductive behaviour in Europe is postponement of motherhood. This is considered one of the most common features of fertility change in Europe, to the extent that some authors refer to it as a distinctive “postponement transition towards a late-childbearing regime” (Kohler et al. 2002, Balbo et al. 2013). In the last few decades, general and progressive delay of the first childbirth has been observed virtually in every European Union country. In 2010, the average mean age at motherhood was increasing and very close to 30 years for EU-27 countries in 2009. A sharp decrease in fertility rates of women aged under 30 started almost 50 years ago, but in the last decade this has been accompanied by an increase in fertility of women in their 30s (OECD 2011). On average half of the births registered in the EU are to mothers aged

over 30, but the proportions are even larger in Ireland, Spain, Italy, the Netherlands, Sweden, Denmark, Germany, Greece, and Finland (European Commission 2010a). Higher educational attainment of successive generations of women, their growing aspirations to be economically active and financially independent, the difficulties of combining parenthood and paid employment and the need for parents to secure financial security before having children are among the major causes of parenthood postponement (Nicoletti and Tanturri 2008, Balbo et al. 2013).

Delay of the first childbirth is a relevant cause of reduction of completed fertility for two reasons (Billari and Kohler 2004, Sobotka 2004). First, the compression of the reproductive span may affect the possibility for women to fulfil their desired level of fertility, owing to possible sub-fecundity or even sterility impediments (Beets 2006). Second, the period indicator of fertility (TFR) is sensitive to changes in the timing of childbirth (van Nimwegen 2008). Indeed, effects of changes in current fertility patterns on future fertility probabilities are not taken into account in computation of period indicators. Thus, when more and more women are postponing births, the TFR will inevitably fall initially (the so called “tempo effect”), even though the likelihood of having children at a later age would rise if these women still wished to have the same number of children (the so called “quantum effect”) (European Commission 2007a). Once the general process of postponement in a country has stopped, the TFR will rise again (van Nimwegen 2008, Goldstein et al. 2009). Correct indicators should be cohort completed fertility indicators, but it is not possible to obtain them for the younger generations still in reproductive age.

1.4.6 The increase of childlessness

Europe’s decline in fertility has been associated with a decrease in the number of large families, i.e. those with three or more children, but also with a rise in childlessness (Billari et Kohler 2004). The trends in the prevalence of definite childlessness are remarkably similar across European countries: a peak in childlessness rates for the 1880-1910 birth cohorts, a more or less continuous drop across the 1910-1945 birth cohorts, and a steady rise across the cohorts born after the Second World War (Rowland 2007). Recent estimates of permanent childlessness for the cohorts born around 1965 reveal that it has become an increasingly large group in Italy (~25%), Germany and Finland (~20%), but is not negligible (~ 15%) also in Austria, Belgium, England and Wales, Greece, Ireland, the Netherlands, Poland, Sweden and, outside Europe, in the United States, too (OECD 2011).

1.4.7 Why is fertility so low?

The literature on determinants of low fertility is abundant. Traditionally it offers basically two types of explanations for the decline in fertility: one is based on economic theory and rational choice, the other on cultural and value change, although in recent times other types of explanations have also been explored, such as the Gender Equity Theory and the Theory of Happiness (Tanturri 2013). The need for an integrated explanation has been asserted for a fuller understanding of a complex phenomenon like low fertility. There is quite widespread agreement in the literature that the European lowest- low-fertility countries share an institutional setting that implicitly favours a relatively low level of fertility (Kohler et al. 2006). Scarcity of family-friendly policies and inflexible labour market seem to make the combination of female labour force participation and childbearing particularly difficult in many European regions (Balbo et al. 2013). For instance, in the Mediterranean Countries, the possibilities for part-time work or re-entering the labour force after an absence due to child-birth are limited (Del Boca 2002; González et al. 2000; Stier et al. 2001). In comparison with other Western European countries, Italy and Spain also

have among the lowest levels of state support for families with children in terms of tax allowances or direct transfers (Esping-Andersen 1999). While this deficit is partially offset by strong family networks, as for instance through the provision of child-care or economic resources by grandparents (Reher 1998), this substitution of family support for public support is likely to be insufficient in contemporary industrialized countries (Kohler et al. 2006). Again, the lowest-low fertility countries in Southern Europe, but also in Germany and Austria, provide seriously inadequate child-care support (OECD 2011 and 2007). For instance, the share of children below age 3 in formal care in Southern Europe and German speaking countries was low (e.g. around 12% in Italy), with respect to Continental Europe (around 30% in France, and the Netherlands) and very low with respect to the Nordic countries (more than 30%). Moreover, “familism” and difficult labour market entry may discourage union formation and fertility (Dalla Zuanna 2001).

Family roles in the Southern European lowest-low fertility countries are still shaped in a very traditional way, without adapting to the new role of women (Chesnais 1996, McDonald 2000). Italy and Spain have highly asymmetric labour divisions of domestic tasks while the birth of the first child seems to increase gender disparities even more (Mencarini and Tanturri 2004, Mills et al. 2008). Moreover, the evidence shows that those couples whose fathers are more active in caring activity are more likely to have one more child (Mencarini and Tanturri 2004, Mills et al. 2008). The countries therefore conform to McDonald’s (2000) argument about gender equity: fertility falls to very low levels when gender equity rises in individual-oriented institutions, like the labour market, but not in family-oriented institutions.

Very low fertility in Eastern Europe is in part determined by similar institutional factors hindering high parity progression probabilities (Kohler et al 2006). In addition, many of the pro-natalist—or at least family-friendly—policies in CEE countries were discontinued after 1990 (Macura 2000), and the economic crisis has particularly aggravated the chances of satisfactory integration of women in the labour market. Furthermore, Eastern Europe is characterized by a persistence of economic insecurity throughout the life-course. In Eastern Europe, the uncertain long-term outlook regarding unemployment, the housing situation and economic recovery implies that uncertainty affects not only the timing of the first birth but also the transition to the second child and higher-parity children (Kohler et al. 2006).

1.4.8 Family ideals

In spite of very low fertility, the two-child family still remains the most common aspiration of Europeans. The mean ideal number of children (both general and for their own family) is two or slightly higher, for both men and women as well as for each age group (Testa 2006). Austria and Romania are the only European countries with ideals below the replacement level among young female and male cohorts (Testa 2006). But the ideals seem to differ from the real situations: adding up the number of children already born and the number of children people still intend to have, for women in the prime reproductive ages, several countries (Austria, Romania, Spain, Italy, Slovakia, Germany, Malta, and the Czech Republic) have averages of less than two, even if it is still higher than the current average fertility rates (Testa 2006, European Commission 2006c). Therefore, it seems plausible that European couples - and women especially - encounter some obstacles to parenthood.

1.5 A longer life for the Europeans

1.5.1 A longer life for more people

Europe has seen much economic and social progress over the last 50 years and Europeans are living longer than ever before, on average ten years more than in 1960. In Europe, life expectancy at birth has increased due to the improved living standards to begin with, but also to establishment of and improvement in health systems as well as medical progress. During the last fifty years mortality has shifted towards older ages. Degenerative and man-made diseases have become the main causes of death. Mortality at older ages has declined, mainly due to decreasing mortality rates from cardiovascular diseases (Meslé and Vallin 2002).

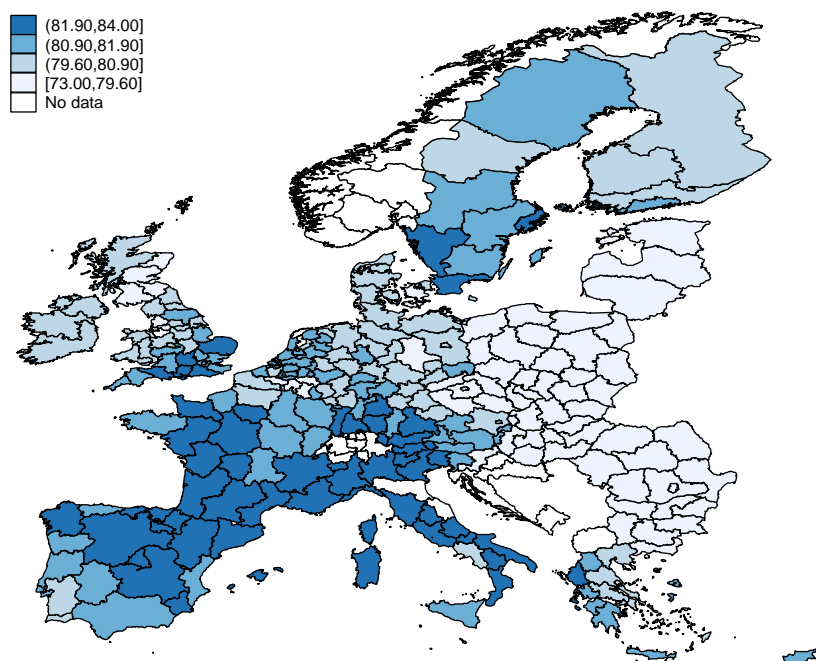
In the countries of today's EU-27, a new-born girl can expect to live over 82.2 years, a boy about 76.1, leaving a gender gap of 6.1 years (Eurostat 2011b). At the beginning of the 1960s, life expectancy at birth stood below 73 years for girls and at about 67 years for boys (Eurostat 2007). Since 1980, the average annual increase in life expectancy at birth in the EU-25 countries has been slightly under 0.2 years (De Beer 2006). Life expectancy at birth is projected to further increase by 3 years for males and 2.6 years for females in EU25 by 2020, and by 6.3 years for males and 5.1 years for females by 2050 (Eurostat 2011b). The largest gains in life expectancy are projected to take place in Central and Eastern Europe, where current levels are significantly lower than in Western Europe. Nevertheless, life expectancy at birth in the CEECs is projected to remain below that in Western and Northern Europe. Overall, gender differences in mortality are nevertheless declining in the EU-25, as male mortality rates are falling to the levels observed for women (European Commission 2006b).

Life expectancy is generally higher in the old Member States than in the new Member States (European Commission 2006b). Looking at the extremes of the ranges, a woman born in 2011 is expected to live between 77.8 years (Bulgaria) and 85.4 years (Spain), a range of 7.6 years. A man born in 2011 can be expected to live between 68.1 years (Lithuania) and 79.9 years (Sweden), a range of 11.8 years². For detailed data and trends by country, see table 6.

The regional data revealed marked differences between the lowest and highest values (Figure 6). In 2011, the lowest values were around 73 years for Yugoiztochen and Severozapaden regions of Bulgaria and Észak-Magyarország in Hungary) and 65.5 years for males (Lithuania). The highest values for life expectancy at birth (84 years old) were recorded in the Comunidad de Madrid in 2011. Regional disparities in health outcomes can be attributable to differences in socio-economic status and working conditions, behavioural, cultural factors and differences in public health policies between Member States and regions (European Commission 2008).

² Mortality and life expectancy statistics" - Statistics Explained
http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Mortality_and_life_expectancy_statistics

Figure 6: Average life expectancy at birth in EU27, at regional level. 2011



Source: Eurostat.

Even though there has been a considerable rise in life expectancy over a long period of time, there have been periods with less favourable developments as well. For example, in many European countries there were unfavourable developments in life expectancy for men in the 1960s. This can be related to the changes in lifestyle after the Second World War, particularly smoking and unhealthy diets. This led to a marked increase in cancer, ischemic heart diseases and cerebrovascular diseases at relatively young ages, which had a negative effect on life expectancy (Meslé and Vallin 2002). In Central European countries developments in life expectancy in the 1990s were not very positive after the break-up of the communist regimes. Both unhealthy behaviour (e.g. alcoholism) and the decay of the medical system contributed to this outcome.

European countries in which life expectancy around 1960 was high generally experienced smaller increases in life expectancy than countries with lower life expectancy. In 1960, life expectancy was higher in Northern Western European countries than in the countries of Southern European. In the latter countries, the rise in life expectancy has since been higher. This however, does not imply that there has been a convergence, as the increase in life expectancy of women in Spain, France and Italy continued even after the gap was closed (de Beer 2006).

1.5.2 The gender gap: the women's advantage persists

In all European countries the life expectancy of girls at birth is higher than that of boys. However, the magnitude of the gender gap is shrinking over time and differs widely from one country to another. The smallest gender gaps (less than 4 years) are reported for Sweden, Denmark and Cyprus. Conversely, the largest gender differences in mortality (around ten years) are observed in the Baltic countries.

The gender gap has changed over time. Around 1980, the gender difference started to decline in the North Western European countries and since the mid-1990s the gender gap has narrowed in France and the countries of Southern European as well. The decrease in

the gender gap is caused both by a slowing down in the increase in life expectancy of women and a more marked increase in the life expectancy of men. One explanation for the slowing down in life expectancy of women is that they more or less follow the less healthy life style patterns of men. Another explanation is that women are approaching the limit to further improvements in mortality risks as they already have attained low mortality levels. One explanation for the acceleration for men is the marked decrease in the prevalence of smoking since the 1960s.

Table 6: Life expectancy at birth in EU-27 countries 1980-2011. Men and women

	Men						Women					
	1980	1990	2000	2009	2010	2011	1980	1990	2000	2009	2010	2011
EU-27	:	:	:	:	:	:	:	:	:	82.6	:	:
Belgium	69.9	72.7	74.6	77.3	77.6		76.7	79.5	81.0	82.8	83.0	
Bulgaria	68.4	68.0	68.4	70.1	70.3	70.7	73.9	74.7	75.0	77.4	77.4	77.8
Czech Republic	66.9	67.6	71.7	74.2	74.5	74.8	74.0	75.5	78.5	80.5	80.9	81.1
Denmark	71.2	72.0	74.5	76.9	77.2	77.8	77.3	77.8	79.2	81.1	81.4	81.9
Germany	69.6	72.0	75.1	77.8	78.0	78.4	76.2	78.5	81.2	82.8	83.0	83.2
Estonia		64.7	65.2	69.8	70.6	71.2		74.9	76.2	80.2	80.8	81.3
Ireland		72.1	74.0	77.4	78.7	78.3		77.7	79.2	82.5	83.2	82.8
Greece	73.0	74.7	75.5	77.8	78.4	78.5	77.5	79.5	80.6	82.7	82.8	83.1
Spain	72.3	73.4	75.8	78.7	79.1	79.4	78.4	80.6	82.9	84.9	85.3	85.4
France (1)	72.8	75.4	75.3	78.0	78.3			81.2	83.0	85.0	85.3	
Italy		73.8	76.9	79.4				80.3	82.8	84.6		
Cyprus			75.4	78.6	79.2	79.3			80.1	83.6	83.9	83.1
Latvia				68.1	68.6	68.6				78.0	78.4	78.8
Lithuania	65.4	66.4	66.8	67.5	68.0	68.1	75.4	76.3	77.5	78.7	78.9	79.3
Luxembourg	70.0	72.4	74.6	78.1	77.9	78.5	75.6	78.7	81.3	83.3	83.5	83.6
Hungary	65.5	65.2	67.5	70.3	70.7	71.2	72.8	73.8	76.2	78.4	78.6	78.7
Malta	68.0		76.2	77.9	79.2		72.8		80.3	82.7	83.6	
Neherlands		73.8	75.6	78.7	78.9	79.4		80.2	80.7	82.9	83.0	83.1
Austria	69.0	72.3	75.2	77.6	77.9	78.3	76.1	79.0	81.2	83.2	83.5	83.9
Poland		66.3	69.6	71.5	72.1	72.6		75.3	78.0	80.1	80.7	81.1
Portugal	67.9	70.6	73.2	76.5	76.7	77.6	74.9	77.5	80.2	82.6	82.8	84.0
Romania	66.6	66.7	67.7	69.8	70.1	71.0	71.9	73.1	74.8	77.4	77.6	78.2
Slovenia		69.8	72.2	75.9	76.4	76.8		77.8	79.9	82.7	83.1	83.3
Slovakia	66.7	66.7	69.2	71.4	71.7	72.3	74.4	75.7	77.5	79.1	79.3	79.8
Finland	69.2	71.0	74.2	76.6	76.9	77.3	78.0	79.0	81.2	83.5	83.5	83.8
Sweden	72.8	74.8	77.4	79.4	79.6	79.9	79.0	80.5	82.0	83.5	83.6	83.8
United Kingdom			75.5	78.3	78.7				80.3	82.5	82.6	
Iceland	73.5	75.5	77.8	79.8	79.8	80.7	80.4	80.7	81.6	83.8	84.1	84.1
Liechtenstein			73.9	79.5	79.5	79.5			79.9	83.6	84.3	84.2
Norway	72.4	73.4	76.0	78.7	79.0	79.1	79.3	79.9	81.5	83.2	83.3	83.6
Switzerland	72.3	74.0	77.0	79.9	80.2	80.5	79.0	80.9	82.8	84.6	84.8	85.0
Montenegro				72.9	73.5					77.6	78.4	
Croatia				73.0	73.5					79.7	79.9	
FYR of Macedonia			70.8	72.3	72.9	73.1			75.2	76.7	77.2	77.2
Turkey				73.3						78.8		

(1) Excluding French overseas departments before 1991.

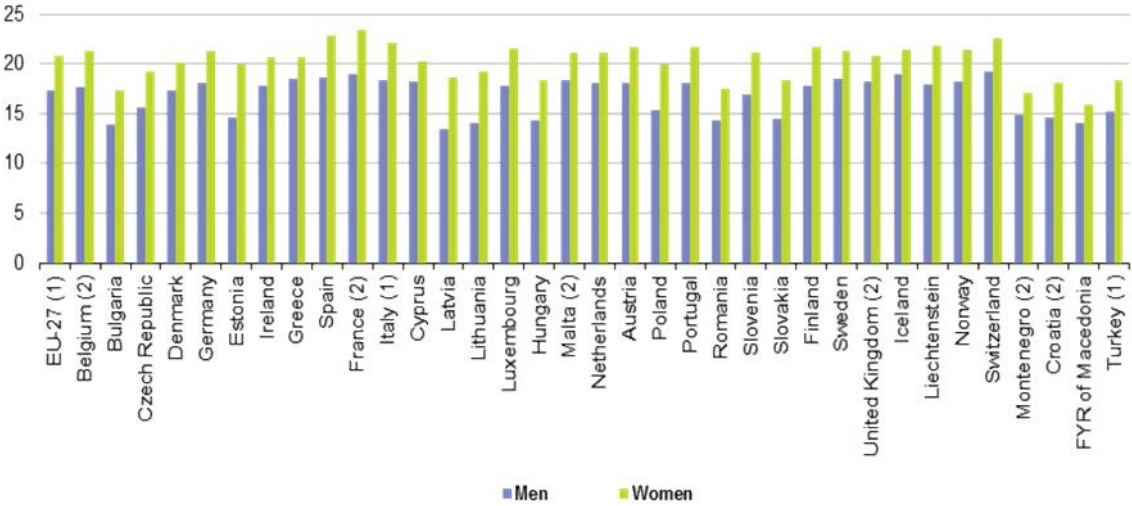
Source: Eurostat (online data code: demo_mlexpec).

1.5.3 A longer life also in older age

Differences in life expectancy across countries offer some indications regarding differences in health status. As the most unhealthy years are spent in older ages, it is useful to look at life expectancy at age 65 rather than at birth: the average for the EU countries is 20.7 for women and 17.2 for men. The ranking of EU member countries by healthy life expectancy differs from that of total life expectancy at age 65. This indicates that differences in life expectancy cannot fully be accounted for with differences in health status (de Beer 2006).

The highest life expectancy at age 65 is observed among French women who may expect to live another 23.4 years, followed by the Spanish (22.9) and the Italians (22.1) in 2011 (Fig.7). The lowest life expectancy at age 65 is registered among the Bulgarian and Romanian women who are expected to live only less than 17.5 years after their 65th birthday. The average length of life at 65 is greater for French (18.7) and Spanish (18.7) men and significantly shorter for men living in Latvia (13.4), Bulgaria and Lithuania (both 14).

Figure 7: Life Expectancy at age 65 in EU-27 countries 2011. Men and women.



Source: Eurostat (online data code: demo_mlexpec).

1.5.4 Does longer life mean unhealthy life?

An increase in life expectancy over time does not necessarily imply that all the years gained are spent in good health (de Beer 2006, Robine et al. 2003, Egidi 2003, Jacobzone et al. 2000). In order to measure which part of this longer life is spent in good conditions, an indicator of healthy life years has been developed. It is based on the concept of disability-free life expectancy (Eurostat 2012a), a life without any physical impairments.

In 2008, females aged 65 within the EU-27 could on average expect to live a further 8.4 years free from any disability, equivalent to 40.5 % of their remaining lifespan. There was little difference in the overall number of healthy life years that men aged 65 years could expect to live free from any disability (0.2 years less than the figure for women), although this was equivalent to almost half (47.8%) of the men’s remaining life expectancy (Table 7).

Table 7: Life Expectancy at 65 and healthy life year in EU-27 countries in 2009. Men and women.

	Life expectancy at age 65 (years)		Healthy life years at age 65 (years)		Healthy life years at age 65 as a proportion of life expectancy at age 65 (%)	
	Male	Female	Male	Female	Male	Female
EU-27 ⁽¹⁾	17.2	20.7	8.2	8.4	47.8	40.5
BE	17.5	21.1	10.5	10.1	60.2	48.0
BG	13.8	17.0	8.4	9.1	61.1	53.8
CZ	15.2	18.8	8.0	8.4	52.9	44.5
DK	16.8	19.5	11.2	12.0	66.9	61.5
DE	17.6	20.8	6.4	6.5	36.4	31.0
EE	14.0	19.2	5.5	5.3	39.0	27.7
IE	17.2	20.6	10.2	10.5	59.1	50.8
EL	18.1	20.2	7.2	6.6	40.0	32.6
ES	18.3	22.5	9.2	8.4	50.1	37.1
FR	18.7	23.2	8.8	9.2	47.0	39.6
IT ⁽¹⁾	18.2	22.0	7.3	6.8	40.4	30.9
CY	18.1	20.9	9.9	8.5	54.9	40.6
LV	13.4	18.2	4.7	5.7	35.2	31.2
LT	13.4	18.4	5.9	6.7	44.0	36.4
LU	17.6	21.4	10.8	11.4	61.5	53.2
HU	14.0	18.2	5.7	5.6	40.7	30.6
MT	16.8	20.6	11.0	11.2	65.7	54.4
NL	17.6	21.0	9.4	10.3	53.3	49.2
AT	17.7	21.2	8.1	8.0	46.0	37.9
PL	14.8	19.2	6.8	7.4	46.1	38.8
PT	17.1	20.5	6.6	5.4	38.4	26.6
RO	14.0	17.2	7.2	7.0	51.4	40.6
SI	16.4	20.5	9.3	9.9	56.6	48.3
SK	14.1	18.0	3.4	2.8	24.3	15.7
FI	17.3	21.5	8.1	8.9	46.9	41.4
SE	18.2	21.2	13.6	14.6	74.8	69.1
UK ⁽¹⁾	17.7	20.3	10.7	11.8	60.5	57.9
IS	18.6	21.0	12.7	13.6	68.3	64.6
NO	18.0	21.1	13.5	14.0	75.2	66.3

Source: Eurostat (online data code: demo_find).

In the Eurostat (2012a) report for active ageing it is stated that: “it seems reasonable to suppose that those countries where a higher proportion of older persons remain free from any form of disability are likely to be characterised by more active, healthy and participative elderly populations, with less recourse to medical and care facilities”. The data corroborate the hypothesis, showing that Sweden stands out from the other Member States in this respect, as Swedish males aged 65 could on average expect to live an additional 13.6 years free from any form of disability in 2009, and women a year more. This means that almost three quarters (74.8%) of the expected remaining lifespan of Swedish men and 70% of the remaining lifespan for Swedish women are years to be lived fully. Similar results are observed in the other Nordic countries, while in the Southern and Eastern Countries the ratios are usually low, with extreme values registered in Slovakia (15.7%), Portugal (26.6%) and Estonia (27.7%).

Demographers agree that life expectancy will continue to increase in the near future. What is still under debate is at what rate and to what level life expectancy will grow. In the most

recent Eurostat population regional projections for the 27 Member States (EUROPOP2008), life expectancy is projected to increase further by 3 years for males and 2.6 years for females in EU-25 by 2020, and by 6.3 years for males and 5.1 years for females by 2050. Central and Eastern Europe are projected to obtain the largest gains in life expectancy, as their current levels are significantly lower than in Western Europe. Nevertheless, life expectancy at birth in the Central Eastern European Countries (CEECs) is projected to remain below that of Western and Northern Europe (European Commission 2008).

1.5.5 The impact of the current crisis on demographic change in Europe

In 2008 several European countries entered a period of economic crisis, usually featuring a fall in gross domestic product (GDP).

The early evidence shows that in most countries the recession has brought about a decline in the number of births and fertility rates, often marking a sharp halt to the previous decade of rising fertility rates (Sobotka et al. 2011). The peak of the crisis (in terms of geographic reach) in 2009 was accompanied by TFR stagnation in several countries, followed by a distinct fall. In 2008, there were no falls in the rate compared to the previous year, but by 2011, the TFR had declined in 24 countries (Lanzieri 2013). With some exceptions, these trends in fertility rates reproduce the changes that occurred in the number of live births. Between 2008 and 2011, the total number of live births fell by 3.5 %, from 5.6 to 5.4 million, and the number of countries which recorded a fall compared to the previous year grew from 1 to 26 out of 31 (Lanzieri 2013).

Similarly, deterioration in well-being could also determine an interruption in the increase in longevity. It should be borne in mind that the increased lifespan is clearly an important outcome of European health systems and medical progress. However the current crisis raises many issues for individuals and their families regarding the sustainability of social systems.

Moreover, increased longevity is one of the main drivers of population ageing, and worries about the sustainability of pensions and health and care systems tend to be exacerbated in recession times. For these reasons policies are necessary to take this change into account and smooth out the hardest effects of the crisis on the population's health and the health system. The economic crisis that occurred in the Soviet Union and other former communist countries in the Nineties had very heavy repercussions on life expectancies and health conditions, especially among adult men.

1.6 Demographic change: a major challenge for European Union policy

1.6.1 European Institutions and demographic change

For a decade several EC documents have been produced on the understanding that demographic change in the EU constitutes one of the most challenging tasks for the future and a priority on the European policy agenda. There are two major issues that, to varying degrees, all European Countries must address: population decline and population ageing.

The Green Paper, "Confronting Demographic Change," published in March 2005, is the first document that the Commission has dedicated entirely to evidencing the demographic challenges and discussing the ways to strengthen solidarity between the generations. In a subsequent Communication of 12 October 2006, on "The demographic future of Europe – from challenge to opportunity," (COM/2006/571, European Commission 2006b) the

Commission not only offered a wide-ranging presentation of demographic change in Europe and its most challenging facets, but also suggested possible policies and forms of intervention to address it.

The Commission stresses the urgency for the Member States of the European Union to promote demographic renewal, linking their action to the renewed Lisbon Strategy for growth and jobs and following up gender equality policy. Member States should help Europeans to have their ideal number of children by improving family-life conditions, particularly by promoting work-family reconciliation. In addition, the Commission reveals its optimism on the capacity of Europe to cope with the demographic challenge. Five are the pillars on which Member States are called to build their policies to manage demographic change:

- Promoting demographic renewal in Europe;
- Promoting employment in Europe: more jobs and longer working lives of better quality;
- A more productive and dynamic Europe;
- Receiving and integrating migrants in Europe;
- Sustainable public finances to guarantee adequate social protection and equity between the generations.

In 2007, the first biennial report on the demographic future of Europe, entitled "Europe's demographic future: facts and figures" (European Commission 2007a) summarizes the extensive analytical work that had been carried out prior to adoption of the communication on Europe's demographic future (COM/2006/571) in the first demographic forum in October 2006. Since then every two years (or in one case at a three-year interval) the EC has been organising a European Demographic Forum to allow policymakers, stakeholders and experts from all over Europe opportunities to share their knowledge and discuss how to address demographic change.

In order to present the main facts and figures underlying the debate on Europe's demographic future and discuss appropriate policy responses a biannual report has been published from 2006 to 2010 (the most recent available).

The EU heads of state and government decided at their spring 2007 meeting to establish a European Alliance for Families that will serve as an opportunity for the Member States to exchange their views and experience on family-friendly policies and good practices. In its Communication "Promoting solidarity between generations", which was adopted in May 2007 (COM/2007/244 final), the Commission illustrate guidelines on how to support the European Alliance for Families. Here the Commission identified areas where Member States, social partners and civil society as well as the EU can play an important role in supporting the quality of life for families.

The European Regions are also fully engaged in these issues, as witnessed by the DG REGIO conference in January 2007 specifically dedicated to "Regional responses to demographic challenges". "EU regions appear to have understood the challenges raised by on-going demographic changes and their likely consequences on public needs and demands. Accordingly, they have started to adapt their strategies and have introduced new tools, in particular in the fields of infrastructures and provision of public goods and services" (European Commission, Directorate-General for Regional Policy 2007). The full

involvement of the European Region in the strategy to cope with demographic change is a new development as in the past national policies seem to have represented the main instruments to tackle it. This is the result of both the multilevel governance strategy of the EU as well as the increasing competences on demographic-related field (e.g. for employment) that the Regions have been acquiring across member States. Therefore, the knowledge of regional disparities in demographic trends is a key issue to prepare European society to cope with the demographic challenge in all its aspects and transform it into opportunity.

The Commission's DG Regio has identified demographic change as one of the three major challenges that European Regions have to face, together with climate change and globalization. There are however great variations in demographic patterns between and within Member States. Regional variability depends on various factors such as fertility rates, migration flows, gender, health, disability and the demographic patterns of ethnic groups.

Three important processes – notably population decline, shrinking working-age population and an ageing population - will have a marked effect on the regions. In the publication entitled "Region 2020. Demographic Challenges For European Regions" (2008) the DG REGIO formulates a demographic vulnerability index (by combining several variables), mapping the regions which will be particularly weak in the face of demographic challenges (European Commission 2008).

On 29 April 2009, the European Commission issued a Communication on dealing with the impact of an ageing population in the EU (COM/2009/180). It presented age-related expenditure projections in the light of the financial and economic crisis, and stressed the need to introduce further reforms to counter ageing-induced budgetary costs in the future, notably for pension and healthcare spending programmes and encouraging people to stay in the labour market rather than retire early.

The European Parliament is also addressing the consequences of demographic change in various policy fields and reports. Already in 2005, with the Report on demographic challenges and the solidarity between generations (INI/2005/2147), the Parliament has called upon the Commission to mainstream attention to the demographic challenges in all the policy activities of the Union. Demographic change is particularly considered in the work of the Committee for Employment and Social Affairs and of the Intergroup on Family, Protection of Childhood and Solidarity between the Generations and the Intergroup on Ageing and Intergenerational Solidarity.

In 2011 the European Parliament Resolution (2010/2157) was entirely devoted to addressing demographic change in Europe and the implications for Cohesion Policy, at the regional level. In the document it is stated that although meeting the full range of demographic challenges is principally the task of the Member States, the regions must be proactive, for which they need European-level support. In the text it is stressed that "the impact of demographic change varies substantially from region to region, depending on whether it is rapid or slow and whether the region concerned is a region of net immigration or of shrinking population and therefore requires a different adjustment strategy, and must be tackled in a coordinated way by all European, national and regional authorities". Moreover the Resolution encourages the Member States and regions to take into account demographic indicators when allocating and distributing EU Structural Funds, also in order to counteract population concentration in certain urban areas, prevent negative consequences deriving from population aging and depopulation and encourage the

integration of migrants. Public investment in care and healthcare, work and family reconciliation, family support and housing are also recommended in order to address the demographic challenges. The European Parliament calls on the Commission to include demographic change as a horizontal objective in the future Cohesion Policy. The document underlines that demographic change should not be seen only as a threat for the EU, but also in terms of opportunities which this development may hold for Europe. "The problem is not demographic change itself –the document states - but politics' and society's hesitation in addressing the change"

In 2012 demography once again came to the centre of the European commitment, as the European Union had designated 2012 Year for Active Ageing and Solidarity between Generations, with a plethora of initiatives dedicated to the big challenge raised by Europe's surprising longevity. The World Health Organization defines "active ageing" as the process of optimising opportunities for health, participation and security in order to enhance quality of life as people age. Eurostat (2012a) publishes a Report where data on several issues concerning the conditions and opportunities for older Europeans have been addressed: from their demographic backgrounds to labour market participation, from living conditions to societal participation and intergenerational solidarity. A part of this report is specifically devoted to European Policies for active ageing.

1.6.2 The role of demography in the EUROPE2020 strategy

In March 2010 the European Commission adopted the Europe 2020 Strategy for economic growth with the specific objective "to move decisively beyond the crisis and create the conditions for a more competitive economy with higher employment"

The Europe 2020 strategy is about delivering growth that is: smart, through more effective investments in education, research and innovation; sustainable, thanks to a decisive move towards a low-carbon economy; and inclusive, with a strong emphasis on job creation and poverty reduction. The strategy is focused on five ambitious goals in the areas of employment, innovation, education, poverty reduction and climate/energy.

Many of these aspects are interrelated with demographic challenges. Active ageing is included as part of the flagship policy – Europe 2020. This growth strategy for the coming decade stresses the 'importance of the European Union's ability to meet the challenge of promoting a healthy and active ageing population to allow for social cohesion, but also higher productivity'. Indeed, one of the five Europe 2020 target indicators is to reach an EU-27 employment rate of 75% for those aged 20-64 by 2020. Achieving this target (with a gradual mechanism taking into account the Member States' different starting points) means that a higher proportion of the population needs to remain in employment up to a later age. This will be particularly important given that the size of the working age population in the EU is projected to start shrinking, as we saw in the section 1.2 and 1.3.

Demographic concerns related to the ageing population and shrinking workforce are highlighted among the European structural weaknesses, and demographic issues are addressed in the Flagship Initiatives as both a challenge and an opportunity for growth and social cohesion.

In the Flagship Initiatives "Innovation Union" and "A Digital Agenda for Europe" population ageing is given priority with the promotion of R&D and innovation policies on issues relating to health and ageing, as well as promotion of digital literacy and accessibility for the elder population. The Flagship initiative "An Agenda for new skills and jobs" supports longer

working lives through lifelong learning and the promotion of healthy and active ageing; female labour participation is to be supported with policies facilitating the work-life balance, and comprehensive labour migration policies are envisaged. The Flagship Initiative “European Platform Against Poverty” addresses the adequacy and sustainability of social protection and pension systems and the need to ensure adequate income support in old age and access to health care systems also in marginal areas.

Implementation of the Europe 2020 strategy and the Flagship initiatives relies on financial support from Cohesion Policy instruments, and indeed, as shown in chapter 4 of this report, the amended draft legislative package for Cohesion Policy 2014-2020 includes new provisions that could provide support for a more effective role for Cohesion Policy in tackling demographic change and ageing.

Similarly, guaranteeing access to high-quality health care is a key objective of social protection systems in EU countries – and it represents the second largest social expenditure item after pensions. Health care systems face the challenge of ageing populations and increasing needs, which can also result from non-demographic factors, such as the emergence of new (often expensive) treatments. In spite of near-universal coverage of health insurance or national health systems, there are still major health inequalities across countries and regions, as well as across socio-economic groups.

All the interventions require a multilevel governance of integrated policies that at various levels can help to cope with demographic challenges despite the current economic crisis. Regional policies – as auspicated by the European Parliament Resolution (2010/2157) – should play their part (as detailed in chapter 4 and 5 of this document) and be proactive in the wider framework of Europe 2020.

1.6.3 Implications of demographic change for Regional Policies

Diversity of demographic situations is likely to be a feature of the EU regions by 2035. Increasingly, regions will have to include the effects of long-term population trends in their regional medium-term strategies. A number of regions have already been active and are at the forefront of strategic thinking with actions to tackle the demographic challenge. (European Commission 2006b). This new reality has led regions to address challenges such as the heavy weight of the handicapped population (e.g. Languedoc-Roussillon), a new spatial distribution of the population (e.g. Brandenburg), or the low activity rate of those over 50 years old (North-West of England) (European Commission, Directorate-General for Regional Policy 2007). In general, the most crucial challenges facing European Regions include the continuing provision of high quality public services to an ageing population, the consequences on urban development, and the shortage of skilled and unskilled workers (Joint Declaration of European Regions 2006).

From the economic point of view, increasing employment levels become necessary, taking an approach consistent with the Europe2020 objectives. This can be accomplished through: increasing the participation rate of women in the labour market; raising the employment rates of older workers and increasing effective retirement ages; increasing the number of foreign workers (at least in the short run, as foreign immigrants are destined to age themselves) (European Commission 2005).

The implications of population ageing for the economic system will be critical and in some regions already are. During the coming decade, baby boomer cohorts will begin to retire from the labour market. Young cohorts entering the labour market will be much smaller as

a result of prolonged low fertility. In about ten years, total employment in the EU could begin to decline, in spite of rising employment rates. Europe's potential growth rate could therefore decline at a time when significant additional resources will be required to meet the needs of an increasing number of elderly people for whom both adequate pensions and health care provisions will have to be offered. The boost of migration and the increase in participation of both women and older people in the labour market are among the possible solutions envisaged. In this respect, adequate reconciliation and gender policies could prove useful measures, allowing women to work while caring for their children and older family members. All these objectives can be reached only with integration between European, national and regional policies, but the latter have to play their important part.

The regions facing declining populations are the most vulnerable and currently may come up against difficulties in supplying essential public goods and services, such as health care, housing, urban planning, transport and tourism services. Policies should try to help these areas, providing services, facilities and transport, but should also endeavour to counterbalance the tendency to population decline, offering, for instance, new opportunities to those who wish to settle, or supporting employment and family formation.

Regional policies also have to address profound social changes affecting the composition of families, particularly evident in the growing number of elderly persons living alone (European Commission 2006b, Eurostat 2007). The increase in the number of very old dependent persons also raises new problems of an economic, social and even ethical nature.

The projections (Giannakouris 2010) illustrate the effects of successful structural reforms (e.g. in France), and show that policy actions can make a big difference in the ability to meet the challenges of the ageing population. Possible responses to alleviate ageing effects on social and economic systems may operate in both the demographic and economic spheres. From the demographic point of view, both raising fertility levels and increasing migration flows may have a favourable impact on ageing.

1.6.4 Migration alleviates population ageing but is not enough to offset it

Migration may either alleviate or aggravate the ageing of the population, depending on the forces of attraction of a region compared to others, such as better employment opportunities. But even positive and continuous young inward migration flows cannot be considered the ultimate solution to counterbalance an ageing population, as is clearly demonstrated by an exercise conducted by the United Nations in 2000 (UN population division 2000). Scenario calculations by the United Nations have shown that to stop population ageing, truly massive and increasing flows of young migrants would be required. For example, to keep the old dependency ratio unchanged for the future, Italy should admit an annual flow of more than 2 million migrants, and Germany over 3 million migrants per year. As a consequence about 80% of the population in those countries would be foreign by 2050 (UN population division 2000). Although its impact on real population ageing is likely to be small, international migration may play a crucial role in solving future labour market shortages. Therefore, if increased immigration cannot prevent ageing, it can realistically contribute to alleviating labour market bottlenecks (European Commission 2006c).

The integration of migrants calls for policy interventions at various level (e.g. the Europe 2020 target to tackle school drop-out can be useful for the integration of the second generations in destination countries). Population diversity can trigger integration problems as the public perception of migration is increasingly negative in the EU (European

Commission, 2006c). Moreover, immigrant women and children are particularly at risk of social exclusion. The integration of foreign women in the EU is particularly poor, especially because of under-representation in the labour force, strong discrimination, concentration in low-skilled and irregular jobs, and lack of direct access to welfare and social protection (European Commission, 2006c). The EU has set out to develop a common immigration policy to ensure policy consistency, considering that legal immigration must be complemented with positive measures, immigrant selection and special attention to the demand side.

1.6.5 Family-friendly policies to support family formation, work-family conciliation and childbearing

Raising fertility levels seems to be the best driver to counterbalance an ageing population. Removal of the obstacles preventing couples from having the number of children they desire is an important principle for implementing policies, even if childbearing choices are usually considered a purely private matter in Europe (for a discussion, see Demeny 2003).

Moreover, this is a rare case when a private benefit (to help people to have the desired number of children) perfectly coincides with a public advantage (to alleviate population decline and ageing). The literature confirms that where investment in family policies is higher fertility levels are also higher (Castels 2003). However, it must be borne in mind that the empirical evidence is extremely controversial and counter-examples are always present (McDonald 2000, Neyer 2003, OECD 2011, Gauthier 2007, Thavénon and Gauthier 2011). It is very difficult to disentangle effects that a single measure may have on fertility, as often only aggregated data are available, or policies have not been in place long enough to be evaluated, or again the effect may be context-dependent. From the results of main cross-national studies on the effect of policies (see for an updated review, OECD 2011) we can evince that cash transfers (e.g. lump-sum grants, family allowances, tax rebates, etc) have a positive effect on TFR, but temporarily, as they act basically on fertility timing. The impact of reconciliation policies depends on the measures. The effect of leave entitlement is more controversial. An increase in the duration of leave entitlement seems to have scant effect: in fact, on the one hand, it supports income around childbirth, while on the other it is an incentive to postpone childbirth until the parents have gained a firm footing in the labour market. Payment conditions during leave are found to affect mainly the timing of fertility. The few studies considering the incidence of spending and coverage of childcare service suggest a positive effect also on completed family size. Long hours and working weeks usually discourage childbearing, while by contrast part-time employment opportunities are found to have a positive effect on fertility rates among women with higher levels of education. Control over working time can reinforce intentions to have children.

Policies on gender equity may contribute, alleviating reconciliation issues for mothers by promoting a more equal share in unpaid work between men and women. For instance, since the 1980s several European countries have established different types of paternity leave or have reserved a part of the parental leave for fathers.

Their impact on fertility is still under debate³. Emerging evidence from a number of countries, however, suggests that involvement of the fathers in caring for the first child increases the probability of having a second birth.

³ See for instance the debate organised at MPI-DR "Should governments in Europe be more aggressive in pushing for gender equality to raise fertility?".

Outlining the geography of family-friendly national policies in Europe we see that the Nordic countries with the most public family services, a wide variety of subsidized childcare services, somewhat short but highly subsidized maternity leave and compulsory leave for fathers, outdistance the others with comprehensive support for working parents with very young children (Thévenon 2011, Gstrein et al. 2007). As a result, they are characterised by both high female employment and relatively high fertility rates. France is another interesting model, with substantial family benefits for larger families (explicitly pro-natalistic transfers and taxes), early childcare supply (primary school from the age of two onwards) and rapid reintegration of women into the labour market. The Anglo-Saxon countries provide much less support for working parents with very young children, and financial support targets low-income and large families, focusing on preschool and early elementary education. Continental and Eastern European countries show more heterogeneous grouping (Thévenon 2011), although countries with limited governmental support may still be family-friendly, since - although childcare is considered a primarily private affair – the preferred choice of part time working arrangements may still allow for good work-care balances (i.e. NL) at relatively low cost for taxpayers (Gstrein et al. 2007).

Conversely, the support received by families in Southern Europe is much more limited in all its dimensions (Thevenon 2011), and in those countries both fertility rates and women's employment rates are low.

Fertility levels could, on average, increase by some 10% if births foregone could be made up for (van Nimwegen 2008). This outcome suggests a window of opportunities for so-called "tempo policies", aiming to influence the timing of fertility (e.g. lowering the age at which education is completed, or earlier labour market entry for young people) (Lutz and Skirbekk 2005, van Nimwegen 2008). For instance, Cohesion Policies designed to provide housing at subsidised prices for young couples might accelerate the process of family formation and childbearing.

2 DEMOGRAPHIC CHANGE AND TERRITORIAL POLICY APPROACH

KEY FINDINGS

- The main challenges that different types of territories will have to face in the coming years lie in the population dynamics, showing ageing, decline or growth. Policies are already directly or indirectly tackling these issues.
- There is a general population increase in urban areas, where most Europeans already reside, and a decrease in rural regions. This shift towards cities has concentrated mainly on the larger ones.
- Most of the urban population movements are due to processes of in- and out-migration (and not to natural population change).
- Some cities are experiencing shrinkage, especially in the Eastern countries and in Portugal, the UK, Southern Italy and the Eastern part of Germany. This has important consequences for the urban economy and policies. Studies on the future prospects suggest that the number of shrinking cities will increase, especially in the Eastern regions and in the peripheries of Western Europe.
- Intra-urban dynamics, suburbanisation and gentrification also modify population structures in European cities. Ageing populations in inner cities are a matter of growing concern.
- Mountain regions are generally losing more population than the lower-lying lands in the same countries. Some exceptions occur, notably in certain parts of the Alps. Age structures vary greatly in different parts of Europe: a particularly low proportion of children is to be seen in the mountainous areas of France (Massif central, Corsica, Pyrenees), central Poland and Cyprus. Also, sparsely populated areas face the twofold challenge of an ageing population and depopulation while coastal regions generally see growing populations.
- The relationship between European population and spaces inhabited is in epochal transition. Policies at all governmental levels will have to tackle this reshaping on different types of territory, following a territorial approach. Administrative regions (NUTS2 and NUTS3) often include different types of territories, and efforts should be going into an approach better tailored to the geographical specificities of the territories.

Introduction

Europe's population is changing. Internal and external migration and low fertility rates are progressively modifying the age structure of the whole continent. The baby-boomers are reaching retirement age, the number of people in working age is decreasing, while the proportion of older people is on the rise (Eurostat 2012a). This has important consequences in shaping all future policies. Here we try to associate demographic change phenomena with territorial types, i.e. areas with specific spatial and geographical features, in order to determine how European Cohesion Policies can deal with demographic change in specific territories.

In this chapter we take on two tasks. First, we will discuss the data gathered from different reports and documents highlighting the territorial effects of demographic change. We will

then go on to consider some examples of policies and cases where the key challenges of demographic change in specific territorial conditions have been tackled.

In this chapter we have considered two kinds of documents concerning demographic change and spatial conditions. The first kind consists of reports and research projects (mainly produced through Eurostat and ESPON projects) that gather and comment on population data on an “administrative region” basis (NUTS2/NUTS3). Their main advantage is that they delineate an overall picture of European territory showing the impacts that demographic change produces on it; their main weakness is that, following administrative boundaries, they do not consider the geographical features of the territories. The second kind consists of documents that deal with specific ‘types of spaces’ (e.g. Urban Audit for cities). The main advantage lies in having a reliable description of the key challenges posed by population trends for specific territorial dimensions. The critical points are that each document “counts for itself”: each document selects its own reference year and often provides its own definition of what is a “mountain region” or an “urban region”.

2.1 European population shifts to urban areas

A recent Eurostat news release (Eurostat 2012c) traces out a picture of Europe’s population living in different types of regions. The classification used follows the urban-rural typology which clusters NUTS3 regions⁴ in three categories. At the beginning of 2011 (Table 8), 41% of the population of the EU-27 lived in urban regions, 35% in intermediate regions and 23% in rural regions. In terms of the Member States levels, the largest proportions of population living in urban regions can be as identified in nine MSs (Belgium, Germany, Greece, Spain, Luxembourg, Malta, the Netherlands, Portugal, the United Kingdom), while eleven MSs have a preponderant percentage of people living in rural areas (Denmark, Ireland, Latvia, Lithuania, Hungary, Austria, Poland, Romania, Slovenia, Slovakia, Finland) and seven in intermediate regions (Bulgaria, the Czech Republic, Estonia, France, Italy, Cyprus, Sweden).

Table 8: Population by urban–rural typology 1/1/2011****

	In thousands			% of total population		
	Urban	Intermediate	Rural	Urban	Intermediate	Rural
EU-27*	206,683	177,293	117,464	41	35	23
Belgium**	7,322	2,581	938	68	24	9
Bulgaria	1,259	3,371	2,875	17	45	38
Czech Republic	2,522	4,536	3,475	24	43	33
Denmark	1,210	2,002	2,349	22	36	42
Germany	35,006	32,750	13,996	43	40	17
Estonia	-	696	644	-	52	48
Ireland	1,201	-	3,280	27	-	73
Greece	5,281	1,198	4,831	47	11	43

⁴ The urban–rural typology is based on a classification of grid cells of 1 km², either urban or rural. To be considered urban, grid cells should show two conditions: a population density of at least 300 inhabitants per km² and a minimum population of 5 000 inhabitants in contiguous cells above the density threshold. The other cells are considered as rural. NUTS 3 regions have been classified in three groups based on the classification of these grid cells: predominantly urban region: populations in grid cells classified as urban make up more than 80% of the total population; intermediate region: populations in grid cells classified as urban make up between 50% and 80% of the total population (population in rural cells between 20% and 50%); predominantly rural region: populations in grid cells classified as rural make up 50% or more of the total population (Eurostat 2012c).

	In thousands			% of total population		
	Urban	Intermediate	Rural	Urban	Intermediate	Rural
Spain**	22,305	17,616	6,069	49	38	13
France**	23,022	23,099	18,573	36	36	29
Italy	21,573	26,694	12,359	36	44	20
Cyprus**	-	804	-	-	100	-
Latvia	1,090	297	843	49	13	38
Lithuania	839	1,015	1,391	26	31	43
Luxembourg***	-	512	-	-	100	-
Hungary	1,734	3,587	4,665	17	36	47
Malta	418	-	-	100	-	-
Netherlands	11,885	4,665	107	71	28	1
Austria	2,908	2,228	3,269	35	27	39
Poland	10,814	12,965	14,421	28	34	38
Portugal	5,188	1,622	3,827	49	15	36
Romania	2,267	9,387	9,759	11	44	46
Slovenia	533	637	880	26	31	43
Slovakia	629	2,077	2,729	12	38	50
Finland	1,436	1,646	2,294	27	31	43
Sweden	2,054	5,278	2,083	22	56	22
United Kingdom**	44,187	16,032	1,808	71	26	3

Source: Eurostat 2012c.

- No NUTS 3 region classified with this type.

* EU-27 aggregates refer to available data and are estimates.

** Data for 1 January 2010.

*** Cyprus and Luxembourg are each considered as one NUTS 3 region.

****For administrative reasons the emigration recorded in Lithuania in 2010 may include emigration that took place over the previous years. For comparison, the growth rate in 2009 for urban regions was +0.6‰, for intermediate regions -5.7‰ and for rural regions -10.7‰.

The population change in 2010 in each of the three types of regions shows (Table 9) the most significant increase in urban areas (+5.2 per 1000 inhabitants), especially in the Czech Republic, Denmark, Finland and Sweden. Whilst there is a general decrease in population in rural regions, France, Ireland and Belgium show a slight increase.

Table 9: Population change per 1000 inhabitants by urban-rural typology, 2010

	Urban regions	Intermediate regions	Rural regions
EU27**	5.2	2.2	-0.8
Belgium***	8.5	7.1	7.3
Bulgaria	7.7	-8.9	-13.2
Czech Republic	10.2	-0.1	0.2
Denmark	15.0	4.8	-0.8
Germany	2.0	-1.7	-4.7
Estonia		1.2	-1.2
Ireland	-5.7		6.1
Greece	1.3	1.2	-0.7
Spain***	4.3	3.5	0.7
France***	5.9	4.9	5.1
Italy	5.9	5.1	2.0
Cyprus****		1.6	
Latvia	-5.4	-10.0	-11.6
Lithuania ⁴	-13.6	-27.6	-31.6
Luxembourg****		19.3	
Hungary	7.0	-1.9	-7.3
Malta	7.8	-	

	Urban regions	Intermediate regions	Rural regions
Netherlands	6.0	2.3	-2.9
Austria	7.9	3.5	-0.6
Poland	1.6	2.0	-0.7
Portugal	2.0	0.4	-3.0
Romania	2.5	-2.0	-3.6
Slovenia	6.7	1.0	-1.1
Slovakia	9.6	1.1	0.8
Finland	10.0	3.9	1.3
Sweden	17.3	7.1	1.2
United Kingdom***	7.7	5.5	2.7

Source: Eurostat 2012c.

- No NUTS 3 region classified with this type.

* The ratio of the total population change during the year to the average population.

** EU-27 aggregates refer to available data and are estimates.

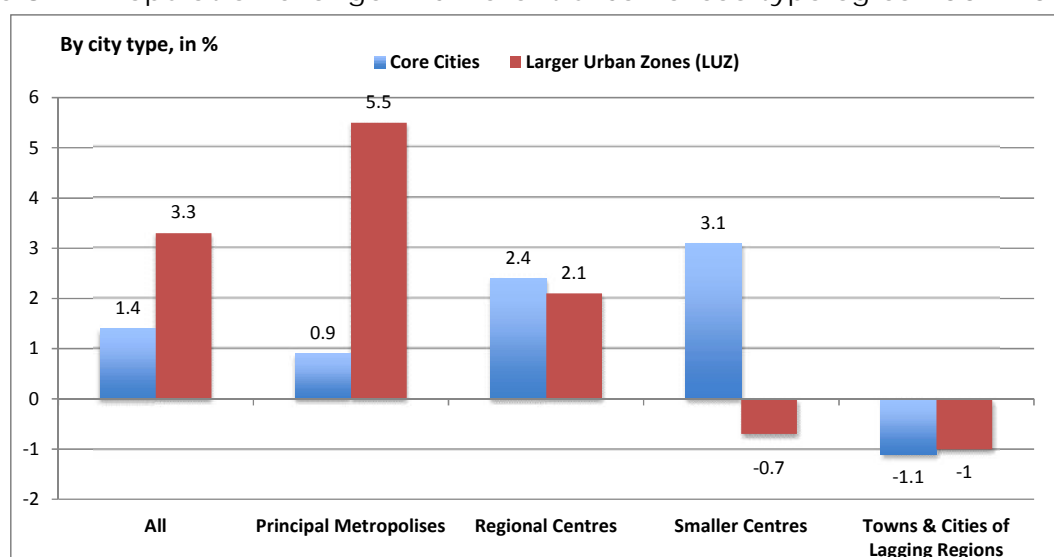
*** 2009 data.

**** Cyprus and Luxembourg are each considered as one NUTS 3 region.

The progressive shift of Europe's population into urban regions was also registered by the Second State of the City Report based on the Urban Audit (European Commission 2010b).

The Urban Audit assesses the current situation and monitors developments across the cities of the EU, as well as cities in Norway, Switzerland, Croatia and Turkey. The picture that emerges is the following: A large majority of the European population live in urban areas (71%). The more intensely urbanised areas are located in the West of Europe, where also 40% of the total population live. The most populous cities in the EU are four capital cities with more than 3 million people, namely London, Paris, Berlin and Madrid, and another two with populations of over 2 million, namely Athens and Rome. Another 20 cities, including 11 capitals, have populations of between 1 million and 2 million. Apart from individual cities, the major extensive metropolitan systems are: the Ruhr, Southern England, Northern Italy (Milan, Turin, Genoa), and the cities of Benelux (Metropolitan Research Institute /VATI 2011).

Figure 8: Population change in different urban areas typologies 2001-2004



Source: Eurostat 2012d.

For the purpose of comparison between cities, Urban Audit clustered them in four typologies: Principal Metropolises (A), Regional Centres (B), Smaller Centres (C), Towns & Cities of Lagging Regions (D). On each city, analyses were conducted on their core and on

their LUZ⁵. Drawing on this kind of data, the DG Report presents three main themes related to population: city growth (population change, net migration and natural population change), suburbanisation (population change into core cities and LUZs) and age structure in urban areas. The period observed spans from 2001 to 2004.

In terms of urban growth, the core cities and LUZs saw their populations increased between 2001 and 2004. The LUZs grew in population more than the core cities, but not everywhere. The Principal Metropolis LUZs grew more than the other LUZ cities. The urban cores that saw the greatest growth were those of the Smaller Centres (which however lost population in their LUZs). In general we can say that the population grew in urban regions and particularly in the bigger cities. Our first deduction is therefore that “in the 2001-2004 period, large urban regions were subject to ongoing spatial concentration”. More specifically, the urban population grew in all the countries except those of Central Europe, which saw urban population decline or stagnation. In Northern Europe the population growth in cores and LUZs was even higher than the growth in their respective countries. By contrast, in Central Europe the situation is differentiated internally: some countries (the Czech Republic, Slovakia, Slovenia) saw depopulation of the core cities and balanced national development, while in other countries (Bulgaria, Hungary, Poland) the cities, apart from some notable exceptions, generally lost population faster than the national average. In other parts of Europe the pattern is very variable and it is difficult to draw clear-cut conclusions. In EU-27, the Outer Urban Zones (non-core cities part of LUZs) generally grew more than the core cities except in Hungary and Romania.

A previous study conducted by DG Regio (Dijkstra 2009), which included a short part on demography, rejected the hypothesis of progressive urbanisation of the European population. It selected metropolitan regions that coincided with urban agglomerations of more than 250,000 inhabitants as NUTS-3 regions or groupings of NUTS-3. Thus the study analyzed 258 metropolitan regions in the European Union and concluded that most EU countries had seen no significant change in the share of population living in metropolitan areas between 2000 and 2006. Three countries even saw their metropolises population shrinking (Ireland, the UK and Slovakia) or remaining stable (Denmark, Cyprus, Luxembourg, Poland). The countries which saw an increase in the population share of their metropolitan regions were Bulgaria (+2%), Austria and Finland (+1.2%). The study compared population shift and shift of GDP to the metropolitan regions and concluded that the EU had become slightly more metropolitan, but mostly due to increase in some of the EU countries with lower shares of population and GDP in the metropolitan areas. In particular, GDP shares of metropolitan areas shifted more than the populations, particularly in the three Baltic States, Bulgaria, Greece, Hungary and Romania, where they gained between two and nine percentage points in GDP shares. In the larger Member State the share remained stable or even decreased.

Most of the urban population growth and decline is directly linked to processes of in-migration and out-migration. The increase in the cities of Northern Europe corresponds to the net migration into core cities, whilst the decrease in Central Europe is due to out-migration. Almost all type D towns are experiencing out-migration. An interesting fact is that in the period 2001-2004, the vast majority of migrants to cities in the northern parts

⁵ LUZ (Larger Urban Zones) are units of analysis including the core city and its surroundings. The goal is to have an area from which a significant share of the residents commute into the city, a concept known as the “functional urban region”. To ensure good data availability, the Urban Audit works on the basis of administrative boundaries that approximate the functional urban region.

of Germany, the Netherlands, northern Spain and the Scandinavian countries were nationals.

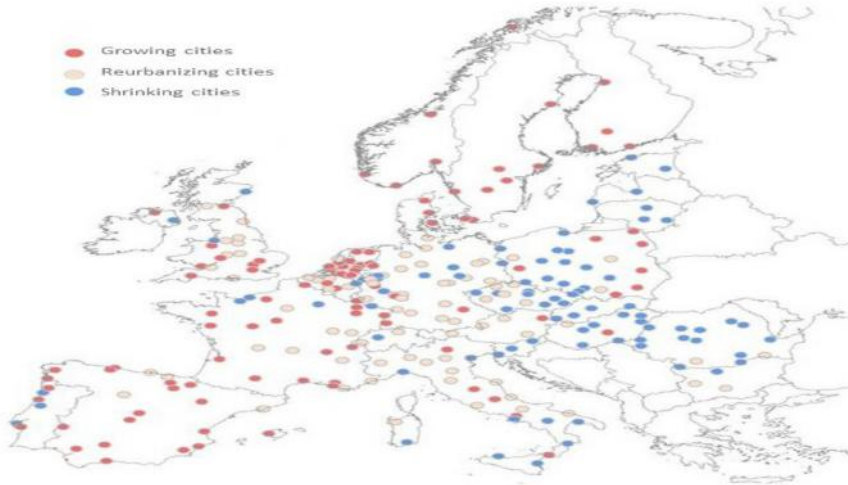
Population growth due to natural population change in the European cities, except for those of the Eastern European countries, tends to be generally lower than in the respective countries. Also, the importance of natural population change for city growth is higher in type C cities, due to their different age structure, but some counter-tendencies can be observed in larger cities where birth surpluses are reported.

Analysis of data over a longer period (1991-2004) shows concordance with the short-term tendencies. In general, the trend for European cities is growth, population increase largely depending on migrant attraction. Northern Europe went through a larger-scale city growth process while the cities of Central Europe declined or stagnated: in Western and Southern Europe the decline and growth pattern shows significant contrast: for example, France's urban areas saw continuous growth. The Second State of the City Report (European Commission 2010b) suggests that differentiation is to be made between the dynamics of core cities and their respective LUZs as suburbanisation occurs. The outer zones of large European cities have seen more rapid population growth, even if out-migration from core cities has ceased. The processes of growth and shrinkage of core and outer zones show a very variable pattern: in Central Europe, the outer city zones grew while the cores shrank, while in other parts of Europe the growth of the outer zone has not implied shrinkage of the core city.

As figure 9 shows, the loss of population in cities, or "urban shrinkage", characterises many cities in the EU, especially in the Eastern countries and in Portugal, the UK, Southern Italy and the Eastern part of Germany (Bernt et al. 2012).

The usual consequences of population loss are growing imbalance between supply of and demand for housing, redundant social, transport and utility infrastructures, a decline in the demand for local commercial services, the emergence of vacant and derelict land and buildings (brownfields and vacancies), changing demographic characteristics (particularly a rise in the proportion of elderly people) and greater pressures on local municipal services.

Figure 9: Population development of European large cities 1991-2008.



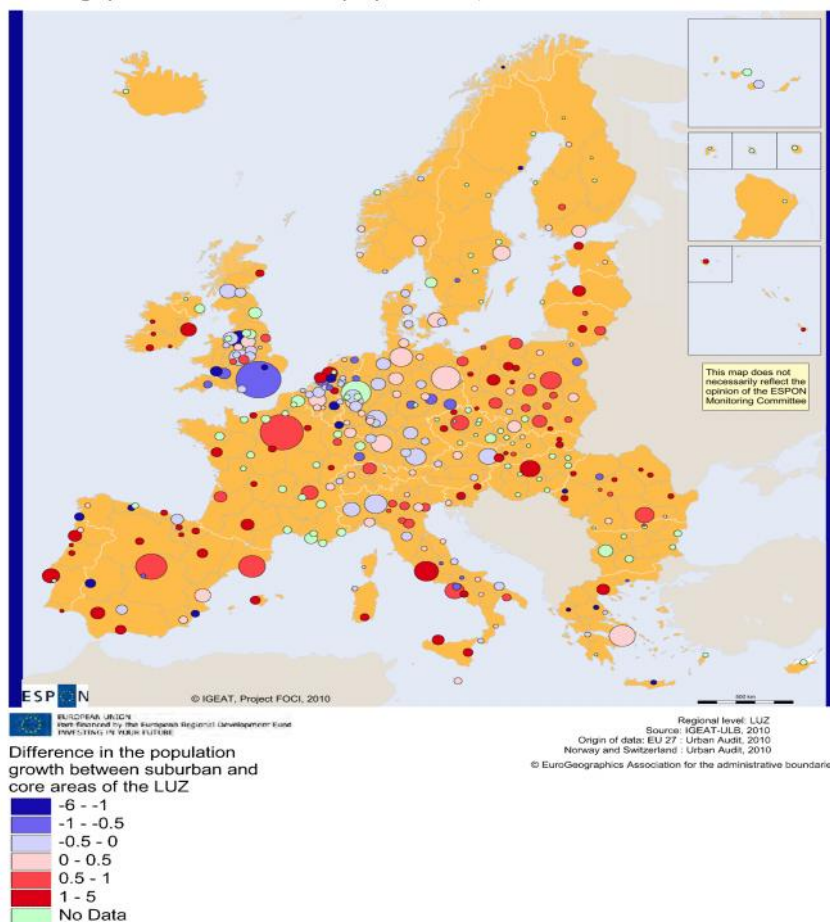
Source: Bernt et al. 2012.

The reasons for shrinkage are economic decline, unemployment leading to net out-migration, suburbanisation, the population leaving the core city for more peripheral locations within the city region, and natural demographic change when death rates exceed birth rates, whereby the population naturally declines.

An interesting analysis of the intra-urban dynamics of European cities can also be found in ESPON FOCI's Final Report (ESPON FOCI 2010). It suggests that these dynamics are structured around two major paradigms: suburbanisation and gentrification. The demographic results of the internal migration movements are: younger population in the city centres, especially in the neighbourhoods subject to gentrification; a larger share of households with children in the suburban areas; poor immigrants (newcomers or nationals of foreign descent) concentrating in city centres or in specific peripheral areas (particularly social housing neighbourhoods). Moreover, these dynamics occur in different ways in the different parts of the EU.

Figure 10 (ESPON FOCI 2010) shows for each LUZ the difference between the average growth of the periphery and the average annual growth of the core cities. More blue indicates greater difference in favour of the core city.

Figure 10: Demographic evolutions of core and peripheral cities, 2000-2005⁶



Source: ESPON FOCI 2010.

⁶ The period is not strictly the same for all cities because the data reference years are different for each city. For most cities, the period is 2001 to 2004. (ESPON FOCI 2010).

The vast majority of European cities are experiencing suburbanisation, and in particular in the cities of the Mediterranean area, Ireland and Central and Eastern Europe, where this growth model developed later than in most of the countries in northwest European. The unexpected occurrence of population “recentralisation” in some “Blue banana” cities can be accounted with various dynamics under way: young population (and families) moving into city cores which have seen processes of urban renewal, slowing down of the suburbanization process and foreign immigration towards city centres.

The FOCI report suggests a clustering of different European urban areas, indentifying growing and declining LUZs and taking then into account movements between core and peripheral areas of the LUZ. The types are then associated with geographical areas: the main tendencies observed are the following: a) in the dense urban and central parts of Europe many cities are characterized by population growth in both core and peripheries, with often higher growth rates in the core cities; b) in Eastern Europe, most of the cities are characterized by population decline with intensive suburbanization, with a few exceptions including, notably, Warsaw and Prague; c) in Mediterranean LUZs we observe population growth with an intensive process of suburbanization.

The Second State of the City report (European Commission, 2010b) suggests some interesting features concerning the age structure of the core cities: the share of +75-year-old inhabitants in cities is relatively low in Central Europe but high in Western and Northern Europe. In Italy it is dramatically high. In Ireland the cities are characterised by a very high percentage of children compared to the European average, and a small share of seniors. In general there are more seniors than children in all types and all parts of Europe. Demographic change is a process affecting different cities of Europe with diverse intensity. Some cities in southern Europe (Madrid, Barcelona, Milan) are seeing population growth despite a large share of seniors.

Another study (Eurostat 2012e) based on Urban Audit focused on the old-age dependency ratio in European cities. Cities with an old-age dependency rate in excess of 35% were mainly located in Italy (18 cities including Rome and Milan) and Germany (11 cities); two of the cities are in France, one in Greece. Of the 10 cities with a rate over 40%, all except Mulheim an der Ruhr (Germany) were in Italy, with Trieste (49.8 %) and Genoa (46.5%) at the top of the ranking. In total there were 61 cities with an old-age dependency rate of 20% or less: 12 were in Romania, 10 in Poland, while between five and seven each were in Slovakia, the United Kingdom, Bulgaria and the Netherlands and the remaining 14 were scattered over nine different Member States.

As for the prospects, the FOCI report (ESPON FOCI 2010) suggests that a significant factor dividing European cities in the future will be the demographic factor. The number of shrinking cities will increase, especially in the Eastern regions and in Western peripheral ones (northern Nordic regions, North-West Spain, Mediterranean), but also in more central regions with a long tradition of out-migration (old industrial regions, landlocked rural regions). Urban settlements in regions with a tourist economy will grow if they are able to attract pensioners and the wealthy.

2.2 Demographic change in mountain areas

While urban areas are generally growing, other territories suffer loss of population – typically mountain regions, islands and sparsely populated areas. These territories have been the object of specific studies, which we will now examine.

According to the report “Europe’s ecological backbone: recognising the true value of our mountains” (European Environment Agency 2010), 29% of the EU-27 area can be defined as mountainous. In the European Union, 63 million people corresponding to 13 % of the population live in mountain areas, where the population density is less than in the rest of the respective countries⁷. Slovenia and Austria are the two EU countries with over half the population living in mountain areas.

Table 10: Population number and density in and outside mountain areas, and at the national level, for EU-27 states, 2008

	Total population in Massifs	% of total population in massifs	Population density in massifs (per Km ²)	Population density outside massifs (per Km ²)	National population density (per Km ²)
Austria	3,978,149	48.4	64.2	192.9	97.9
Belgium	65,698	0.6	49	352.6	339.3
Bulgaria	2,565,509	35.9	47.5	80.8	64.5
Cyprus	51,894	6.6	12.2	146.9	84.9
Czech Republic	2,137,409	20.9	83.3	151.9	129.6
Denmark	0	0	0	125.2	125.2
Estonia	0	0	0	28.7	28.7
Finland	2,443	0.1	0.5	15.6	15.4
France	6,454,677	10.4	46.9	134.6	112.7
Germany	7,403,687	9.0	128.2	249.8	230.2
Greece	2,612,508	24.8	27.5	213.2	79.8
Hungary	293,163	2.9	61.7	109.2	106.8
Ireland	115,924	2.8	11.5	66.7	58.7
Italy	14,023,306	24.4	77.4	361.5	190.7
Lithuania	0	0	0	55	55.0
Luxembourg	20,488	4.2	96.6	195.3	187.2
Latvia	0	0	0	34.8	34.8
Malta	11,846	3.1	341.5	1,323.8	1,215.9
Netherlands	0	0	0	445.5	445.5
Poland	1,986,144	5.2	121.8	123.5	123.4
Portugal	2,173,407	20.6	62.1	146.5	114.5
Romania	4,553,602	20.6	50.5	119.1	93.1
Slovakia	2,111,904	38.7	71.7	170.9	111.3
Slovenia	1,010,649	50.6	65.7	201.7	98.6
Spain	10,066,698	25.2	36.7	129.2	79.0
Sweden	78,549	0.9	0.9	24.6	19.8
United Kingdom	1,345,968	2.2	22.2	322	247.7
EU-27	63,063,622		50.3	137.8	112.5

Source: European Environment Agency, 2010.

⁷ The four countries with the largest mountain populations are Italy (14.0 million), Spain (10.1 million), Germany (7.4 million) and France (6.5 million). Together they account for 60% of the mountain population of the EU-27.

Surprisingly, between 1990 and 2005 density across Europe's mountain areas increased considerably as a whole, but closer analysis shows that different countries and massifs present very different situations. Generally, population trends in mountain areas are in line with those of the respective countries, but in Poland and Slovenia they are more positive than the average of the country, whilst the contrary applies in Finland, Italy, Portugal and Sweden.

Table 11: Population density change (%) per country, within and outside mountain massifs, between 1990 and 2005

	Percentage of population density change between 1990-2005 within mountains	Percentage of population density change between 1990-2005 outside mountains
Austria	4.1%	2.4%
Belgium	10.3%	3.4%
Bulgaria	-14.8%	-16.7%
Croatia	11.1%	11.1%
Cyprus	19.3%	19.9%
Czech Republic	-1.0%	-2.3%
Finland	-24.0%	3.3%
France	7.2%	6.3%
Germany	0.8%	0.4%
Greece	0.7%	9.5%
Hungary	-6.3%	-5.0%
Iceland	5.6%	19.6%
Ireland	12.7%	16.9%
Italy	-0.5%	1.3%
Luxembourg	17.3%	20.8%
Former Yugoslav Republic of Macedonia	7.9%	7.5%
Malta	11.6%	9.0%
Moldova	-3.2%	-2.0%
Montenegro	6.0%	5.5%
Norway	3.7%	11.2%
Poland	1.1%	-1.2%
Portugal	-4.5%	0.9%
Romania	-4.5%	-2.9%
Serbia	5.9%	-2.8%
Slovakia	11.8%	7.4%
Slovenia	1.2%	-3.9%
Spain	0.7%	3.6%
Sweden	-14.5%	0.2%
Switzerland	2.5%	-2.0%
Turkey	20.1%	37.9%
Ukraine	-0.8%	-8.3%
United Kingdom	3.7%	6.8%
All Europe	10.6%	7.5%

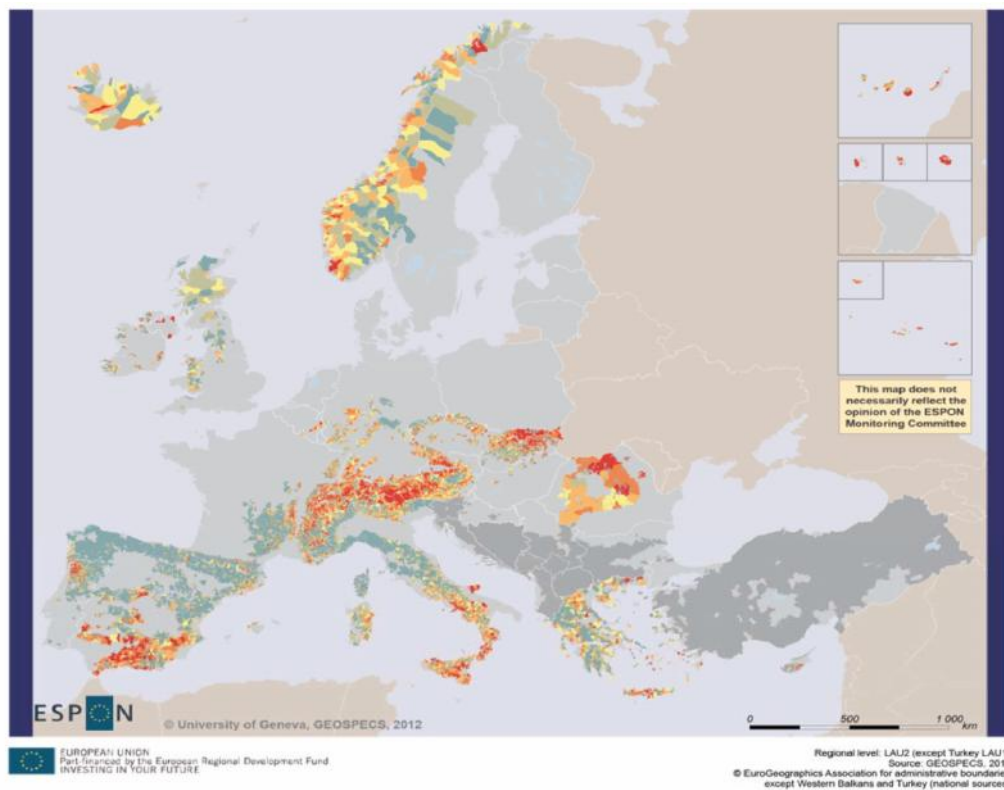
Source: European Environment Agency, 2010.

Note: Contrasting trends are highlighted in italics, increases are marked in white and decreases in blue.

In terms of depopulation trends – the EEA Report argues – the rates of population loss for the period 1991 to 2001 were generally higher in the mountain areas than in the lowland areas. However many mountain areas, especially in some parts of the Alps, saw an increase in population growth between 1991 and 2001. Out-migration has generally been higher from mountain areas except in France and Romania.

GEOSPECS (ESPON & University of Geneva, GEOSPECS 2012) is a very recent ESPON research project dealing with past trends, state and potential future developments of geographical specificities for territorial policy and regional development: it applies a definition of mountain areas very similar to that of the EEA report, but fills out the demography analysis collecting data on age structure. Analysis of the difference in percentage between the population under 15 in mountain areas and the national average suggests the existence of very different situations in Europe. In particular, small proportions of children can be found in the French mountain areas (Massif central, Corsica, Pyrenees), the mountains of central Poland and Cyprus. Interestingly, within one and the same country, different massifs show different proportions, i.e. the mountain areas are not homogeneous: in the case of Italy, for example, the percentage is lower in the Alps, average in the Apennines, and higher in Sicily and Sardinia.

Figure 11: Difference between proportion of mountain massif inhabitants under 15 years old and national average



Difference between proportion of mountain LAU2 inhabitants under 15 years old and national average

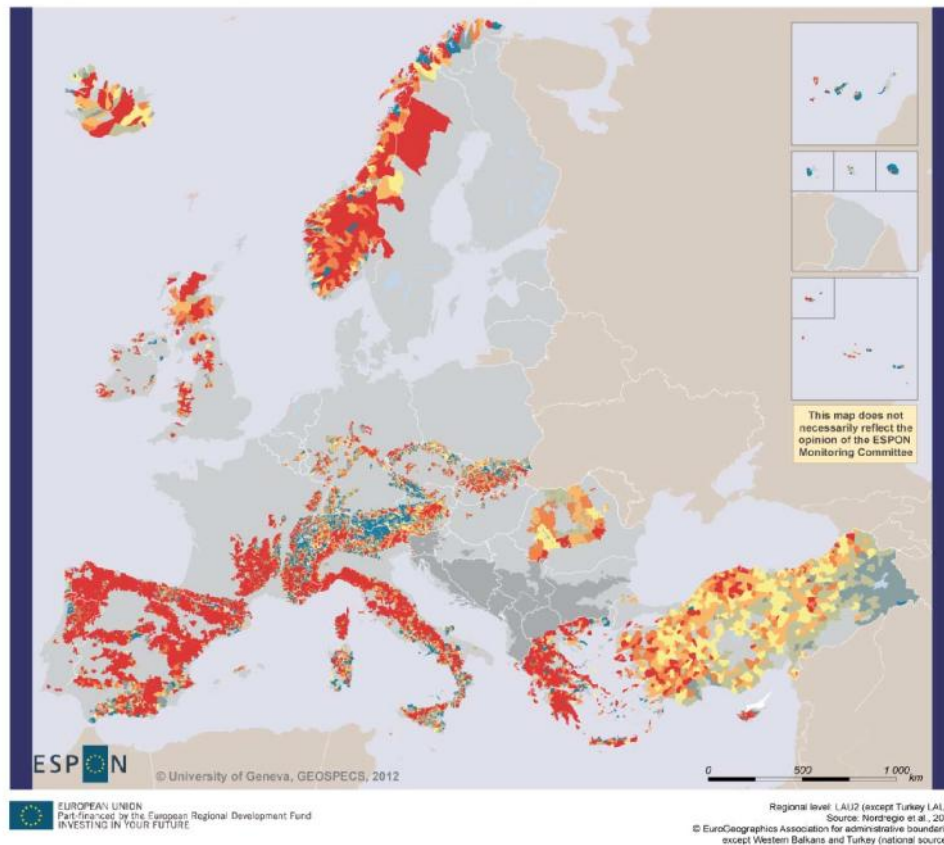
In percentage points



Source: ESPON & University of Geneva, GEOSPECS 2012.

The figure shows similar patterns for the proportion of people over 60 compared to the national average. Particularly small proportions can be observed along the Italian Apennines, Spain, Greece, France (Massif Central, Corsica and Pyrenees) and Iceland, together with the Outermost Regions of Norway.

Figure 12: Difference between proportion of mountain massif inhabitants over 59 years old and national average



Difference between proportion of mountain massif inhabitants over 59 years old and national average

In percentage points



Source: ESPON & University of Geneva, GEOSPECS 2012.

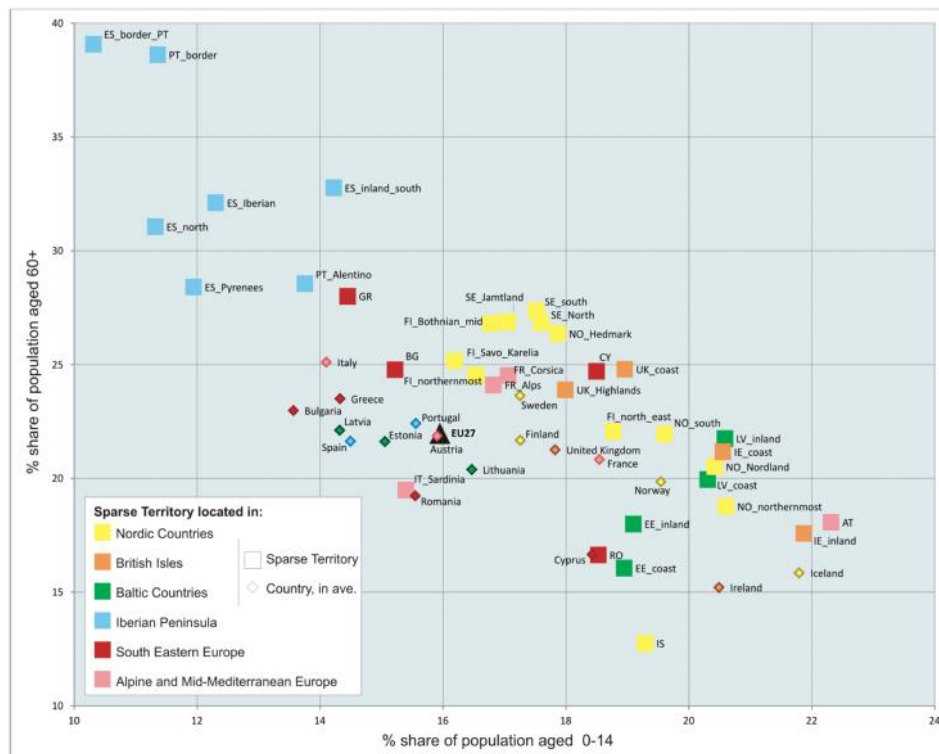
The final report of the best practices exchange programme PADIMA (Policies Against Depopulation In Mountain Areas) (Pasca, Rouby, 2012) offers some clues as to what is happening in the European mountain areas. The programme concerned only a limited number of regions (in France, Italy, Sweden and Norway). The main findings on demography were that most municipalities are faced with a negative excess of births over deaths. When the population increases, it is mostly thanks to in-migration. The municipalities tending to show growth are the major urban centres in mountain areas, especially if endowed with universities which attract younger people. The municipalities characterised by tourist industry and related economic activities are also attractive,

especially for seasonal workers. The in-migrants have very different backgrounds, and are not only nationals. The reasons for settling in mountain regions are economic (jobs) but are also related to quality of life (a better environment). The reasons for out-migration are mainly related to education: young people and women constitute specific groups tending to leave the mountain regions. Other reasons include: lack of access to services, long distances to jobs and services, lack of cultural activities, excessively small communities (excessively “transparent” society), harsh climatic conditions, search for better or more diversified job opportunities.

2.3 Demographic change in sparsely populated areas

GEOSPECS also investigated the areas defined as sparsely populated. These areas face the twofold challenge of an ageing population and population decrease as a consequence of out-migration on the part of the younger population. In comparison with their respective countries and the European average these territories have a larger proportion of elderly people. This is particularly true of the Iberian Peninsula, where the share in the total population of people +60 reaches four times the percentage share of -14-year-olds in some places. In Finland, Sweden and Central Europe, the proportion of elderly people is also large, although the considerable proportion of younger people implies better potential for labour force replacement. In Ireland, the population is generally younger than the European average. For the Baltic countries, interpretation of demographic trends is more complex, due to the considerable out-migration of the younger working-age population, while the large proportion of young people in the sparse regions has no clear implications for the future labour supply. In general, population dynamics in the sparsely populated areas show a twofold trend leading to increased internal polarisation: local or regional centres tend to grow while remote settlements decline.

Figure 13: Relationship between the proportion of young and old people in the Sparse Territories and in their respective countries



Source: ESPON & University of Geneva, GEOSPECS 2012.

The ageing of the population in a specific territory is not always a consequence of out-migration of the young, for it can also be an effect of mobility on the part of the seniors: such is the case of coastal areas. The highest percentages of people aged over 60 reside on the German coasts of the North and Baltic Seas. Much like the pattern of employment in the service industry for the Baltic Sea, the areas with the highest percentages are located directly on the coastline for reasons similar to those that attract tourists, such as the sea view, but also because a fair level of services and infrastructure ensures a certain standard of living. It has been proved that coastal areas with high percentages of people aged over 60 have patterns similar to those of the coastal areas with a high percentage of employment in the service industry. These areas also coincide with coastal areas with a relatively high percentage of overall population density. However, the coastal areas favoured for retirement are not the coastal megacities but smaller coastal settlements, which can increase the urbanisation of an area. Analysis of the French Mediterranean coast shows how an attractive climate, good infrastructure and services attract pensioners with the result of a high percentage of people over 60 (ESPON & University of Geneva, GEOSPECS 2012). Table 12 shows the considerable increase in population density in the coastal regions of various countries in only five years, from 2001 to 2006.

Table 12: Population densities in coastal areas (LAU2 at less than 45 minutes from the coast or contiguous to the coast), inhabitants per sq. km

Code	Country	2001	2006
AL	Albania	-	211.4
BE	Belgium	487.6	496.4
BG	Bulgaria	154.6	154.7
CY	Cyprus	78.5	89.4
DE	Germany	204.1	206.0
DK	Denmark	124.7	143.4
EE	Estonia	57.1	55.8
ES	Spain	298.3	333.8
FI	Finland	53.8	55.2
FR	France	120.2	127.3
GR	Greece	115.8	119.3
HR	Croatia	84.4	-
IE	Ireland	86.1	94.3
IS	Iceland	3.4	3.6
IT	Italy	263.4	269.5
LT	Lithuania	98.8	91.4
LV	Latvia	84.9	82.6
ME	Montenegro	-	49.5
MT	Malta	1,251.10	1,283.80
NL	Netherlands	537.9	549.2
NO	Norway	21.0	21.6
PL	Poland	178.1	178.9
PT	Portugal	323.7	319.7
RO	Romania	112.1	117.1
SE	Sweden	55.3	56.9
SI	Slovenia	86.6	88.7
TR	Turkey	247.6	-
UK	United	263.4	251.6

Source: ESPON & University of Geneva, GEOSPECS 2012.

These pictures of demographic change in different types of territory are not univocal, and show a highly differentiated situation throughout the continent. However, we can summarise certain indications of global trends here. Europe is facing an ongoing process of population urbanisation, mainly due to workforce migration. Part of this migration comes from European territories with specific geographic features, such as mountainous or rural areas. Urban and island population growth follows a similar trend: the cities and islands showing greater growth are those which already had a sizeable population. The mountain areas face serious crisis due to unbalanced age structure.

2.4 Challenges, policies and projects in different territories

In the coming years, Europe's territories will face a series of challenges at the level of demographic change which will have to be addressed with policies at different levels of government. In this part we will review some key challenges and see how certain policies and projects in different types of territory have already taken them into account. The challenges are:

1. Ageing population: all types of territory are facing growth in the number of elderly people. Policies have to address their specific demands (for health, housing, transport), but also consider them as an active population that can function as an actor for economic growth and social cohesion. Different territories have to "react" in specific ways to this trend. This calls for a "place-based approach" (Barca 2009), necessary to tackle specific demographic changes (decline, ageing, rapid in-migration).
2. Loss of population: typically occurring in peripheral areas (mountain areas and islands), but also many urban areas have experienced shrinkage processes. In terms of territorial cohesion, the loss of population in Central European cities, due to out-migration, clearly suggests that there is an underutilisation of territorial and local resources: Cohesion Policy must pursue the goal of opening up job opportunities in these cities for qualified workers.
3. Growth of population: a trend which is mainly concentrated in the already largest and richest agglomerations, particularly attributable to increased numbers of foreign people. In-migration implies policies dealing with innovative services tailored to specific needs and cultural backgrounds, and with citizen empowerment needs. EU policy should prevent the possible social exclusion of the labour-oriented migration in these urban areas. Moreover, European, national and local policies must pursue the objective of providing favourable living conditions for families with children and seniors, encouraging initiatives (e.g. in housing) for intergenerational living targeting various different family structures.

These challenges are closely linked together, which means that a certain type of territory can cumulate multiple challenges.

We selected some cases of projects tackling these challenges. The cases were selected for their relevance in addressing the challenges, for being representative of the policies applied, and for their importance, as many of them have been selected or awarded by EU institutions. Also, most of them were partly financed by EU Structural Funds (ERDF,ESF) and Rural Development Policy Funds.

1. The territorial problem of an ageing population is to ensure public services for the less mobile. In rural and sparsely populated areas, the public and social service delivery model has to be reshaped to reach all the population, tackling spatial discrimination.

In Finland, since 2005 the Paras-project has been underway (Ferry Vironen 2010) to ensure accessibility to fundamental services for the ageing population in more sparsely populated areas. Its implementation, under the framework of a national reform on municipal and services structures reform, includes in particular the merging of municipalities to create fewer administrative levels with a minimum of 20,000 inhabitants, enhancing local service quality, especially in health care. In the Kainuu region, to prevent the elderly from going to institutions in the main city of Kajaani, putting pressure on its local services and weakening social cohesion in the regions' villages, a form of self-government has been introduced. Institutional and organizational boundaries have been reorganised and redesigned to ensure services region-wide and integrated systems. The strategies applied include aggregating municipal resources to achieve a "critical mass" of service providers and coordination of services across the region with the use of ICT.

New technologies are in fact the fundamental support for policies and projects which aim to deliver quality services to people living in specific types of territories such as islands. The Remote Care Service is an initiative of the Portuguese Red Cross (CVP), launched in 2008 to improve the quality of life of people who are isolated and at risk, in both rural and urban areas. It is a telephone-based support service, always available, but it also uses an innovative and reliable ICT application to link users via an 'alarm button' to the care services of their local authorities. A project supported the introduction of the CVP Remote Care Service on the island of Faial in Horta municipality-Azores (Portugal). The town of Horta drew up an agreement with the CVP and the IAS (Social Action Institute) and equipment was purchased and installed in users' homes. The equipment consists of fixed and bracelet/necklace terminals with an alarm button, enabling the user to call and/or be located by the CVP call centre at any time of day or night. CVP professionals immediately assess the situation and respond as necessary. The service prevents relocation of elderly people, who otherwise tend to be destined to this end and institutionalised – instead they can remain in the community for longer and transfer their social/cultural values to the younger generation.

Some public service needs cannot rely on technology alone, a face-to face approach being essential. An interesting example of public service reshaping in this direction comes from Flanders (Belgium) where the "Bibliobus" is the first example of a mobile library service which includes other public services, serving the villages in the rural municipality of Zwevegem (Belgium)⁸. It provides basic administrative services for the less mobile population such as elderly people. The Bibliobus services include library databases, book requests, DVD rentals, municipality documents and application forms for social services. Documents and forms (such as applications for heating-oil allowances, travel passes) which cannot always be delivered immediately can be sent to people's home addresses: the Bibliobus also serves as a central service desk, where people can request all kinds of information.

Facing an ageing population in peripheral regions implies a demand for services that have to be flexible and mobile. The government reorganisation in Kainuu, like the municipal mobile service in Zwevegem, show how this challenge can be met at different government

⁸ Source: RDP project database (<http://enrd.ec.europa.eu>).

levels. ICT technology is relevant as a means to help the weaker population, and is crucial to tackle outmigration from territories where the consequences of loss of population can be very hard. The territories encountering this problem vary greatly, from urban areas to mountain regions and islands. As outmigration is mainly accounted for by young adults, one of the strategies to counter this tendency lies in policies addressing them with education and encouragement for their life projects in their territory of origin.

The target population of a Leader Project⁹ in the Savinjska Region (Slovenia), started by the LAG Društvo Raznolikost podeželja (and subsequently involving other regions) were children and young people. A network was set up to help the younger population towards a fuller understanding of everyday life in the rural environment, and thereby tackle the risk of youth out-migration. A group of rural organisations with the partnership of youth groups, schools, forestry and tourist authorities identified a network of rural businesses and organisation that could host and teach groups of young people about rural development topics such as the relationship between agriculture, nature and food. 38 locations, hosted by 30 providers, have been networked by the project which undertook training sessions to ensure all stakeholders knew how to provide the required services for young adults, school pupils and kindergarten children.

A similar project was started in the Outer Hebrides, a group of islands to the north-west of Scotland, promoted by the local LAG¹⁰. Named "Ceanglaichean Croitearachd - Crofting Connections" it addressed young people¹¹ attending the local schools. The aim of the project was to teach sustainable farming-related skills to young people, reconnect them with their crofting heritage and promote entrepreneurial activity in this field. More than 400 young people from 7 schools have participated in this LEADER project, learning practical crofting skills from experienced crofters. Each school involved in the initiative also kept a kitchen garden to produce fresh seasonal fruit and vegetables for the canteen.

2. Loss of population affects not only territories with specificities which make them geographically and economically peripheral, for it can also occur, as we have seen, in urban areas.

Policies and projects tackling the consequences of shrinkage have been implemented in various cities. Liverpool (UK) responded to shrinking housing demand with the New Heartlands programme, one of the Government's ten Housing Market Renewal (HMR) "pathfinders" across England charged with finding new ways to tackle the problems of low demand and housing market collapse in difficult neighbourhoods. The task of the pathfinder organisation was to facilitate and coordinate the work of the local authorities and other agencies, including social housing providers, community organisations and private developers. Although not immune to criticism, over the eight years up to 2011 the New Heartlands programme achieved a better alignment of housing supply and demand. Older housing stock was acquired and demolished, building nearly 3,000 new homes and refurbishing more than 20,000 properties. Community engagement was at the heart of the programme. The investment also helped create more attractive and supportive neighbourhoods, delivering improvements to public transport, health facilities, community policing and the general environment.

⁹ Source: RDP project database (<http://enrd.ec.europa.eu>).

¹⁰ In the framework of former LEADER programme, Local Action Groups (LAGs) took decisions on projects which were community driven and offered ample community benefit. LAGs were partnerships made up of institutional and civil society representatives.

¹¹ Source: RDP project database (<http://enrd.ec.europa.eu>).

One of the reasons for leaving rural areas is the difficulty of starting up new businesses. Inspired by a policy which had already been successfully implemented in Quebec (Canada), in the rural region of Auvergne (France), a project called "Make way for youth (PAJ). Create your business project in the Pays Lafayette"¹² was started in 2003. The target population consisted of young adults (18 to 35) who already lived in the region and those who had left it but had projects to set up businesses in the Pays de Lafayette area. It was held over three consecutive weekends, rediscovering the region together with local experts, developing contacts, joining socio-professional networks through contacts organised with local entrepreneurs economy actors and finally giving expression to the young people's wishes, plans and dreams, helping them to consider and plan their future in their own region. At the end of the session a mentor was assigned to each participant to guide him/her through the process of creating or taking-over a business. More than 100 people have participated in the 11 consecutive promotions, and 43 business have been created enabling young people to settle in the region.

One of the economic sectors which has loomed large in countering the out-immigration of young people from rural areas is tourism. In Kalopanayiotis (Cyprus), a rural mountain village which had been subject to abandonment and population loss, ERDF funding provided for restoration of the village's paths and monuments over the period 2006-2008. A new cultural centre offers premises for events organized by local groups¹³. The objective of the project¹⁴ was, on the strength of physical renovation and cultural programming, to attract tourists and provide business opportunities to local young people, for example, in the field of hotels and restaurants.

3. While some territories lose population, others see demographic indicators on the rise. Typically, traditionally rural territories around cities are succumbing to urban sprawl with all the consequences in terms of living styles and demand for services. European Regional Policies have to adapt to this new urban dimension.

Suburban growth is particularly notable EU Eastern countries. One of the main issues to address is the growing need for mobility between the suburbs and the core city, and in order to limit the environmental problems created by individual mobility priority must go to enhancing public transport services in these areas. For example, the EU's Cohesion Fund 2007-2013 financed suburban rail modernisation in Riga (Latvia)¹⁵, with the purchase of new electrical and diesel rail units. The number of passengers, thanks to the new units, is expected to increase from 26.8 million in 2008 to 34.2 million by 2016, promoting the modal shift from car to train.

An interesting case is to be seen in the growth of the urban region of Slovakia's capital, Bratislava, since, given the proximity to the Austrian border, the issue of suburban growth meets with the problem of border region governance. The city of Bratislava has seen considerable growth in the last few years, with consequent sprawl touching on Austrian territory adjacent to the national border. Many people live and work on the two sides of the border, with consequent intensive commuting and strong demand for services (such as kindergartens) in what used to be Austrian rural villages.

¹² Source: Ruract (www.ruract.com).

¹³ DG Regio website: project examples.

¹⁴ "The project will be influential in the redevelopment and rejuvenation of our Community and will result in reversing the abandonment of the village, particularly by the younger generation, a trend which has been taking place over the last few decades." Mr Stavros Kazamias, Marathasa Development Organisation and resident of Kalopanayiotis, source: http://ec.europa.eu/regional_policy/index_en.htm.

¹⁵ DG Regio website: project examples.

In pursuit of balanced growth for the region, a cross-border cooperation management has been established (European Commission, RegioStars Awards, 2012: the BAUM (Bratislava Urban Regional Cooperation) is a partnership between the provinces of Lower Austria and the Burgenland, the city of Bratislava and the Bratislava Region. The objective is to bring together all the stakeholders in the region to coordinate and harmonize its spatial development.

Population growth in European urban areas has spatial implications that have to be governed but, as we have seen, since it is mainly a consequence of net migration, social and economic policies also have to be taken into account in designing policies and projects. The inclusion of migrants in cities is an issue that Europe has addressed in its long history. Migrants tend to live in urban areas, and nowadays many cities have a large part of population which is national but of varied descent. Cultural differences and the lack of political representation of the new inhabitants, but also of "second and third generation", is often a source of conflict and tensions. Also, this population is on average less qualified and can come up against language difficulties when applying to institutions, while job placement can involve difficulties. Many urban policies have been specifically designed with these new inhabitants of European cities in mind. Mannheim (Germany),¹⁶ for example, is facing economic, demographic and social transformation: employment in the traditional industries is decreasing and nearly 20% of the city population (325,000 inhabitants) are Turkish or German nationals of Turkish descent. The city has focused efforts on target groups to foster business start-up and created a German-Turkish Economic Centre. The aim of the Centre is to help persons of Turkish descent overcome their weaknesses: lack of qualification, above average unemployment, administrative difficulties, lack of knowledge of the German language. The Centre welcomes all the relevant actors (city administration, Chamber of Industry and Commerce, employment agencies) to approach the target group in an institution where consulting and coaching is carried out in the Turkish language. The project, which was founded by the ERDF (2000-2006), has produced outstanding results: hundreds of people trained, new businesses (and jobs) created, but also a stronger identification of the Turkish population and Germans of Turkish descent with their city.

The settlement of immigrants can be a source of conflict, especially when particularly rapid as in the District II in Terrassa (Spain). When an urban renewal project was implemented, the issue of immigrant integration was confronted (DG Regio 2013). The neighbourhood had experienced tensions and conflict, partly because of a considerable influx of migrants from Morocco. The physical renovation (of streets and building) was accompanied by action on conflict management: the neighbourhood plan itself included measures for empowerment of children and the young, as well as the unemployed and elderly people, and mediation between the native population and migrants. Policies addressing urban renewal often apply to urban areas where a large part of the population is composed of migrants. One quite ordinary way for migrants to be integrated is, however, through work. In the coastal locality of Marina di Carrara (Italy) an interesting case combines the significance of opening up an occupation traditionally for men, with the issue of migrant integration through work. 2011 saw the creation of a fishers' cooperative composed solely of women of different origins (Russia, Poland, Italy, Brazil, Colombia) and backgrounds, the Bio & Mare company¹⁷. The cooperative operates in the whole fish supply chain: from fishing, to retail, joint purchasing groups, supply, processing and promotion. They decided to carry out certificated sustainable fishing, and the daily unsold catches are processed into

¹⁶ RegioStars awards 2010 finalist project.

¹⁷ www.bioemare.it.

body creams, sauces, and food in oil. The project has been financed partly with a national Agriculture Ministry loan.

Population trends in Europe's varied territories convey an idea of how the relationship between European population and spaces inhabited is in epochal transition. Policies at all governmental levels will have to tackle this reshaping on different types of territory, following a territorial approach. Administrative regions (NUTS2 and NUTS3) often include different types of territories, and efforts should be going into an approach better tailored to the geographical specificities of the territories.

3 THE ROLE OF COHESION POLICY IN THE 2007-2014 PROGRAMMING PERIOD

KEY FINDINGS

- Demographic change is a multi-dimensional phenomena that may be associated with a wide range of Cohesion Policy fields.
- Conceptualization of demographic challenges is increasing at both the European and national level, and demographic themes are included among EU regulations and guidelines for the 2007-2013 programming period.
- In the 2007-2013 period a total of EUR 64.1 billion (19% of the total ERDF, ESF and Cohesion Fund allocated to the Member States) has been dedicated to priority themes targeting directly or indirectly demographic challenges.
- Nearly 20% of the SF allocated to demographic change are channeled into promoting access to and sustainability of employment and for the more vulnerable population groups and to measures generally addressing labour market conditions. Other relevant measures concern investments in social infrastructures and ICT measures aiming at improving accessibility to services as well as reducing the marginalization of rural areas.
- Poland, Spain, Italy and Germany have allocated the largest sums of SF to demographic change related measures (more than EUR 5 billion). However, in terms of share of total SF, Belgium, the UK, France and Ireland are the countries allocating more than 30% of the SF at their disposal to such priorities, while Poland, Denmark, Slovenia and Bulgaria allocate less than 15%.
- At the NUTS 2 level, it is EU-15 regions that allocate the largest share of FS to demographic change, in particular the regions predominately covered by Competitiveness and Employment programmes, facing either population growth and immigration or population decline and increase in the old age dependency rate.
- NSRF analysis shows that demographic issues are already internalized in MS strategy, albeit with greater emphasis at the programming stage.
- In context analysis, particular attention is devoted to population ageing and to the duality between rural (usually less populated and with a great number of elderly people) and urban areas. Attention to migration flows is also notable.
- As for policy strategy and objectives, the ERDF Priority themes related to investment in social infrastructures and urban and rural regeneration are the themes most closely linked to demographic issues. In the case of ESF Priority themes, attention focuses on improving access to employment, also for the more disadvantaged targets (low-skilled young people and the elderly, ethnic minorities) and increasing the possibility to retain high-skilled young people, avoiding the brain drain.

Introduction

As previously pointed out, demographic change is a multi-dimensional phenomena that may be associated with a wide range of Cohesion Policy fields. The interactions of demographic ageing and employment and migration patterns are producing particular spatial characteristics and territorial effects which call for adequate policy responses:

- There will be more older people, with different levels of income, health, needs and potential contribution. Many older people in the future will be living alone as a result of the changing shape of family structures and this will affect social needs, consumption and mobility patterns;
- Many younger people will continue to leave rural and peripheral communities to look for work in cities and urban locations. This can leave older people isolated in suburban or peripheral, rural communities and create congestion problems in urban areas;
- In contrast, the movement of some groups of the population to the country in middle age and in preparation for retirement both within their countries and, increasingly, across state borders, can test the capacity of regional infrastructures and at the same time provide a potential driver for the regional economies;
- A further factor is the location and population structure based on ethnicity, gender, disability, income levels and occupation within regions. Different groups are ageing at different rates; they are characterised by different family and intergenerational infrastructures which can significantly influence the demographic composition of a region.

At the EU, national and regional level, it is thus necessary to review the existing policies in order to determine whether they need to be adjusted to take Europe's changing demography into account.

National policies addressing the emerging needs related to demographic change cover a wide range of welfare policies: pension reforms can provide incentives for late retirement, the health care system can guarantee a longer and healthier life, employment, education and lifelong policies can foster labour productivity and support active ageing, family-friendly policies may influence the number of women who decide to become mothers without exiting from the labour market, policies to support the social and economic inclusion of migrants can reduce social conflicts and improve economic growth, while mobility policies (transport and ICT infrastructures) can help in reducing territorial imbalances.

Until recently regional responses to demographic challenges had been piecemeal. The situation is changing, however. More advanced conceptualisation of the challenges and opportunities associated with demographic change beyond the fields of pensions and welfare means that ageing can no longer be regarded solely as a concern of national governments. It is increasingly recognised that demographic changes also call for the adaptation of public policies usually managed at the regional and local levels, such as education and training policies, local transport, health and social services, housing and urban planning. The progressive regionalisation of policy responsibilities in many EU countries has given regional bodies the political mandate, institutional power and financial resources to initiate and/or deliver regional strategies. In addition, there is increasing awareness of sub-national differences regarding the impact of demographic change and a more advanced understanding of the need for multi-stranded and multi-level responses.

Within this context, the following sections present the results of the analysis carried out on EU and National programming documents - the 27 National Strategic Reference Framework (NSRF) - in order to detect whether, and if so how, Cohesion Policy at both European and national level is playing a role in tackling demographic challenges.

3.1 The role of EU Cohesion Policy in tackling the demographic challenges

Demographic change has gradually become a key EU policy area and the growing importance of demographic issues in Regional Policy is reflected in their increasing prominence in the European Cohesion Policy agenda (Ferry Vironen, 2010). The increasing attention paid in Cohesion Policy to tackling demographic change by means of Structural Funds is an upshot of the current demographic dynamics and patterns observed across the EU. The shrinking working-age population, the increasing ageing population, the rapid population decline and indeed in- and out-migration flows are impacting on the socio-economic features of the EU regions and therefore influencing the relevant policy areas addressed by Cohesion Policy. In this regard, a European Commission study (European Commission 2008) points out that demographic change is likely to reinforce regional disparities in economic growth potential as well as increasing social polarization. Thus, Cohesion Policy can play a major role in supporting regional adaptation to demographic change.

As pointed out in a recent European Commission study (European Commission, 2010c), during the 2000-2006 programming period demographic change was not identified as a priority to be addressed by Structural Funds and by the ERDF in particular. Demographic change came up on the policy agenda as an issue relevant to Cohesion Policy only in the second half of the period and became an explicit theme in the Structural Funds Regulations in the 2007-2013 programming period¹⁸.

The Community Strategic Guidelines for the 2007-2014 programming period and the legislative package for 2014-2020 include demographic themes among their objectives and in the 2007-13 programming period many Operational Programmes at the national and regional level have addressed these issues with targeted measures. Indeed, most of the priority themes of the Structural Funds (ERDF, ESF and Cohesion Fund) potentially address demographic risks. The themes are:

- Social infrastructure (health, education, welfare etc.);
- Information society;
- Transport;
- Urban and rural regeneration;
- Increasing the adaptability of workers and firms;
- Improving access to employment and sustainability;
- Improving human capital;
- Improving the social inclusion of less-favoured persons.

¹⁸ Art 8 of the EC Regulation No 1080/2006 states that ERDF 'shall promote sustainable urban development through activities such as: (...) the provision of services to the population taking account of changing demographic structures'. Preamble 8 of the EC Regulation No 1081/2006 states that 'the ESF should also act to tackle the relevant dimensions and consequences of demographic changes in the active population of the Community, in particular through lifelong vocational training.

ERDF measures for social and physical infrastructures may address the living conditions of the elderly population and active ageing, besides reducing the isolation of rural and marginal areas; ERDF measures to support local development, SMEs and cultural and tourist services can contribute to the reduction of population imbalances in marginal and rural areas and to exploiting the increasing demand for leisure and cultural services on the part of the elderly population; measures supporting R&D can also focus on health- and mobility-related technical innovation. As for the ESF, measures supporting the adaptability of the workforce may address the adaptation of working conditions to the needs of an ageing workforce; employability and social integration measures may support the employment of immigrants and ethnic minority groups, women and older workers; measures supporting the investment in human capital and lifelong learning may address the training needs of an ageing work force. Furthermore, measures to improve the institutional capacity may prompt greater attention to demographic challenges on the part of the national and regional institutions and the stakeholders, while Territorial Cooperation Programmes may support the exchange of experiences and good practices in relation to demographic issues.

In particular, Cohesion Policy is of great importance in the following policy fields:

Adapting social and mobility infrastructures to demographic change and migration flows

- Setting up infrastructures for all ages. This would primarily concern transport accessibility, but also infrastructures such as health, education, tourism, leisure.
- In urban and densely populated areas spatial planning, housing, social support networks and community development, mobility conditions, pollution and environmental conditions take on particular importance. For example, the trend towards one-person households is pervasive across European cities – as in the case of young migrant workers or elderly people living alone. All these trends present significant demographic challenges for cities and regions: both labour and housing market issues need to be addressed carefully.
- Increased migration and mobility flows, affect health, social care, education, housing and transportation systems, which must be adapted to support the integration of incoming populations and their contribution to economic development.

Creation of specific goods and services

- An ageing population represents an increasingly important market: elderly people have diverse and special needs with regard to products and services. This could be an powerful incentive for a large range of innovations in products and services and for improvements in healthcare facilities for elderly people.

Potential of E-inclusion

- E-inclusion entails using ICT to overcome factors of exclusion and ensure that ICT itself does not constitute a barrier to participation. Specific measures may enhance accessibility, connectivity, education and address specific population groups, such as older workers (whose employability could be underused as a result of their lack of ICT skills) and the elderly.

Supporting employment opportunities for the elderly population, women and migrants and the social inclusion of marginalized population groups (the elderly, women, immigrants)

- Fostering employment for elderly people and women through training, home-working, entrepreneurship support, as this would lead to the enhancement of employment possibilities for senior workers and women. This entails policies supporting investment in human capital through education and lifelong training measures, employment policies targeting the elderly and women (involving support for changes in work organization, working hours, work-life balance, etc.), as well as social inclusion policies for immigrants and the disadvantaged.

On this basis, in the current 2007-2013 programming period, a considerable number of interventions financed by the Structural Funds deal directly or indirectly with demographic change.

The table below provides the full list of priority themes included in the SF Implementing Regulation (EC Reg. 1828/2006), which we see as having contributed to some extent to coping with demographic challenges showing the (potential) effects of the 2007-2013 Cohesion Policy at the EU level with regard to demographic challenges. The potential effects of the different priority themes of Cohesion Policy in the 2007-13 programming period are assessed as high, medium, low on each of the main dimensions of the demographic challenges (ageing, migration, rural-urban population imbalances and regeneration, fertility, etc.), distinguishing between direct and indirect impacts:

- by direct impact of an intervention we mean an impact which directly aims at specific target populations present in a territory (for example, the elderly, migrants, women, etc);
- by indirect impact we mean an impact which indirectly affects specific population targets or demographic challenges in a territory (for example, social infrastructures or transportation and environmental infrastructures indirectly affecting women's, older people's and migrants' living conditions and behaviours) and measures that, even if not directly addressing demographic issues, may contribute, if properly designed and implemented, to supporting adaptation to demographic change.

Table 13: Priority themes addressing demographic change in the 2007-2013 programming period

Area of Intervention	Code	Priority Theme	Expected impact on demographic challenges
Improving access to employment and sustainability	67	Measures encouraging active ageing and prolonging working lives	+++
Improving access to employment and sustainability	69	Measures to improve access to employment and increase sustainable participation and progress of women in employment to reduce gender-based segregation in the labour market, and to reconcile work and private life, such as facilitating access to childcare and care for dependent persons	+++

Area of Intervention	Code	Priority Theme	Expected impact on demographic challenges
Improving access to employment and sustainability	70	Specific action to increase migrants' participation in employment and thereby strengthen their social integration	+++
Improving the social inclusion of less-favoured persons	71	Pathways to integration and re-entry into employment for disadvantaged people; combating discrimination in accessing and progressing in the labour market and promoting acceptance of diversity in the workplace	+++
Improving access to employment and sustainability	65	Modernisation and strengthening of labour market institutions	++
Improving access to employment and sustainability	66	Implementing active and preventive measures on the labour market	++
Information society	10	Telephone infrastructure (including broadband networks)	+
Information society	13	Services and applications for the citizen (e-health, e-government, e-learning, e-inclusion, etc.)	+
Urban and rural regeneration	61	Integrated projects for urban and rural regeneration	+
Investment in social infrastructure	75	Education infrastructure	+
Investment in social infrastructure	76	Health infrastructure	+
Investment in social infrastructure	77	Childcare infrastructure	+
Investment in social infrastructure	78	Housing infrastructure	+
Investment in social infrastructure	79	Other social infrastructure	+

Legend: +++:high direct impact; ++ medium direct impact; + indirect impact.

Source: Authors on Annex II of EC Regulation No 1828/2006.

A strong direct impact is expected, especially from measures promoting access to employment and inclusion of vulnerable population groups (in particular priority themes 67-71), while a less significant, albeit direct, impact is expected for measures generally addressing labour market conditions (priority themes 65 and 66).

Although indirectly, demographic challenges are also addressed with investments in social infrastructures (such as education, childcare and healthcare infrastructures), ICT, and measures designed to improve accessibility to services and applications for the population, and indeed to reduce the marginalization of rural areas.

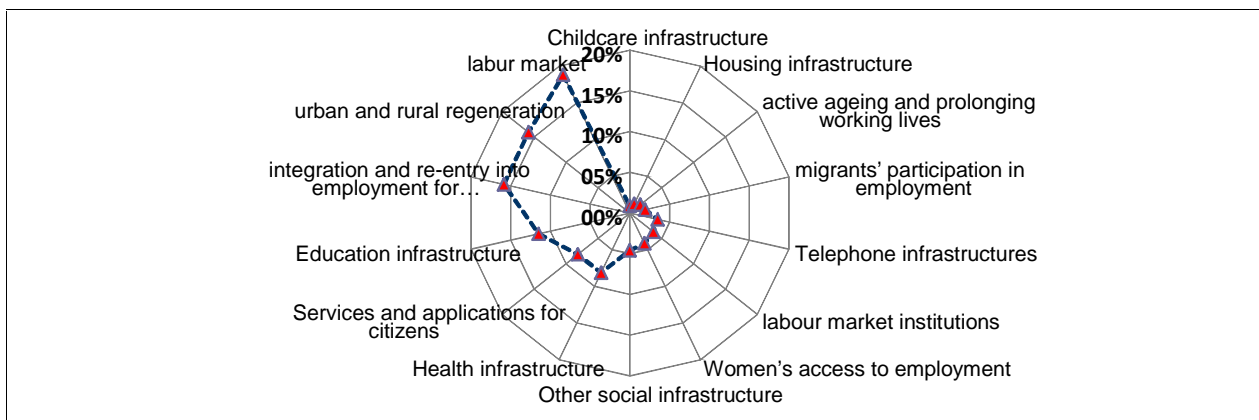
3.1.1 Structural Funds and demographic change: patterns of expenditure

On the basis of the potential impact assessment presented above, the following pages present an exercise showing how many Structural Funds have been attributed to priority themes that may potentially be implemented to tackle demographic challenges.

Bearing in mind the table 13 attribution, a total of EUR 64.1 billion (19% of the total SF¹⁹ allocated to the Member States) have been channelled to potentially demography-related priority themes in all the Member States. In terms of typology of measures financed, it is worth noting that implementing active and preventive measures on the labour market (priority theme 66) absorbs the bulk of SF addressing demographic change, reaching nearly 20% of SF allocated to demographic change related measures (EUR 12.1 billion). Also, a large share (more than 15%) is allocated to measures favouring the social inclusion of disadvantaged persons and to urban and rural regeneration interventions. Conversely, the smallest share of SF is allocated to investments in Health, Childcare and Housing Infrastructure (see Figure below).

The allocation of resources, as described in figure 14 below, confirms that the ESF, which finances mostly interventions to promote education, social inclusion and labour market adaptability is the key financial instrument to tackle demographic challenges directly. On the other hand, ERDF and Cohesion Fund, financing above all investments in infrastructure and ICT projects, play a more indirect – even if no less important - role in tackling demographic change.

Figure 14: SF allocation to demographic change related measures by priority theme (2007-2013). % over total SF allocation



Source: Elaboration based on DG Regio database.

Note: Data represent the share of SF allocation to each priority theme over the total SF allocated to demographic change related measures.

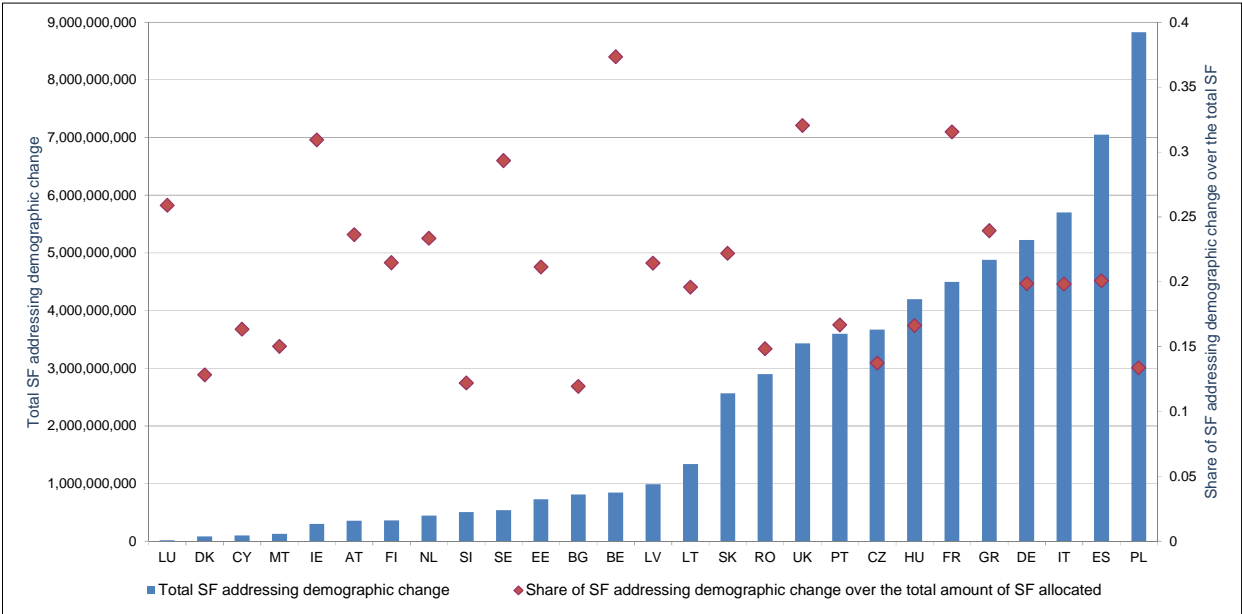
In any case, there are considerable differences amongst the countries. As shown by the figure 15 below, Poland, Spain, Italy and Germany have allocated more than EUR 5 billion to demographic change related measures. It is a very large amount compared to the resources allocated by other EU Member States. Ireland, Denmark, Luxembourg, Cyprus and Malta, for instance, allocated less than EUR 300 million. However, in assessing these differences, it should be borne in mind that the typologies of measures vary significantly among EU Member States. Roughly 30% of the total Structural Funds (344 billion) is

¹⁹ It should be borne in mind that the total SF allocations 2007-2013, used for the purpose of calculation, includes resources made available from ERDF, ESF and the Cohesion Fund.

allocated to Poland (19%) and Spain (10%). Also Italy, Germany and Czech Republic each absorb a large share (more than 7%). Conversely, countries, such as Malta, the Netherlands, Slovenia, Sweden and Finland, have at their disposal less than 1% of total SF.

It is interesting to see how each country ranks when the amount of resources allocated to demographic change related measures is compared to the total SF at their disposal. As shown by figure 15, Belgium, the UK, France and Ireland are the countries allocating more than 30% of the SF at their disposal to such priorities, while Poland ranks, together with Denmark, Slovenia and Bulgaria, among the countries allocating less than 15%. Interestingly, Belgium is investing EUR 841 million, which is significantly below the resources allocated in Poland (3,6 billion) but represents roughly 40% of total SF at its disposal.

Figure 15: SF allocation to demographic change related measures by country (2007-2013)



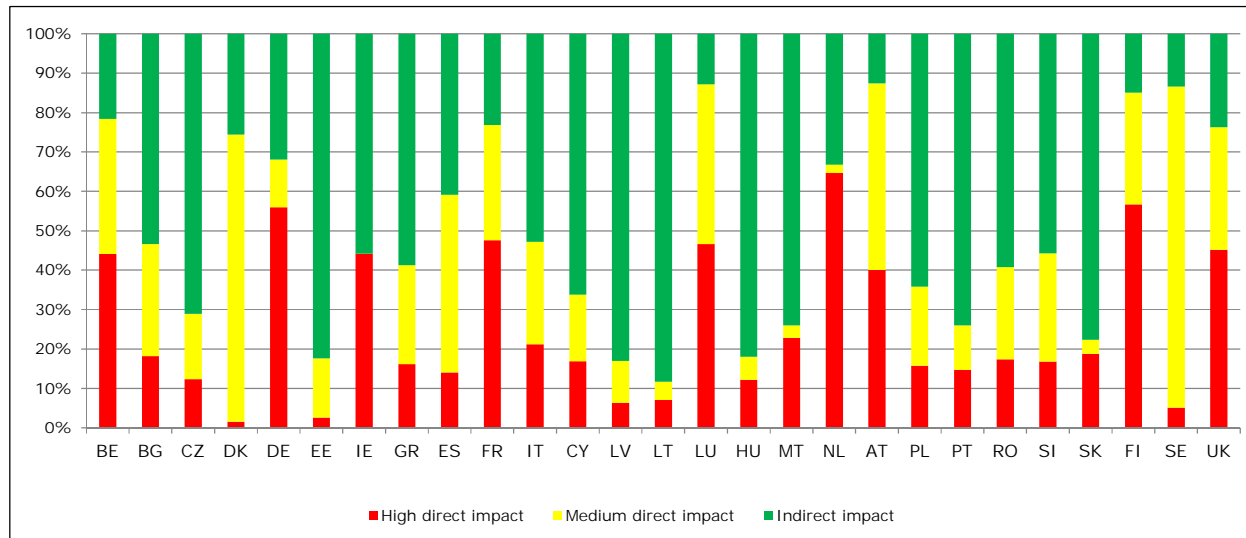
Source: Elaboration on DG Regio database.

Focusing on the resources allocated to demographic change related measures, it is worth noting that Germany, Finland and the Netherlands are the countries investing the largest share (more than 50%) in those priority themes which, according to our assessment (see Table 13), are likely to have a strong direct impact on the major aspects of the demographic challenges. Conversely, Estonia, Latvia, Lithuania and Hungary are largely focusing resources (more than 80%) on priority themes which are expected to have an indirect impact.

Interestingly, Poland and Spain, the countries allocating the largest amount of resources to demographic change related measures (Figure 15), focus mostly on measures assessed to have a medium or indirect impact on demographic change issues.

From figure 15 it will be seen that Belgium, France and the UK are the countries allocating the largest share of SF at their disposal to demographic change related measures. Figure 16 below shows that in these countries roughly 50% of these resources are allocated to finance measures with direct impact on demographic change dimensions.

Figure 16: SF allocation to demographic change related measures by country and expected impacts (2007-2013)



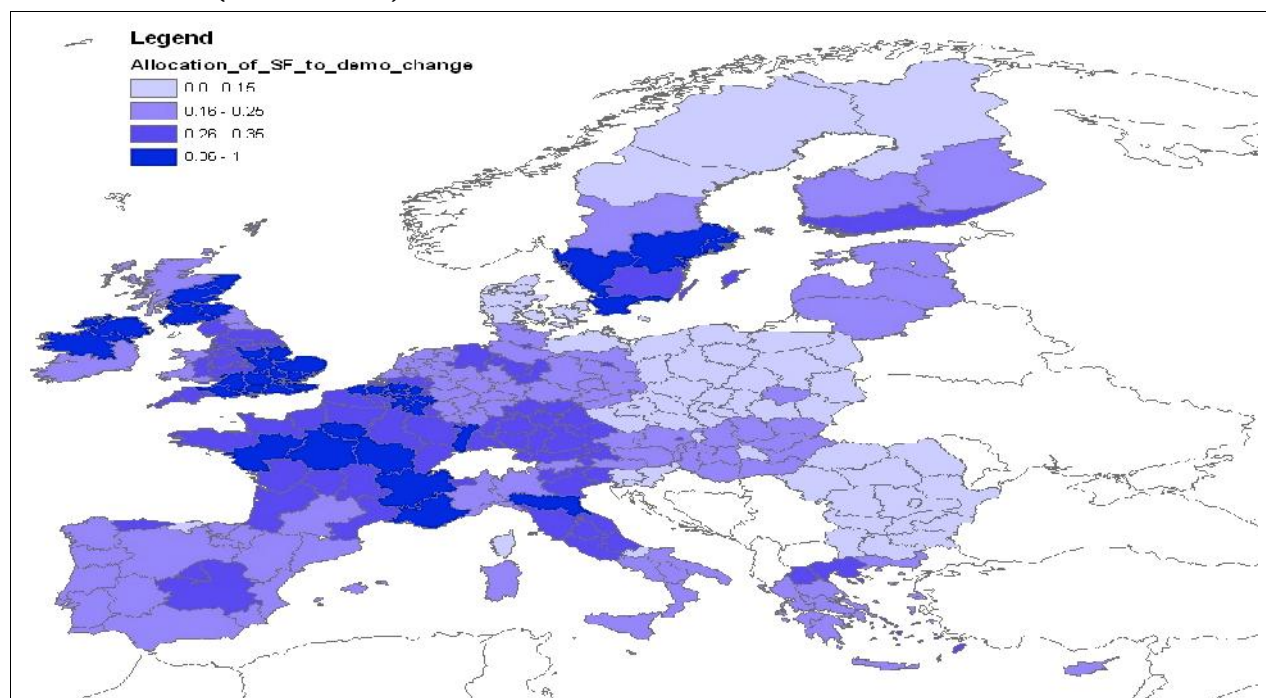
Source: Elaboration on DG Regio database.

At the regional level, it emerges that the majority of European regions have directly or indirectly allocated more than 15% of SF to demographic change related measures. A high number of regions allocated from 16% to 25% of the total SF at their disposal – notably regions in Spain (except for Castilla La Mancha and Principado de Asturias allocating nearly 30% of SF), Greece, Italy (Southern regions plus Liguria, Lombardy, Piedmont and the Autonomous Province of Bolzano), Northern Germany, Austria and Hungary. These regions are facing average or weak economic growth and have to cope with different demographic challenges, such as population decline combined with an increase in the numbers of aged people or population growth due to large migration flows.

Interestingly, regions in the UK, Ireland, France, Belgium, Italy and Sweden have allocated the largest share of SF to demographic change related measures. In some regions, such as Ile de France and Brussels Capital, more than 50% of SF is allocated to measures related to demographic changes. These regions are predominately covered by programmes promoting competitiveness and employment, and before the crisis were enjoying economic growth. Demographic pressures in such regions are of two different natures: they are either facing population growth and large-scale migration or population decline and increase in the old age dependency rate.

The Eastern European regions are allocating the smallest share of resources. Reference here is, in particular, to some regions in Poland, Slovenia, Czech Republic and all the Bulgarian and Romanian regions, which according to the cluster analysis are covered by Convergence programmes and include predominantly rural areas characterized by weak economic growth and population decline. Among these are also all the regions of Denmark and some regions located in Finland, Sweden and the Czech Republic.

Figure 17: SF allocation to demographic change related measures by regions (2007-2013)



Source: Elaboration on DG Regio database.

The maps below illustrate how the European regions have allocated resources among the different measures directly or indirectly related to demographic change. For the purpose of the analysis, the priority themes presented in table 13 have been grouped in the following areas of interventions:

- Information society including the provision of telephone infrastructure and service and application for citizens (Priority themes 10 and 13);
- Urban and Rural regeneration including projects for urban and rural regeneration (Priority theme 61);
- Improving access to employment and sustainability including measures on the labour market, measures dealing with the ageing population, the low fertility rate and migration (Priority themes 65-70);
- Improving the social inclusion of less-favoured persons including measures promoting the social inclusion of disadvantaged people (Priority theme 71);
- Investment in social infrastructure including the building or modernization of education, health, care and child-care infrastructure (Priority themes 75-79).

As mentioned above, improving access to employment and sustainability is the area of intervention in which the regions have allocated relatively more resources. In some regions (mostly in Sweden, Spain and Denmark), it accounts for more than 70% of the SF allocated to demographic change related measures (Map c in Figure 18). These are, in particular, regions characterized by positive economic growth and innovation, the presence of urban or intermediate areas and showing a growing population (mostly belonging to the clusters 1 and 2 identified with the cluster analysis). Accordingly, they concentrate mainly on implementing active and preventive labour market measures as well as improving labour market conditions for women. By contrast, the Convergence regions in Italy, Portugal,

Hungary and the Baltic countries invest rather less in this area, concentrating mostly on investments in social infrastructure (as shown map e in Figure 18).

Social infrastructure is the area ranking second in terms of share of SF allocated by European regions to demographic change related measures. Regions in East Europe have allocated more than 50% of the SF at their disposal to finance the creation or modernization of social infrastructure. Conversely, regions located in Finland, the UK, Germany, Sweden, the Netherlands, France and Italy (mostly in the northern and central part of Italy) have allocated rather fewer resources to financing social infrastructure investments, channelling more resources into enhancing the social inclusion of disadvantaged people as well as improving access to employment and sustainability (Maps c and d in Figure 18).

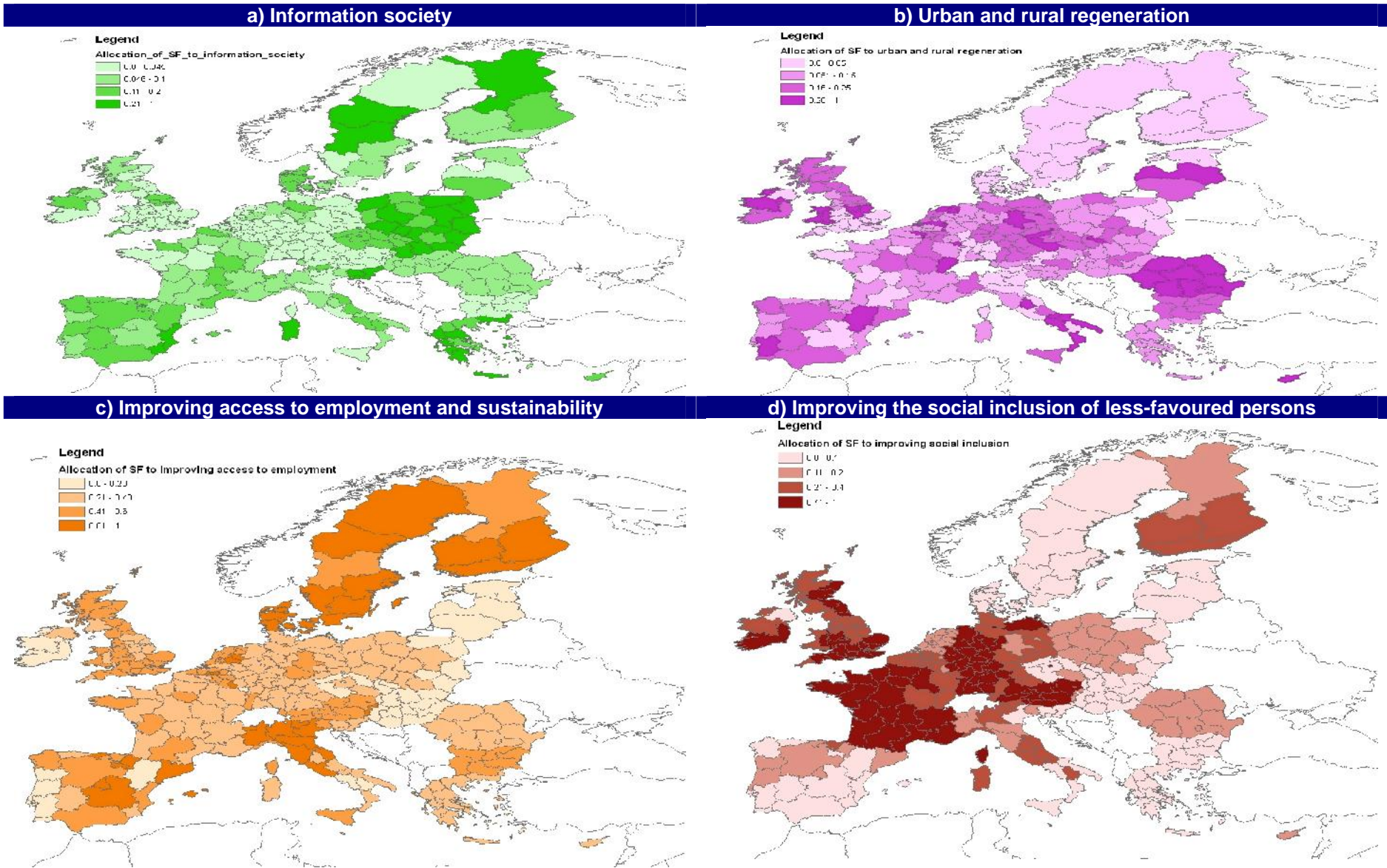
Measures designed to enhance telephone infrastructure and provide services and applications for citizens in general receive fewer funds at the regional level than the other measures related to demographic change²⁰, although they take on greater importance in peripheral regions such as Pohjois-Suomi (Finland), Norra Mellansverige (Sweden) and Gibraltar (UK). They are, in fact, involved in the challenge of ensuring accessibility to services of general interest to the most remote areas, and consequently the largest share of the SF at their disposal is invested in these measures.

Finally, regions which have allocated large shares of SF (more than 40% of the SF at their disposal) to urban and rural regeneration are located in Italy (Campania and Calabria), Germany (Berlin and Saarland), the Netherlands (Noord-Brabant and Zeeland) and Cyprus. These regions include predominantly intermediate or rural areas.

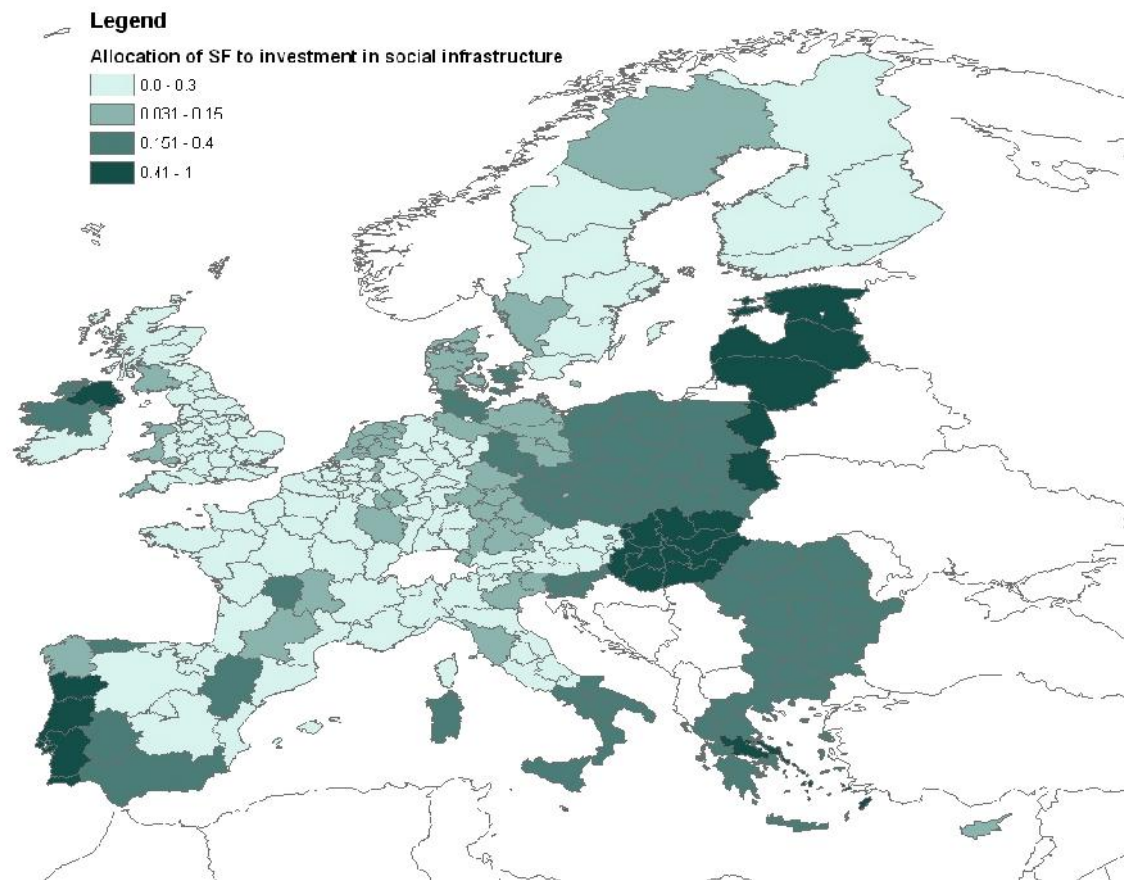
Apart from the regional features in terms of demographic challenges, this analysis highlights the fact that the typology of SF programmes is also a determining factor in terms of amount and type of expenditure. In fact, areas belonging to the Convergence objective are investing fewer SF resources in measures aiming at tackling demographic change than the regions covered by the Competitive and Employment objective. These different expenditure patterns can be accounted for with the fact that the convergence regions, lagging behind from the economic point of view (the GDP is less than 75% of the EU average), allocate a large part of their resources to finance the provision of basic infrastructures (e.g. waste and water treatment plants, transport infrastructure, etc.) in order to reduce the gap in physical endowment with the more prosperous EU regions. By contrast, regions covered by the Competitiveness and Employment objective are characterized by more favourable economic conditions, and programmes are more focused on enhancing soft factors of competitiveness to make their territory more attractive to business and investors. Consistently with this objective, the regions pay more attention to measures improving the quality of life for the population, including better social infrastructure, adaptability of disadvantaged groups, reconciliation of private and work life, etc.

²⁰ This priority theme was also assessed as having minor indirect impact.

Figure 18: SF allocation to demographic change by area of intervention (2007-2013)



e) Investment in social infrastructure



Source: Elaboration on DG Regio database.

3.2 The role of Cohesion Policy in tackling the demographic challenges as internalized in National Programming Documents

In order to further investigate whether attention to demographic challenges has also been paid at the national level, the exercises presented above are supplemented with a textual analysis of the 27 2007-2013 NSRF. The NSRF textual analysis was structured to cover the following issues in order to detect if and in which part of the policy cycle attention to demographic issues was shown.

- Context analysis
This dimension refers to the extent to which elements related to demographic change are addressed when assessing strengths and weaknesses of a country/region
- General objectives and strategy design
This dimension refers to the extent to which the stated general objectives mention elements related to the way the Country/Region can adapt to demographic change
- Specific objectives and measure design
This dimension refers to the extent to which the stated specific objectives and measure design mention elements related to the way the country/region can adapt to demographic change
- Procedures envisaged for the selection of projects/interventions
This dimension refers to the presence of project selection procedures taking into account elements related to demographic change
- Monitoring and evaluation systems
This dimension refers to the extent to which demographic issues are taken into account in monitoring and evaluation indicators and activities.

The first significant finding is that internalization of demographic issues is only related to the context analysis (all 27 NSRFs) and to some extent when dealing with general objectives and strategy design and measures. No explicit reference was detected to the presence of projects, selection procedures and monitoring and evaluation activities taking into account elements related to demographic change. This implies that demographic challenges are still considered contextual elements from which to derive (some) policy strategies and objectives (programming phase) but they are not considered when identifying procedures and tools (implementation phase).

3.2.1 Context analysis

As anticipated, all the NSRFs make explicit reference to policy issues that may be linked to demographic changes in the part dedicated to the context analysis. In some cases (10 NSRFs) a specific section is dedicated to these topics. However differences can be seen between the different countries with regard to which policy issues and which specific characteristics of the population (for example, age, nationality) and their past and future dynamics are identified.

The table below summarises the presence of demography-related policy issues and population targets for all the 27 NSRF.

Table 14: Demographic relevant policy issues and population targets in context analysis by NSRF

	Specific Paragraph (Y/N)	Fertility rate	Elderly people ageing	Dependency rate	Immigrants	Ethnic Minorities	Population Density	Emigration (Brain drainage)	Urban-Rural area	Polycentrism concentration
AT	N		✓		✓				✓	✓
BE	N		✓	✓	✓		✓		✓	✓
BG	N	✓	✓	✓				✓	✓	
CY	Y	✓	✓	✓					✓	✓
CZ	Y		✓		✓	✓			✓	✓
DE	Y		✓		✓				✓	
DK	Y		✓		✓				✓	✓
EE	Y		✓			✓		✓	✓	
ES	N	✓	✓	✓	✓				✓	
FI	Y		✓	✓			✓		✓	
FR	N		✓	✓	✓				✓	
EL	N		✓		✓			✓	✓	
HU	N		✓	✓					✓	✓
IE	N		✓		✓				✓	✓
IT	Y		✓		✓				✓	
LT	N	✓	✓	✓				✓	✓	✓
LU	N		✓		✓				✓	
LV	Y	✓	✓					✓	✓	✓
MT	N		✓	✓	✓		✓			
NL	N		✓		✓					✓
PL	N	✓	✓		✓			✓	✓	
PT	Y		✓		✓		✓		✓	✓
RO	N		✓			✓		✓	✓	
SE	N		✓		✓				✓	✓
SI	N		✓						✓	✓
SK	Y	✓	✓	✓		✓			✓	✓
UK	N		✓		✓				✓	

Source: Elaboration on EU-27 NSRF analysis.

As the table shows, all the NSRFs make reference to population ageing which, in a context of declining mortality, is the main and indeed most important consequence of prolonged low fertility and increased life expectancy, particularly in the European western countries.

The issue of population ageing is not considered as a standalone concept and is often related to other aspects, especially birth rate reduction and migration flows. All these concepts together are considered to have a strong impact on the pension system, with a projected increase in State spending in this area in the coming years. Even if these aspects are not directly connected to, and financed by, the European Cohesion Policy, countries act through interventions and national reforms included in the Annual Reform Programmes, while many NSRFs point out that if problems arise in welfare state sustainability, replacement of the workforce in the labour market and solidarity ties among generations and nationalities become important issues to be considered.

Some examples from NSRFs:

In the BG NSRF the main characteristics of the demographic crisis lie in the continuous reduction of the birth-rate in the country, demographic ageing of the population, relatively high natural death-rates including infants and children and the large-scale emigration of people in active age. These factors lead to deterioration of the age structure of the population and a decrease in number of the potential labour force.

In CY, medium-term evaluations on demographic changes anticipate a gradual increase of the population over 65 up to the year 2050, unlike the working-age population, raising serious challenges, as in other Member States, for the viability of the social insurance system and pensions. The consequences of gradual ageing also determine to a great extent the content of the medium-term labour market strategy and the development of the workforce.

Population ageing is also relevant with regard to the development of social infrastructure and services to the population over 65. As for the non self-sufficient elderly, problems arise over support services for families and care facilities, as well as health and social care services for elderly people.

Some examples from NSRFs:

In the PT NSRF, demographic dynamics have significant consequences and represent important challenges to public policy. The most important aspects relate to the sustainability of the social security system and necessarily translate into greater demands on the provision of health care, social support for children and the aged in the sense of permitting greater conciliation between work, family and private life and, also, as regards the social change associated with longer working lives.

In the FI NSRF, the regional differences in population trends in FI have an impact on the regions' opportunities and ability to maintain their viability and develop. A decreasing and ageing population with a biased sex structure decreases the supply of labour, increases the need for services for ageing people, renders the overall benefit-dependency ratio unfavourable (because of the increasing old-age dependency ratio) and weakens the municipal economy.

In the LT NSRF, the demographic situation has been rapidly deteriorating in rural areas. This poor rural demographic situation is mostly predetermined by insufficient access to health and educational services, negative changes in labour force demand, and inadequate infrastructure conditions.

Even if associated with population ageing, the issue of decline in the fertility rate is rarely tackled on its own and/or in relation to gender and reconciliation policies. On the contrary, many NSRFs attribute great importance to migration and immigration flows considered as both a threat (depopulation and brain drainage) and an opportunity (new working forces that may substitute elderly European ones).

Some examples from NSRFs:

In the PL NSRF, great importance is, for instance, attached to the lack of territorial flows on the inland labour market (the scale of migration between regions is small, ranging between 10 and 11%), and at the same time continuously growing foreign migrations (especially since Poland's accession to the EU). With the labour markets opening up in

some EU member states, a considerable wage disparity between Poland and EU-15 led to a growing number of jobs hitherto held by Poles migrating abroad.

In the ES NSRF, the issue of intense immigration flows (and their different demographic dynamics in terms of age and fertility rates for instance) is compared with the native population.

In the LT NSRF, the demographic situation is greatly influenced by two trends: emigration and ageing of society. Recent years have been marked by massive emigration to the more developed EU Member States with the newly opened labour markets, and the number of the Lithuanian population has been steadily decreasing – only a few other EU Member States have a birth rate lower than that of Lithuania. In this context the brain drain is a particular problem.

Population ageing is also associated in most NSRFs with a spatial/territorial dimension highlighting two major phenomena: i) the duality between urban and rural areas with the majority of urban poles (and in particular the greater ones) increasing population and most of the rural areas losing population; ii) the population concentration in large urban centres (in many cases the capital cities are enjoying positive demographic development due mainly to immigration from foreign countries and from internal rural areas).

The duality between urban and rural areas is underlined in most of the 27 NSRFs, representing one of the main issues on which European Cohesion Policy (especially that financed through ERDF) can play its role, influencing future demographic changes.

This issue is first of all considered in relation to the emphasis given to depopulation in rural areas which, especially in the last few years, have “lost” a substantial share of young population, depriving them of labour forces and thus contributing to social and economic weaknesses and lack of infrastructures.

Some examples from NSRFs:

In the BG NSRF, development of the rural areas is hindered by the negative demographic trends, which are much sharper than in the urban areas.

In the PL NSRF, it is stressed that the rural areas are characterised by few and inadequate markets, financial and production service organisations, difficulties in access to basic social services (education, culture, health) and lack of non-agricultural jobs, while insufficiently developed technical infrastructure is among the obstacles to development in those areas.

In the CY NSRF, the rural areas present a general decline and are under-populated with strong trends towards urbanism and population ageing. As a result, in spite of the fact that they make up 82.6% of the total area of Cyprus, the rural areas are occupied by a mere 24.3% of the population. The decrease in population is more evident in the mountainous areas.

In the FI NSRF, it is underlined that the rural areas must be provided with the essential basic services, infrastructure, communications, and business services that are the key to business operations and living in the area. Sparsely populated areas, in which market-oriented private activities do not suffice to cover all the necessary services, must look for innovative solutions and networking with developing population centres.

In the CZ NSRF, the dualism of urban and rural areas is seen as one of the weaknesses in the country’s development and regional cohesion, considering that the dense network of small and medium-size towns hinders the emergence of stronger poles that could become

key in regional development, thus constituting the foundations for a network extending evenly over the entire territory.

In the FR NSRF, problems related to the differences between urban and rural areas are considered for metropolitan FR, the rural areas showing negative demographic trends, while the urban areas show a very high natural increase and net migration. For all areas, the ageing of the population is considerable.

Migration flows from rural to urban areas are strongly and closely connected to the role of the large urban centres (especially in Eastern European countries – e.g. BE, CZ, SK, HU), which have become particularly attractive for rural and immigrant populations. Territorial agglomeration has increased in many countries bringing about markedly uneven population distribution. In contrast to these agglomerations are the interior and sparsely urbanized areas where the absence of a critical urban mass inhibits economic development and access to advanced services, in some cases compromising the capacity to reverse the trend towards depopulation.

Some examples from NSRFs:

In the PT NSRF, the urban systems are considered to have a central role in the process and rate of cohesion and competitiveness of the Portuguese regions. In a context of intensifying urban concentration in areas of lower population density, one of the main obstacles to competitiveness in Portugal continues to be the structuring of the urban system. In truth, the fact that half the Portuguese population live in urban areas reflects, above all, the heavy concentration in the Lisbon and Oporto Metropolitan Areas.

In the SK NSRF, settlement centres and core settlement areas act as growth poles, supporting the relationships between individual regions and ensuring the transfer of growth effects between them. The level of their development depends on their geographic location and the availability of basic public infrastructure influencing the natural growth of population, migration of population and movement of capital, goods and services in the territory.

Besides the creation of large urban centres, some NSRFs also underline the phenomenon of sub-urbanisation and the polycentrism of a network of small/medium cities. These are relatively new phenomena for the continental urban dynamics and are particularly evident in the Eastern and Central part of Europe (CZ, SK, HU), as well as Southern European countries like Italy.

Some examples from NSRFs:

In the LU NSRF, the rural exodus has dwindled out and we can now speak of urban migration, since the population of the country's major cities shows no significant increase, and is characterized by growth rates below the national average. However, this demographic shift has faced the rural world with new and radical structural changes as it gradually turns into a residential area for people working in urban areas. The phenomenon of suburbanization has transformed the areas in the closer periphery of the urban centres into a zone of transition, called "rurban" (a mixture of urban and rural).

In the IT NSRF, reference to demographic issues is made when describing the territorial context, especially with regard to significant differences between urban and rural areas, and focusing on the peculiarity of Italian urban polycentrism and on the growing importance (also in terms of inhabitants) of districts or small cities very close to major urban centres. The smaller towns show the higher percentages of elderly people.

Another aspect tackled by NSRF context analysis in relation to demographic challenges has to do with the presence of ethnic minorities showing positive demographic dynamics. Such is the case, for example, of the Central European countries (CZ, RO, SK) where the ROMA population is also numerically important.

Some examples from NSRFs:

In the SK NSRF, the situation of the ROMA population is highlighted with specific reference to demographic dynamics. For example, it is said that the age structure of the Roma population is very different from the Slovakia-wide and EU averages. The share of younger age groups is significantly higher, while the number of people in the productive age or of the elderly is lower. This is the result of the higher birth and mortality rates of the Roma population. Specific problems of social exclusion include spatial separation or segregation of Roma people in isolated settlements near communities or towns (ghettos), which lack the necessary infrastructure and offer only a low quality of living.

3.2.2 Strategy, objectives and measures

On the evidence of the main features previously identified with the context analysis, many NSRFs indicate in their strategies a set of policies and measures to cope with the multi-dimensional aspects of demographic change. Cohesion Policy can put into practice various initiatives on various scales and for different types of territories, from urban to rural, to peri-urban areas, and endeavouring to address the problems of demographic change with a place-based approach.

The following table 15 lists the main 8 priority themes of the Structural Funds (ERDF, ESF and Cohesion Fund) indicating when NSRFs objectives and measures make reference to demographic challenges.

Table 15: Reference to demographic challenges in strategy, objectives and measures by priority theme

	ERDF				ESF			
	1 Social infrastru- cture	2 Information society	3 Transport	4 Urban and rural regeneration	5 Increasing the adaptability of workers and firms	6 Improving access to employment and sustainability	7 Improving human capital	8 Improving the social inclusion of less- favored persons
AT	✓			✓	✓			
BE	✓			✓		✓		
BG	✓			✓		✓		
CY	✓	✓	✓	✓				
CZ	✓			✓		✓		✓
DE	✓			✓				
DK	✓			✓				
EE	✓			✓		✓		
ES	✓			✓			✓	
FI	✓	✓		✓				
FR	✓			✓	✓	✓		
EL	✓			✓				
HU	✓			✓				✓
IE	✓	✓		✓				
IT	✓			✓	✓	✓	✓	
LT	✓			✓		✓		
LU	✓			✓				
LV	✓	✓		✓		✓		
MT	✓			✓	✓	✓		

	ERDF				ESF			
	1 Social infra- structure	2 Information society	3 Transport	4 Urban and rural regeneration	5 Increasing the adaptability of workers and firms	6 Improving access to employment and sustainability	7 Improving human capital	8 Improving the social inclusion of less- favored persons
NL	✓			✓				
PL	✓		✓	✓		✓	✓	
PT	✓			✓				
RO	✓		✓	✓		✓	✓	✓
SE	✓			✓				
SI	✓	✓	✓	✓				
SK	✓			✓		✓	✓	✓
UK	✓			✓	✓			

Source: Elaboration on EU-27 NSRF analysis.

As shown in the table, the first priority field Investment in Social infrastructure and the fourth priority field Urban and rural regeneration are associated with demographic challenges in all the NSRFs.

Investment in social infrastructures includes measures regarding social and physical infrastructures that are in all cases associated with the objectives of i) improving the living conditions of the elderly population; ii) stimulating active ageing; iii) reducing the isolation of rural and marginal areas. All the MSs included these measures in their NRSFs to improve the social and economic conditions of their rural or urban areas.

In most of the cases, the NSRFs call for an integrated Regional Policy able to link national and EU financing instruments considers regional and local characteristics, and increases networking and interaction between rural and urban areas in which the objectives of rural development include the maintenance of basic services and the extension of private services and the enterprise base.

Some examples from NSRFs:

In the ES NSRF, the measures under this priority are envisaged to prevent the under-population of specific areas, especially rural areas, leading to the concentration of population in a limited number of municipalities. For this reason it is necessary to ensure the sufficiency of the urban and social infrastructures, and to conceive cities and municipalities as integrated poles for the creation of opportunities and employment, where the appropriate quality of life should be guaranteed by protecting and preserving the environment.

In the HU NSRF, the institutional system of social and childcare services enhancing social inclusion is stated to be restructured in harmony with the development of contents in such a way that the small and micro-regions have larger resources, and the larger settlements are enabled to provide the infrastructural basics also for people living in small villages.

Thus an approach integrated with the Urban and Rural regeneration Priority field is followed. Within this latter priority, measures in many cases specifically address the marginalized areas, i.e. the rural and scarcely populated areas, with the aim of countering depopulation or contributing to social and economic development. The continuing decrease of the population in the rural areas, and the significant dependence of the remaining population on farming in many countries (CY, LV, LT, EE, RO, PL) raise serious difficulties in

accessing basic services, and have a negative impact on the sustainability of balanced territorial development, resulting in degradation of the natural environment and the quality of life of the inhabitants. Hence the measures designed to intensify efforts for the diversification of the rural economy, which would also help to enlarge the overall productive base of the economy.

Some examples from NSRFs:

In the ES NSRF, the measures under this priority are envisaged to prevent the under-population of specific areas, especially rural areas, leading to the concentration of population in a limited number of municipalities, for which reason it is necessary to ensure the sufficiency of the urban and social infrastructures, and to conceive cities and municipalities as integrated poles for the creation of opportunities and employment, where the appropriate quality of life should be guaranteed by protecting and preserving the environment.

In the MT NSRF, Priority Axis 6 "Urban regeneration and improving the quality of life", including intervention lines to invest in the health, social and education sectors and to foster urban regeneration and integrated local development.

In the FI NSRF, under the objective of bridging gaps in development between areas, integrated approaches to rural development and promoting interaction between urban and rural areas were introduced. Eastern and Northern Finland are sparsely populated areas. However, the services and population of the areas are concentrated, so that the rural areas face the challenge of maintaining the services and a viable economy in the context of a decreasing and ageing population. With a view to balanced regional development, different areas have started to build on their own development potential, and the aspects to be considered include specialisation, knowledge, the importance of social capital, and the quality of life.

In the CY NSRF, a specific objective was introduced at the level of Development of Sustainable Communities in urban and rural areas. This objective is achieved through a combination of interventions (differentiation of economic activities; promotion of culture and social infrastructures). In rural areas, the interventions aim at making these areas more attractive through improved accessibility but also through creation of the preconditions for the maintenance of the population. The further upgrading of the road network connecting urban and rural areas will contribute towards improving accessibility, especially for the inhabitants of rural areas, whilst interventions will also be promoted for the creation of the preconditions for differentiation of the local economies.

In the CZ NSRF a Strategic Objective is devoted to Balanced Development of Territory: Balanced and harmonious development of the whole territory of the CZ achieved by mitigating disparities between regions and within regions.

In the BG NSRF, the main interventions with an impact on demographic issues are envisaged under Priority 4 Supporting Balanced Territorial Development, with respect to Rural Areas. The measures and actions planned within the Programme for Rural Development aim at enhancing the quality of life and working conditions in rural areas and countering the negative demographic tendencies. In addition, the Cohesion Policy will promote sustainable rural development with investments in human and physical capital, as well as basic infrastructure in rural areas.

In the PL NSRF, two objectives, Enhancing the competitiveness of Polish regions and preventing their social, economic and spatial marginalisation and Balancing growth opportunities and supporting structural changes in rural areas imply the elementary directions for usage of all financial resources made available within the NSRF.

Those objectives would be taken into consideration not only in the event of implementation of tasks directly addressed territorially (within regional operating programmes and territorial cooperation programmes, as well as within some sectoral programmes), but would additionally be taken into account in planning national infrastructural investments, expenditures related to human capital and education as well as support for enterprises. Such an approach would serve directly in the pursuit of the desired territorial effect within sectoral programmes (e.g. forming a network of motorways and expressways providing links between urban centres and the marginalisation of certain regions by ensuring inclusion of the peripheral areas the national and European transport network).

Also in the RO NSRF, the rural areas are stated to be over dependant on agriculture while the infrastructure and support services for business are very poor or non-existent. There is a need for a more structured approach at the territorial level of various sectoral and inter-sectoral development policies and derived measures. As a consequence Promoting Balanced Territorial Development was a priority of the Romanian NSRF. The territorial strategy responds to the territorial development needs of Romania and aims to ensure coherence for the investments and strategic actions planned, as well as achieving the greatest possible impact in terms of economic and social development. Thus, the NSRF will seek to contribute to stopping and, hopefully, reversing the increasing trend in regional development disparities, in line with the National Strategy for Regional Development and the development strategies of the eight NUTS II Regions, by improving infrastructural conditions, the business environment and the human capital to facilitate economic growth.

At the same time, the increase in the concentration of population in urban areas makes it crucial to satisfy urban sustainability needs in order to achieve the general objective of global and balanced development.

Enhancement of the urban system and the inherent social and economic qualification of the cities are also underlined with reference to the objectives for the development of urban areas or major cities/pole of attraction.

Some examples from NSRFs:

In the EL NSRF, the measures under this priority are envisaged to prevent the under-population of specific areas. Sustainable urban development in EL refers to the totality of the country's urban centres and settlements with urban functions such as prefecture capitals or the urban centres of rural areas. For these centres, the aim of sustainability refers to both their functionality, in terms of remedying deficiencies in infrastructure for many of them, and to their economic viability, in the sense of a competitive productive model combined with an efficient administration system. The development poles of the country are the key element for the development policy of the Programming Period 2007-2013. These are specific urban centres or areas with notable development dynamics and urban sprawl. The intention is to reinforce these poles in order to improve their functionality, to deal with internal depressed areas, and to carry out appropriate and timely planning for the areas coming under the pressure of urban development.

In the NL NSRF the big cities play an important role in the economy because of the concentration of economic activities, knowledge institutions and people. Cities are a source of modernisation and offer the cultural living and working environment in which ever more internationally operating businesses thrive. However, the city is not a closed unit. Increasingly often, cities form a hub in international, national and regional networks. Through suburbanisation, ever more businesses and people have moved towards or over

the city boundaries. The distances over which businesses and people operate are becoming ever greater. This means that nowadays it is rare for one city alone to be able to exploit opportunities and tackle constraints. Cooperation with other cities, provinces, business community and knowledge institutions within and outside the city is essential to tap the potential of this city and region to the full. Although action by the cities must therefore primarily be in the regional context, there are also typically urban tasks, such as improvement of the accessibility of inner cities, restoration of the urban establishment environment, for example through the development of run-down areas zoned for economic activities and public areas, green spaces in the city, investment in cultural heritage and cultural amenities, the (re)development of centre functions, for example around high-speed line locations, and boosting the district and neighbourhood economy. This priority axis must contribute to increasing socio-economic vitality. The following objectives apply here: 1) to boost the urban and district economy; 2) to improve the level of amenities and the spatial quality of the living and working environment; 3) to foster liveability, (economic) participation and social cohesion.

In the RO NSRF, attention is paid to the different territorial development needs of Romania in order to achieve the greatest possible impact in terms of economic and social development. The strategy will have a polycentric approach, by targeting development of the national urban network. This approach is facilitated by the relatively even distribution of urban localities across the country. Within this framework, the NSRF strategy will target the development of existing or emerging growth poles / corridors. It will seek to create the conditions for concentration of development in areas around the poles/corridors as well as efficient connection network at the regional, national and trans-European level. The dynamic regional poles will be reinforced through improved accessibility and interconnectivity, better conditions for living and for business development, more efficient use of the human resources and better governance.

In the AT NSRF, developing attractive location spaces while maintaining balanced spatial structure is a key objective together with the contribution to balancing the regional economic disparities and polycentric development to link up with and the integration of cities and regions.

The other two ERDF Priority themes, Information society and Transport, receive less mention with reference to demographic change issues in the NSRFs.

When mentioned, however, the Information society is associated with social and health infrastructure using virtual technologies (for example telemedicine, especially in those countries where the development of electronic health services is at very low levels, since the use of electronic services in hospitals and medical centres is very limited) and with the networking and telecommunication interaction between rural (less populated and at a distance from many services) and urban areas (where the services are usually based). In some cases, it is also related to the development of human capital, and especially the more disadvantaged capital.

Some examples from NSRFs:

In the CY NSRF, an eHealth strategy, which includes the efficient use of Information and Communication Technologies in a broad range of applications and operations in the health sector (such as integrated computer systems for hospitals, introduction of the electronic patient card, Ministry of Health website, introduction of telemedicine) is presented with the aim of providing the best possible medical care at a lower cost. The development of

telemedicine services will also contribute to the upgrading of the medical services provided in rural areas.

In the FY NSRF, it is underlined that maintaining and strengthening the development potential of sparsely populated areas mean reduction of distance-related disadvantages and development of the rural areas' own development potential and innovation systems. Rural development during the oncoming programming period will be based on specialisation and networking in and between the areas and nationally, which is necessary in order to speed up the dissemination and introduction of innovations.

In the IE NSRF, it is stressed that Ireland requires access to reliable and cost competitive communications services. The objective should be to increase the rate of broadband uptake, particularly outside the larger urban centres, and to ensure the universal availability of high-speed internet access to both enterprise and service users. This is important if the approach to regional development based on innovation, knowledge-based and high value added enterprise, is to have effect. Lack of competition among service providers, high prices and local access infrastructure deficits in regional centres have been features of Ireland's broadband market. Metropolitan Area Networks and other infrastructure investment in rural areas have the potential to make significant inroads in areas of the country with a demonstrated demand for broadband but with clear market failure to provide the service.

In the LT NSRF, the existence of effective and widely available information exchange mechanisms is a precondition for development of the information society and knowledge-based economy. Actions are taken to bridge the "digital gap" in society determined by inaccessibility of informational and knowledge resources due to remoteness of residence, limited incomes, or insufficient skills of certain population groups.

The transport Priority field is also seen as a way to increase connections between the different spatial areas within a national territory and to ensure an efficient flow of goods and people that may positively affect the internal economic social and territorial cohesion of a country.

Some examples from NSRFs:

In the SI NSRF, balanced development of social and economic infrastructure in urban areas including the provision of clean transport systems and public transport, creation of land registers for economic public infrastructure, complete renovation of old city cores and historic towns and degraded and abandoned urban areas. The key activity of the development priority is the establishment of networks of economic-development-logistics centres in areas where sufficient critical mass of knowledge is ensured as well as sufficient concentration of economic activities and development potentials together with adequate population concentration. These centres represent the core projects in their immediate and wider environment, and also in regions.

In the PL NSRF, the poor state of technical infrastructure, especially transport and social infrastructure, is indicating as cause of the lag behind other EU countries and a serious barrier to development, also adversely affecting the volume of foreign exchange and limiting the population's mobility.

In terms of ESF Priority themes (Priority 5-8), various different strategies and objectives are mentioned in relation to demographic issues: supporting workforce adaptability can address the adaptation of working conditions to the needs of an ageing workforce; employability and social integration measures can support the employment of immigrants

and ethnic minority groups, women and older workers; and measures supporting investment in human capital and lifelong learning can address the training needs of an ageing work force. Furthermore, measures to improve the institutional capacity can help the national and regional institutions and, indeed, the stakeholders to focus greater attention on the demographic challenges, while Territorial Cooperation Programmes can favour the exchange of experiences and good practices in relation to demographic issues.

Among the four Priorities, it is the Priority related to Improving access to employment and sustainability that appears most closely connected to demographic issues in the NSRFs. In many cases, this means enhancing human capital in terms of both the young and the elderly.

Some examples from NSRFs:

In the LT NSRF, a specific objective lies in encouraging Lithuanians living abroad to return to Lithuania and reintegrate there, as well as preventing further emigration on the part of Lithuanians. It was expected that the above activities would improve the migration balance by boosting return migration and reducing emigration. The main goal was to mitigate the adverse consequences of the growing deficit of labour force on the then booming Lithuanian economy. With regard to the labour market development trends in Lithuania (e.g. ageing, still increasing emigration, shortage of competent and qualified labour force), several other priority objectives are set: development of knowledge and adaptability to change for employed people, inclusion of young persons in the labour market and retaining as long as possible those intending to leave it (retire), as well as inclusion of economically inactive persons in the labour market.

In the EE NSRF, considering the demographic situation of the state but also the growing mobility of the labour force, attention is paid to labour force migration issues, with regard to both migration and immigration.

In the LV NSRF, the strategy takes education and knowledge as the most important resources to drive the future economic growth of the country. Because the current demographic situation suggests no quantitative increase in the population in the coming decades, special attention must be paid to efficient utilisation and further development of human resources in the period 2007-2013. As for the efficient utilisation of human resources, providing adequate education, increasing qualifications and upskilling, and ensuring training for the young workforce are important preconditions. For the period 2007-2013 the most important task is to increase the adaptability of the education system to the constantly changing labour market requirements, as well as ensuring its capacity to produce a labour force meeting the needs and trends of future economic development and progress towards a knowledge-based economy. To implement the above task, substantial improvements are required in both the quality and the accessibility of education, including the accessibility to education for people at risk of social exclusion. Improvements to the quality of education require considerable EU assistance for educational curricula, infrastructure, materials and technical facilities (teaching materials, utilities, facilities, equipment) and for the teaching staff and their qualifications, in particular retraining the academic and applied science personnel. Sufficient numbers of highly qualified specialists and workers are critical for both the development of higher education and the enhancement of scientific potential, as well as ensuring effective knowledge transfer; therefore the EU fund assistance should be made available to reduce the drain of these specialists from the country, and to promote return of the emigrated specialists, as well as attracting additional human resources from abroad. In this area, assistance in improving public services and infrastructure and soft investments in human capital must be mutually coordinated and complementary.

In the RO NSRF, reversing the 'brain drain' and improving employment levels will be achieved by encouraging higher quality of work. These actions will link up with the strategy of the Competitiveness thematic priority. The social services and health provision together with health and safety at work will complement the quality improvements sought and will aid productivity.

In the SK NSRF, the priority axis of Fostering Growth of Employment is oriented towards boosting employment and reducing unemployment through active labour market measures aimed in particular at young people, the elderly and the long-term unemployed, promoting the updating and acquisition of new skills, support for persons far removed from the labour market, and support to increase geographical and national labour mobility.

In the PL NSRF, specific considerations are advanced on the highly unfavourable conditions for young people entering the labour market and older people with poor professional qualifications, as well as persons with disabilities. The absence of satisfactory conditions for a start in life, and first of all for the younger generation, has recently been leading to a considerable migration of people in search of education and jobs abroad, and the loss of jobs by older persons: remaining jobless over time means remaining professionally passive. As for human capital and its connection to demographic change, the Polish national strategy advocates employing all affordable measures that could bring about a minimisation of the socio-economic costs of the change in the population's age composition. It claims that in order to cope with the demographic challenges, Poland will need above all to boost the economic activity of its population considerably. This, first of all, requires lengthening the active lifespan and delaying retirement. To achieve this target more jobs have to be created. Auxiliary measures include those that foster fertility increase, and (especially in the short-run and in the cases of selected local labour markets) the inflow of migrant workers.

At the same time, it is also necessary to enhance the adaptability of workers and firms. In view of the demographic trends and aging labour force, developing the employability and skills of unemployed and economically inactive people is a key objective for many NSRFs. In order to increase labour market flexibility attention is also paid to developing and disseminating knowledge of innovative and adaptable forms of work organization to take advantage of new technologies – including teleworking, improving health and safety at work, increasing productivity and promoting better reconciliation of work and family life. Encouragement of professional and geographical mobility, along with the intended actions for combining professional with private life, is another element mentioned in ensuring smooth transition between the different stages of working life as well as between different working places.

Finally, attention is also paid to improving the social inclusion of less-favoured people who usually live in marginalised (rural) areas with fewer services and employability assets.

Example from NSRF:

In the SK NSRF, the strategy is based on the negative demographic development reflected in the unfavourable age structure of the population, and indeed on the persisting high overall rates of unemployment, in particular of the young and elderly, taking into account the long-term unemployed (more than 12 months), as well as the significant risk of social exclusion among the risk groups. The strategy aims to boost employment, of young people in particular, retaining the elderly in the labour market, increasing participation of the adult population (25-64) in life-long learning, reducing the number of early school leavers and of other persons distant from the labour market and enhancing the professional and inter-

regional (geographical) mobility of the workforce. The strategy will also help to address the relatively high risk of poverty and social exclusion of risk groups, with special emphasis on marginalized Roma communities and particular focus on services in urban and rural Roma concentrations, and separated and segregated municipal settlements. The priority axis will equally contribute to addressing the relatively high risk of poverty and social exclusion of risk groups, with the stress on marginalised Roma groups.

4 THE CONTRIBUTION OF COHESION POLICY TO ADDRESSING DEMOGRAPHIC CHANGES - CASE STUDIES

KEY FINDINGS

- The ten cases studies are representative of the different socio-economic and demographic challenges EU regions are facing and of the Regional Policy approaches implemented so far.
- There is an increasing awareness of and attention to the challenges posed by demographic change at the local level, even if a comprehensive and pro-active policy approach to the issues is in most cases still lacking.
- In many cases the Cohesion Policy measures are the main provisions that address demographic challenges at the regional and local level and often complement national/regional strategies.
- Cohesion Policy has provided important value added, especially in the regeneration of urban and/or rural areas with ERDF measures and in the promotion of the employability and inclusion of the elderly, women, young people and migrants with ESF measures. Transnational programmes have been effective in supporting institutional learning and the sharing of experiences and good practices among European regions.
- The potential of Cohesion Policy interventions for demographic change has been limited in some cases by the lack of a comprehensive strategy addressing demographic change and by the scant awareness of the potential of the European Structural Funds in tackling demographic change. Administrative complexity, especially in relation to eligible expenditure and reporting, is another problem.
- The amended draft legislative package for Cohesion Policy 2014-2020 includes new provisions that could provide support for a more effective role for Cohesion Policy in tackling demographic change. The proposed regulatory framework remains rather complex, however, and it is still not clear how many of the envisaged mechanisms will be operating in practice.
- In all the case studies considered initial discussion of the strategic priorities for the 2014-2020 period has taken place. The intention is to continue the current strategies with increased attention dedicated to the demographic challenges and the consequences of the crisis. Greater integration and synergies between the ESF and ERDF funds and between these funds and national and regional strategies are also envisaged.

Introduction

This chapter sets out the main findings emerging from the ten case studies (featured in Volume II of this study) on the extent to which the regional strategy design and the implementation arrangements of the selected 2007-2013 OPs have taken into consideration the local demographic challenges and contributed towards addressing them

This chapter is organised as follows:

- the first section describes the criteria adopted to select the ten regional case studies;
- the second section presents the national and regional context in which Cohesion Policy is implemented, with a brief overview of the socio-economic and demographic context of the selected regions as well as the national and regional strategies addressing demographic change;

- the third section focuses on the contribution of Cohesion Policy to adaptation to demographic change, considering whether, and if so to what extent, the demographic challenges faced by the selected regions find appropriate responses in the 2007-2013 regional ERDF and ESF strategies and in the programming process for the 2014-2020 period.

4.1 The selection criteria for the case studies

In order to select 10 case studies representative of the variety of EU demographic and socio-economic conditions, we started by identifying groups of similar EU regions in relation to demographic change, socio-economic and territorial conditions.

Following a recent Committee of Regions study (2011a), the proposed typology of EU regions has been outlined on the basis of four indicators: 1. Old age dependency ratio, 2. Population crude growth rate, 3. Growth and innovation level (Navarro et al., 2008²¹), 4. Prevalence of urban vs. rural population (DG Agriculture and Rural Development, Joint Research Centre (JRC) and DG Regional Policy, Eurostat 2010).

The old age dependency ratio is the ratio of the number of elderly people (65 years or over) and the number of people in the working-age population (15-64 years old). With respect to the old age dependency ratio, the regions were divided into two groups: regions with a ratio below the EU-27 average in 2011 (26.2%) (Low) and regions with a ratio above the EU-27 average (High).

The crude rate of population growth is the ratio of the total population growth during the year to the average population in that year and is an indicator for monitoring the trend of population size. With respect to the population crude growth rate, the regions were divided into two groups: regions showing a population decline in 2011 (negative rate or zero growth) and regions showing a population increase in 2011 (positive rate).

In order to consider the multiple variables contributing to the regional growth and innovation level we considered Navarro's seven typologies of regions. Navarro's classification covers 25 EU MS²² and is developed on the basis of 21 indicators, relating to per capita GDP and productivity, employment rates, youth education level, population 25-64 with tertiary education, population 25-64 involved in life-long learning, human resources in science and technology, several indicators concerning R&D expenditure and EPO patents (total and high tech).

Seven main types of regions are outlined in Navarro et al. (2008): (1) Restructuring industrial regions with marked weaknesses, (2) Regions showing weak economic and technological development, (3) Regions showing average economic and technological performance, (4) Advanced regions, with a certain amount of industrial specialisation, (5) Innovative regions, exhibiting a high level of economic and technological development, (6) Capital-regions, with a certain amount of specialisation in high value-added services, (7) Innovative capital-regions.

²¹ Navarro M. et al. (2008), Navarro's classification is based on data that refer to the pre-crisis period. In order to assess the current validity of this classification, a correlation analysis was carried out between the growth and innovation derived from Navarro and the most recent data on employment rates, per capita GDP, GDP Growth and available R&D indicators. The correlations show high values for all the indicators considered.

²² Bulgarian and Romanian regions, not coming within the Navarro typology, were considered Regions showing weak economic and technological development (2).

We aggregated these seven typologies into three groups as follows: regions belonging to the first and the second group characterised by weak economic development, regions belonging to the third group characterised by average development and regions belonging to the remaining groups characterised by strong development.

With regard to the Urban/Rural Population indicator, we considered the typologies developed by DG Agriculture and Rural Development, the Joint Research Centre and DG Regio based on a variation on the OECD methodology²³: predominantly urban regions, with a rural population of less than 20% of total population, intermediate regions, with a rural population of between 20 and 50% of total population and predominantly rural regions, with a rural population of 50% or more of total population. This classification is based on NUTS 3 level and the prevalent type of NUTS3 units was considered to classify a region type as 'predominantly urban', 'predominantly rural' or 'intermediate'. In practice, for each region, NUTS3 units labelled PU (predominantly urban), IN (intermediate) or PR (predominantly rural) were counted and the most appropriate label attributed to the region.

By combining these 4 indicators, a set of 7 regional groups was identified.

1. Group 1 (51 regions, mainly Continental European plus United Kingdom): characterised by a strong level of growth and innovation and an increase in population; the old age dependency ratio is below the EU-27 average (2011) and there is a prevalence of Urban and Intermediate regions.
2. Group 2 (47 regions): Like the first group, the regions belonging to this group register a high level of growth and innovation and an increase in population; they differ from the regions of the first group with regard to the old age dependency ratio, which is above the EU27 average (2011); in this group, too, the regions are of Urban and Intermediate typologies.
3. Group 3 (29 regions): it includes regions characterised by a growing population and weak or moderate economic growth and innovation levels; these regions tend to show intermediate levels of rural population; the population is relatively young with an old age dependency ratio below the EU-27 average.
4. Group 4 (29 regions, mainly Italian and French): This group is characterised by an average or weak level of growth and innovation and an increase in population; the old age dependency ratio is above the EU-27 average (2011) and there is a prevalence of rural and intermediate regions.
5. Group 5 (33 regions, mostly German): with a significant level of growth and innovation but a relatively old and declining population (old age dependency ratio above the EU-27 average). Regions belonging to this cluster show an intermediate urbanization rate.
6. Group 6 (37 regions, mostly Mediterranean regions): it includes regions characterised by an old (old age dependency ratio above the EU-27 average) and declining population and a weak level of economic growth and innovation; these regions are predominantly rural.
7. Group 7 (41 regions; mainly Eastern and Baltic regions): like the previous group, regions belonging to this group register weak levels of growth and innovation and a decline in population; they differ from the regions of the sixth group with regard to the old age dependency ratio, which is below the EU-27 average (2011); in this group, too, most of the regions belong to the rural typology.

²³ See OECD Regional Typology, GOV/TDPC/ TI(2007)8, 2007, Paris, OECD.

In order to select the 10 regions among those clustered in each given group, integrative criteria were considered, with special focus on:

- the ranking of the EU regions according to the indicators considered in order to identify the best and worst performers in relation to the indicators considered. This approach was used to determine whether, in the final selection of regions, those regional cases which should deserve special attention due to their “extreme” positioning in the regional ranking were adequately taken into account.
- Cohesion Policy financial allocations by thematic priority calculated in chapter 3 were used to select those regions and programmes which have the highest share of Cohesion Policy expenditure on significant demographic priorities. The rationale is that of considering, among potentially equivalent regions, those covered by more substantial Cohesion Policy resources for the relevant issues.
- In order to guarantee Programme Coverage, we considered coverage for Convergence, Regional Competitiveness and Employment and European Territorial Cooperation programmes.
- In relation to territorial coverage we considered one region per country with attention to the coverage of new and old member states and countries belonging to different geographical areas and welfare regimes (Nordic, Anglo-Saxon, Continental, Eastern and Southern Europe).

On the basis of these integrative criteria, table 16 shows the list of regions in each group and the 10 selected cases with relative justification. Figure 19 presents for each cluster the amount of Structural Funds expenditure on demographic-related measures

Table 16: Clusters of regions, selected case studies and justification

Type of Region	Regions	Selected Region	Justification
Type 1	AT: Vorarlberg, Wien BE: Région de Bruxelles-Capitale / Brussels Hoofdstedelijk Gewest, Prov. Limburg, Prov. Brabant Wallon, Prov. Hainaut, Prov. Liège, Prov. Luxembourg, Prov. Namur CZ: Praha DK: Hovedstaden, Midtjylland ES: Comunidad de Madrid FI: Etelä-Suomi, Pohjois-Suomi FR: Picardie, Haute-Normandie, Île de France, Nord - Pas-de-Calais, Alsace, Rhône-Alpes HU: Közép-Magyarország LU: Luxembourg NL: Groningen, Overijssel, Gelderland, Flevoland, Utrecht, Noord-Holland, Zuid-Holland, Noord-Brabant PL: Mazowieckie SE: Stockholm SK: Bratislavský kraj, UK: Highlands and Islands, Northumberland and Tyne and Wear, Greater Manchester, Merseyside, South Yorkshire, West Yorkshire, Derbyshire and Nottinghamshire, Leicestershire, Rutland and Northamptonshire, West Midlands, Bedfordshire and Hertfordshire, Inner London, Outer London, Berkshire, Buckinghamshire and Oxfordshire, Gloucestershire, Wiltshire and Bristol/Bath area, Eastern Scotland, South Western Scotland, North Eastern Scotland	BE – Prov. Liège	Regions which are not characterised by particularly significant fertility, migration or ageing issues. Instead, a major challenge the selected region is facing is the demographic malaise in decaying urban areas. In Cluster 1 regions, revitalisation of deprived urban areas is an investment priority aiming at enhancing social and economic competitiveness and promoting employment for both men and women. The main focus of analysis will be the NUTS 2 province of Liège, on which Priority Axis 3 of the ERDF OP of Walloon is focused. The reasons for selecting this region are manifold: <ul style="list-style-type: none"> • Numerous brown fields and decline of traditional activities in metropolitan areas are jeopardising economic dynamism. • Urban social segregation is jeopardising social cohesion; • The male unemployment rate has been growing more than the national average. • Poverty rates, for both men and women, are higher than the national and EU averages. • The mortality rate is higher than that of the other regions of Belgium and EU-12 and on a growing trend (+1.2% between 1994 and 2002). This is due to high suicide rates, mainly in the Provinces of Liège, Luxembourg and Namur, which reveal widespread social malaise. • A large share (43%) of Cohesion Funds has been allocated by the Walloon government to priority 3, focused on achieving a balanced and sustainable territorial development.
Type 2	BE: Prov. Antwerpen, Prov. Oost-Vlaanderen, Prov. Vlaams-Brabant, Prov. West-Vlaanderen DE: Niederbayern, Stuttgart, Karlsruhe, Freiburg, Tübingen, Oberbayern, Mittelfranken, Berlin, Hamburg, Darmstadt, Köln, Münster, Rheinhessen-Pfalz, Schwaben FI: Länsi-Suomi FR: Franche-Comté, Midi-Pyrénées, Languedoc-Roussillon, Provence-Alpes-Côte d'Azur IT: Lazio, Piemonte, Lombardia SE: Östra Mellansverige, Sydsverige, Västsverige UK: Tees Valley and Durham, Lancashire, Cheshire, East Yorkshire and Northern Lincolnshire, North Yorkshire, Lincolnshire, Herefordshire, Worcestershire and Warwickshire, Shropshire and	SE – Östra Mellansverige	Östra Mellansverige is characterized by an old age dependency ratio above the EU-27 average. Although the population is slowly growing the population density is very low in Östra Mellansverige in comparison to other regions in the second group. The activity and employment rates of persons aged 15-64 was also lower than the national average as well as the proportion of persons aged 25-64 with tertiary education attainment. Moreover, there are some significant demographic differences within the region, i.e. between the university regions of Uppsala and other NUTS 3 regions; for example, the level of higher education in the Uppsala region is well above the national average, whereas the level in the other regions is much lower. The aim of the case study is to

	Staffordshire, East Anglia, Essex, Surrey, East and West Sussex, Hampshire and Isle of Wight, Kent, Dorset and Somerset, Cornwall and Isles of Scilly, Devon West Wales and The Valleys East Wales	UK Lincolnshire	<p>assess how the instruments of the Cohesion Policy were used to tackle the issues of population ageing, urban-rural differences, etc.</p> <p>Lincolnshire is characterized by a high dependency rate and a low rate of population change. Migration is also particularly significant alongside low skill levels. There are various problems of deprivation as well as low levels of labour market activity among the women, persons with disabilities and people from ethnic minority groups.</p>
Type 3	<p>AT: Oberösterreich, Salzburg, Tirol</p> <p>CY: Kypros</p> <p>CZ: Střední Čechy, Jihovýchod</p> <p>EL: Notio Aigaio</p> <p>ES: Comunidad Valenciana, Illes Balears, Andalucía, Región de Murcia, Ciudad Autónoma de Ceuta, Ciudad Autónoma de Melilla, Canarias, Catalonia</p> <p>FR: Lorraine, Guadeloupe, Guyane, Réunion</p> <p>IE: Southern and Eastern</p> <p>IT: Campania</p> <p>MT: Malta</p> <p>PL: Malopolskie, Wielkopolskie, Pomorskie</p> <p>PT: Região Autónoma dos Açores</p> <p>SI: Zahodna Slovenija</p> <p>SK: Východné Slovensko</p> <p>UK: Northern Ireland</p>	Malta	<p>Malta is characterized by a low dependency rate, population growth but a low female participation rate. One of the greatest challenges for the Maltese economy is that of reconciling the need for increased female participation in the labour market with the women's role in family life.</p> <p>The rationale of this case study lies therefore in the ability to explore the added value of the SF interventions, as compared to existing national and local strategies, in addressing this challenge.</p>
Type 4	<p>AT: Burgenland, Niederösterreich, Steiermark</p> <p>DE: Schleswig-Holstein</p> <p>EL: Kriti</p> <p>ES : Comunidad Foral de Navarra, Castilla-la Mancha</p> <p>FI: Itä-Suomi, Åland</p> <p>FR: Centre, Basse-Normandie, Bourgogne, Pays de la Loire, Bretagne, Poitou-Charentes, Aquitaine, Limousin, Auvergne, Corse</p> <p>IT: Abruzzo, Provincia Autonoma Bolzano/Bozen, Marche, Valle d'Aosta/Vallée d'Aoste, Provincia Autonoma Trento, Veneto, Emilia-Romagna, Toscana, Umbria</p> <p>SE: Småland med öarna</p>	ES - Castilla-la Mancha	<p>Castilla la Mancha is characterized by a high dependency rate, associated with population growth in predominantly rural areas.</p> <p>The rationale of the choice of this case study lies in exploring the capacity of the Castilla-La Mancha 2007-2013 ERDF Operational Programme to meet the challenge of guaranteeing social cohesion, especially for young people, both in urban and rural areas, basically in the education and health spheres. A key strategic objective of the regional strategy in this respect is the strong commitment in reducing early school leaving. This objective is expected to be achieved through an integrated approach mixing the development of social infrastructures with softer initiatives, formulating and applying innovative strategies for the economic and social regeneration of small and medium-sized cities, or large city neighbourhoods in difficulty.</p>

<p>Type 5</p>	<p>DE: Oberpfalz, Kassel, Trier, Leipzig, Oberfranken, Unterfranken, Brandenburg – Nordost, Brandenburg – Südwest, Bremen Gießen, Mecklenburg-Vorpommern, Braunschweig, Hannover, Lüneburg, Weser-Ems, Düsseldorf, Detmold, Arnsberg, Koblenz, Saarland, Dresden, Chemnitz, Thüringen DK: Sjælland, Syddanmark, Nordjylland NL : Friesland, Zeeland, Drenthe, Limburg PT: Lisboa SE: Övre Norrland UK: Cumbria</p>	<p>DE - Thüringen</p>	<p>Thuringia is characterized by population decline and a high dependency rate. This is related to shrinking birth rates, increasing ageing due to longer life-expectancy and a negative net-migration. From 1991 – 2011 the total population has shown a 13% decline in the last few years affecting more than 70% of the cities, while only some larger cities (Erfurt, Weimer and Jena) showed a slight increase. This process started especially after unification in 1989, when the birth rates decreased sharply and outmigration to economic prosperous regions started. Youth unemployment still presents a challenge for the region, due to the negative net-migration especially of the younger and female population, often enjoying high educational levels. The aim of the case study is then to assess the contribution of SF (both ESF and ERDF interventions) in coping with these problems. The ESF is focusing on enhancement of human capital, to address the lack of qualified personal, and, together with the EFRE activities, strengthen the local economy, create employment opportunities and enhance economic performance. Activities also target disadvantaged population groups such as elderly people and women. A focus is also set on the development of larger city areas, with the need to adapt the infrastructure due to changing socio-economic needs.</p>
<p>Type 6</p>	<p>AT: Kärnten BG: Severozapaden, Severen tsentralen DE: Sachsen-Anhalt EL: Attiki, Anatoliki Makedonia, Thraki, Kentriki Makedonia, Dytiki Makedonia, Thessalia, Ipeiros, Ionia Nisia, Dytiki Ellada, Sterea Ellada, Peloponnisos, Voreio Aigaio, ES: Galicia, Aragón, Castilla y León, Extremadura ES: Principado de Asturias, Cantabria, País Vasco, La Rioja FR: Champagne-Ardenne IT: Liguria, Sicilia, Molise, Puglia, Basilicata, Calabria, Sardegna, Friuli-Venezia Giulia PT: Algarve, Centro, Alentejo SE: Norra Mellansverige, Mellersta Norrland</p>	<p>IT - Basilicata</p>	<p>Basilicata continues to show a marked decline in population: although the population declined slightly less in the five years 2005-2011, Basilicata still shows one of the worst performances among all Italian regions. In contrast with the trend in the national average, the net migration, being negative, did not suffice to compensate for the negative dynamic component of the natural population. Moreover, the considerable outbound migratory flows mostly involve the young and more highly educated part of population who find no appropriate employment opportunities in the local labour market or decide to complete their upper secondary studies in other Italian Regions or abroad. These dynamics have accelerated the aging process of the regional population, increasing the need for health and social care. The aim of the case study is, then, to assess the contribution of SF (both ESF and ERDF interventions) in coping with the needs of both the elderly and the young (especially the more highly educated). In particular, attention will be paid to interventions aiming at reducing outbound young migration,</p>

			offering new opportunities and supporting the new needs of the growing numbers of elderly people. Urban-rural disparity will also be taken into consideration when analysing interventions.
Type 7	<p>BG: Yugoiztochen, Severoiztochen, Yugozapaden, Yuzhen tsentralen CZ: Severozápad, Moravskoslezsko, Jihozápad, Severovýchod, Střední Morava EE: Eesti HU: Közép-Dunántúl, Nyugat-Dunántúl, Dél-Dunántúl, Észak-Magyarország, Észak-Alföld, Dél-Alföld IE: Border, Midland and Western LT. Lietuva LV: Latvija PL: Śląskie, Lubuskie, Łódzkie, Lubelskie, Podkarpackie, Świętokrzyskie, Podlaskie, Zachodniopomorskie, Dolnośląskie, Opolskie, Kujawsko-Pomorskie, Warmińsko-Mazurskie PT: Norte, Região Autónoma da Madeira RO: București – Ilfov, Nord-Vest, Centru, Nord-Est, Sud-Est, Sud – Muntenia, Sud-Vest Oltenia, Vest SI: Vzhodna Slovenija SK: Západné Slovensko, Stredné Slovensko</p>	<p>LT - Lietuva</p> <p>PL – Dolnośląskie (Lower Silesia)</p> <p>RO - Centru</p>	<p>The population of Lithuania, including the population of employable age, is very rapidly decreasing in size due largely to a low fertility rate and large-scale emigration. The emigrants are mainly young people with a solid educational background as Lithuania is characterised by a high and increasing proportion of the population having tertiary education attainment (26.3% of persons aged 25-64 in 2005 and 34% in 2011). Highly qualified workers of older age can also be quite frequently found among those leaving the country. A low birth rate and negative net migration result in rapid ageing of the population and an increasing old age dependency ratio. Moreover, the demographic changes further thin out the already rather low population density, especially in rural areas.</p> <p>The case study will explore how ESF instruments were used to alleviate the negative effects of demographic changes in Lithuania. It will focus on interventions aiming at reconciling family and work commitments, promoting the return of Lithuanian emigrants, increasing domestic labour mobility between urban and rural areas, etc.</p> <p>Dolnośląskie (Lower Silesia) is characterised by a low fertility rate, a high level of life expectancy, moderate out migration, and a fairly proportionate age structure. However, the region is dominated by a big city, Wrocław, where the population density is higher than in most of the other Polish regions. The case study will analyse how SFs were used to tackle demographic challenges in the region. Dolnośląskie region participated in the Innterreg IV project Declining, Ageing and Regional Transformation (DART) focused on declining and ageing areas.</p> <p>Centru Region faces both demographic and employment challenges. From the demographic point of view, the region registered a 11% decrease in the population between 1990 and 2011. The decrease rate was far beyond the national one in that period (-4,9%), partially due to the migration of the German minority that had been traditionally present in this part of the country. However, in the period 2005 and 2011</p>

the crude rates of population change were -0.7%, below the national rates (-2.2%). The old dependency rate slowly increased between 2005 (19.3%) and 2011 (20.1%). However, it is below the national level (21.3%).

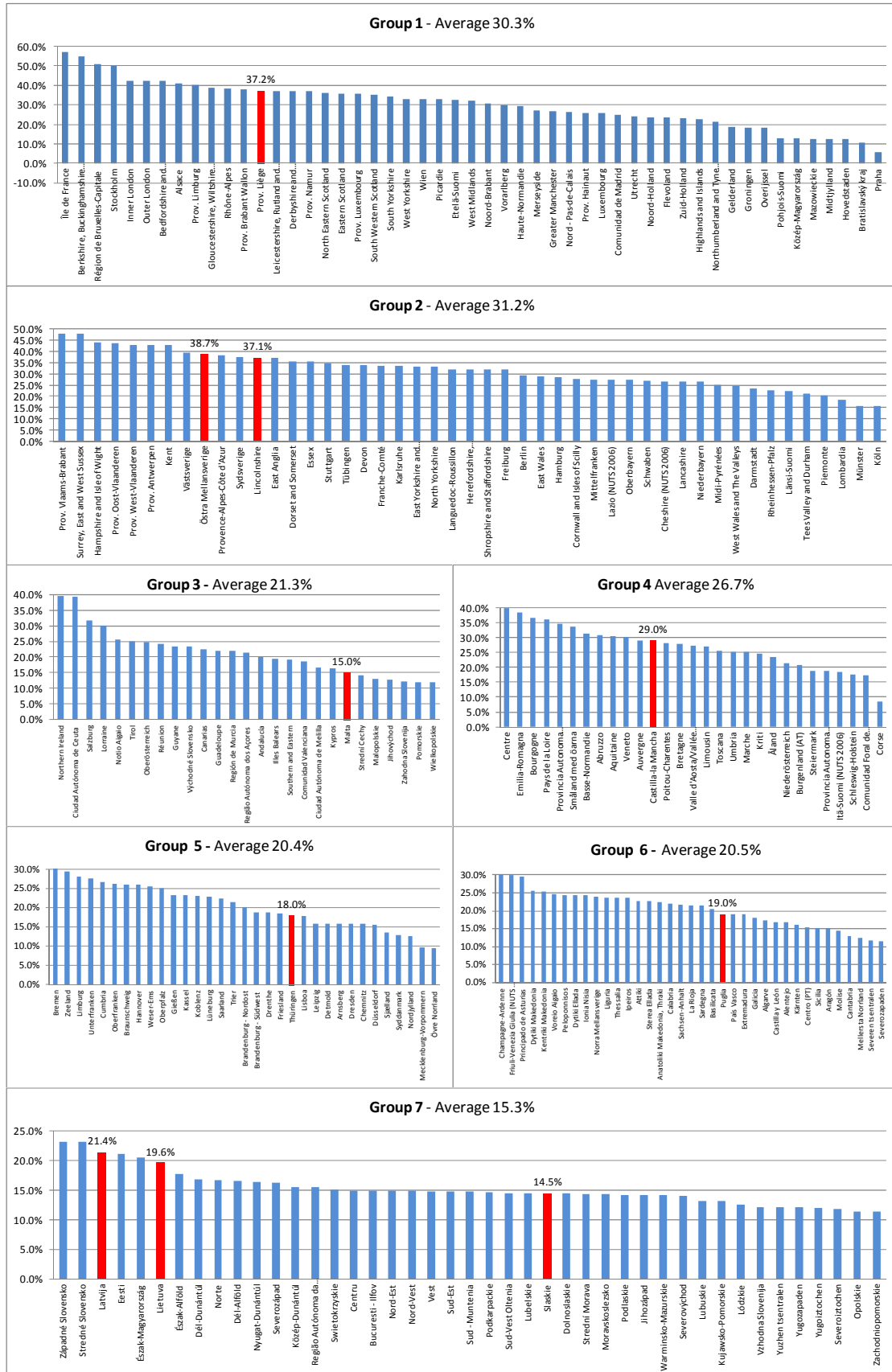
Despite this trend, demographic forecasts show that by 2030 the dependency rate will reach 30.3%. While the dependency rate is at present below the national level, by 2030 it is expected to have reached the national level (30.3%). Moreover, demographic forecasts show that there will be a continuous decrease in the population: -24.5% between 2008 and 2050.

The Region also registers a difficult economic situation. Employment rates have been decreasing since 2005: 54,1% in 2005 and 52,3% in 2011. The region registers, in fact, the lowest employment rates in Romania.

The case study aims to analyse how demographic challenges are tackled in the region and the contribution of Structural Funds (ERDF and ESF) in coping with the challenges mentioned above. These challenges are well acknowledged by the Region, which is in fact one of the partners of the Interreg IV C project DART focusing on declining ageing and Regional Transformations in 14 EU countries.

Source: Elaboration based on Navarro's classification and Eurostat data.

Figure 19: SF allocation to demographic change related measures by group



Source: Elaboration based on Navarro's classification, Eurostat data and DG Regio database on SF expenditure.

4.2 The selected case studies: socio-economic conditions, demographic challenges and policy responses

The selected regions are a fair and balanced representation of the main trends in the EU, in terms of both the main socio-economic indicators and demographic dimensions as well as the policy responses to demographic change.

4.2.1 Socio-economic and demographic conditions in the selected regions

The main socio-economic conditions and demographic challenges faced by the selected case studies are outlined in table 17, while Figure 20 and 21 compare the main socio-economic and demographic indicators.

Table 17: Main socio-economic and demographic conditions in the selected case studies

Regional case study	Socio-Economic Conditions	Demographic Challenges
Basilicata (Italy)	<ul style="list-style-type: none"> Relatively low GDP per capita Low employment rate Low female participation in the labour market 	<ul style="list-style-type: none"> Intensive internal migration toward the two main municipalities. High rate of net out migration of the young and better educated Population ageing and gradual shift to retirement of the “baby boom” generation No major urban agglomerations and location peripheral to both Italy and Europe
Castilla la Mancha (Spain)	<ul style="list-style-type: none"> Predominantly agricultural economy Increasing importance of Tourism in recent years. High rate of youth unemployment. 	<ul style="list-style-type: none"> High dependency rate Highly dispersed population Low fertility rates
Centru (Romania)	<ul style="list-style-type: none"> High GDP and employment growth in the period 2000-2008, but significant negative impact of the economic crisis. In 2011 lowest employment rates in Romania 	<ul style="list-style-type: none"> Continuous decrease in the population (-24.5% between 2008 and 2050) Ageing of the workforce Increased pressure on the state social insurance system Disappearance of some rural villages
Lincolnshire (UK)	<ul style="list-style-type: none"> Overall increase of GDP since 2000 higher than the national rate, but decrease in GDP per capita Population growth at a faster pace than the local economy Problems of deprivation as well as low levels of labour market activity among women, those with disabilities and those from ethnic minority groups 	<ul style="list-style-type: none"> High dependency rate and a low rate of population change. Migration is significant alongside low skill levels. Ageing A growing number of retired people aged over 65 from the other areas of England Retirement of the “baby boom” generation.
Province of Liège, Walloon (Belgium)	<ul style="list-style-type: none"> Positive growth of GDP per capita since 2000, but level still lower than the national and EU average. Numerous brown fields and decline of traditional activities in metropolitan areas are jeopardising economic dynamism. Employment rate (55%) below the national and EU average and far below the Lisbon objective of 70%. High poverty rate 	<ul style="list-style-type: none"> Incoming migrants in the fastest growing areas outside the main city centres. Progressive decline of urban centres which for decades have represented the economic backbone of the region High mortality rate
Lithuania	<ul style="list-style-type: none"> High increase in GDP per capita; but still ranked 22nd out of 27 EU MSs in 2011. One of the EU countries hit hardest by economic crisis, but recovering. Unstable labour market and high rate of unemployment, especially for young and unskilled workers. 	<ul style="list-style-type: none"> Rapid population decline and ageing population mainly due to intensive youth emigration and low fertility rate Very large gender gap in life expectancy (more than 10 years). Low birth rate and negative net migration result in rapid ageing of the population and an increasing old age dependency ratio.

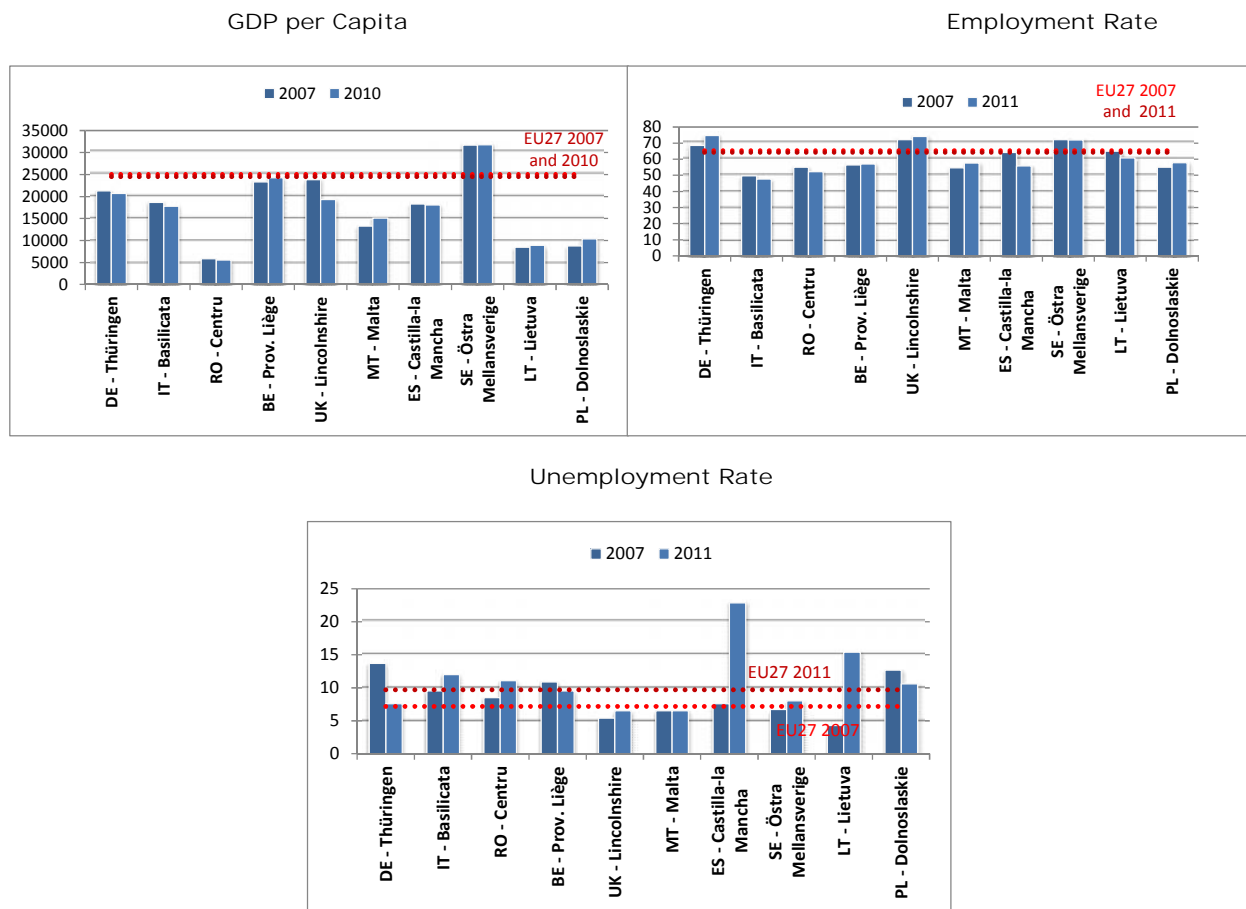
Lower Silesia (Poland)	<ul style="list-style-type: none"> Relatively highly developed region in Poland (ranked 3rd among 16 provinces/regions). Among the regions with the largest increases in GDP per capita in the EU (up to 2008). 	<ul style="list-style-type: none"> Declining number of births and large-scale out migration. Negative population projections for 2010–2030 Growing share of population aged 65 and old age dependency ratio exceeding the EU average.
Malta	<ul style="list-style-type: none"> High youth unemployment rate (due to mismatch of skills) Poor participation of women with children Risk of social exclusion of other vulnerable groups (such as asylum seekers and immigrants) 	<ul style="list-style-type: none"> Low dependency rate Population ageing due to the gradual retirement of the so-called 'baby boom' generation
Östra Mellansverige (Sweden)	<ul style="list-style-type: none"> Slightly falling behind the country average, but still exceeding the corresponding EU-27 averages. The activity and employment rates of persons aged 15-64 are lower than the national average as well as proportion of persons aged 25-64 with tertiary education attainment. Lesser effects of the economic crisis compared to many other EU-27 countries. 	<ul style="list-style-type: none"> Positive net migration, due to both domestic and international migration Increase in dependency rate 1.
Thuringia (Germany)	<ul style="list-style-type: none"> Restructuring process since reunification. GDP is still far from the national average but has risen more than the German average since 2007. Significant imbalance of population and employment rates between rural areas and main urban districts 	<ul style="list-style-type: none"> Population decline (mainly caused by the negative net-migration) High migration rates among the working-age population and especially the well-qualified High dependency rate Low birth rate

Source: Case studies.

The main regional socio-economic conditions at the beginning and end of the 2007-2013 programming period are presented in Figure 20. The ten areas considered show marked differences in the labour market and economic situation, with the Southern and especially the Eastern regions presenting socio-economic conditions inferior to those of the other regions and the EU-27 average. In detail:

- Only Östra Mellansverige (Sweden) presented a GDP per capita above the EU-27 average in 2007, while in the Belgian province of Liège and in Lincolnshire (UK) it proved only slightly lower than the European average. Due to a steady decrease as from 2000, by 2010 the Lincolnshire GDP per head was substantially below the EU-27 average and in line with the corresponding values in Thuringia (Germany), Basilicata (Italy) and Castilla la Mancha (Spain). The levels of GDP per capita in Malta, Lithuania, Lower Silesian (Poland) and Centru (Romania) confirm the inferior economic conditions in the Eastern regions.
- The employment rate was in line with the Lisbon objective of 70% and above the EU-27 average only in Östra Mellansverige (Sweden), Lincolnshire (UK) and Thuringia (Germany). Conversely, in the Southern and the Eastern regions the employment rate was well below the European average.
- These differences are confirmed when considering the dynamics of unemployment rates. While in the Polish region of Lower Silesia and the Continental regions of Thuringia and Liege the unemployment rate decreased slightly in the period under consideration, in the Swedish and UK regions it remained almost constant, and in the Southern regions and in Centru (RO) and Lithuania the rate increased substantially. The highest increase is registered in Castilla la Mancha (Spain) due to the sharp rise in youth unemployment, the group most affected by the crisis.

Figure 20: Socioeconomic indicators in the selected regions, 2007-2011



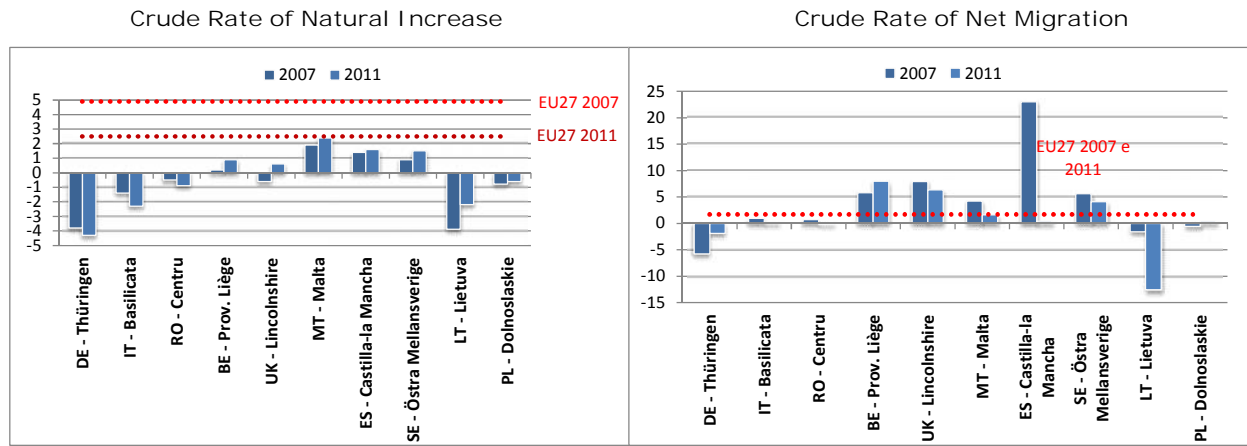
Source: Elaboration based on Eurostat data, EU LFS and Regional Economic Accounts.

In relation to demographic indicators, progressive ageing is the most pressing demographic challenge in all 10 selected regions (Figure 21).

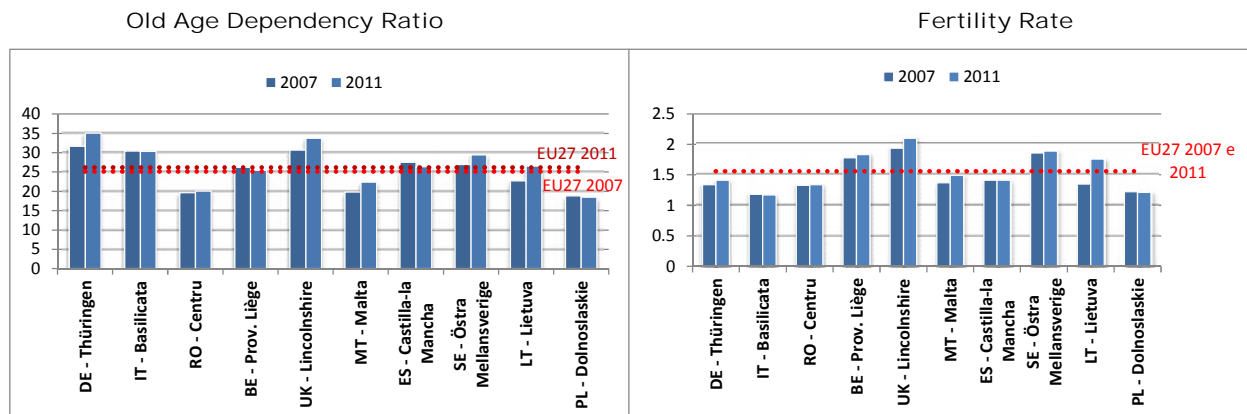
- Figure 21 shows a substantial decline in the population for Thuringia (Germany), Lithuania and Basilicata (Italy), due to both intensive out migration flows and negative crude rate of natural increase. On the contrary, Malta, Östra Mellansverige (Sweden) and Castilla La Mancha (Spain) show a positive population growth, due to both a net positive immigration and a positive crude rate of natural increase. Positive immigration flows are also registered in Lincolnshire (UK) and Liege (BE), but these inflows do not compensate for the very low natural population increase rate.
- The old age dependency ratio indicator is slightly higher than the EU-27 average in Thuringia (Germany), Lincolnshire (UK) and Basilicata (Italy). In Lithuania it increased substantially between 2000 and 2010 reaching the EU average, mainly due to the considerable outmigration of young people. The old age dependency ratio in Lower Silesia (PL), Centru (RO) and Malta is lower than the EU average, thanks not so much to a higher fertility rate as to a lower life expectancy due to inferior living conditions. Projections of the old-age dependency ratio for 2030 show that by 2030 the indicator should increase, reaching somewhere between 30 and 45 per cent in the majority of the regional case studies. In Thuringia (Germany), the projection is substantially higher than in the other regions, due to longer life-expectancy.

- The fertility rate in the period considered was above the EU-27 average in the richest regions of Lincolnshire (UK), the Belgium province of Liège and Östra Mellansverige (Sweden). On the contrary, where the economic conditions were poorer, namely Basilicata (Italy), Centru (Romania) and Lower Silesia (Poland), the fertility rate was very low and below the European average.

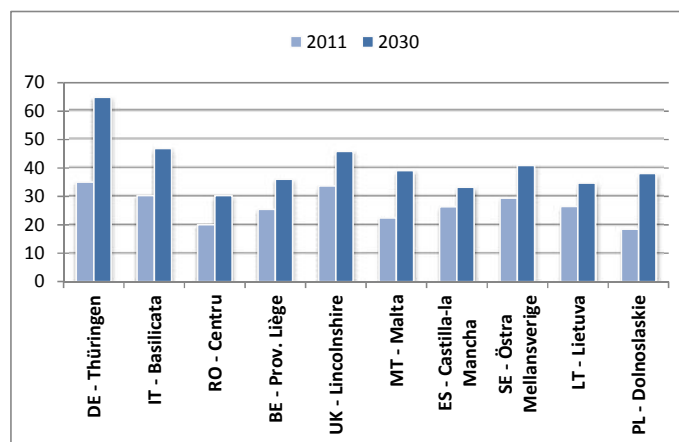
Figure 21: Demographic indicators in the selected regions, 2007-2011



Notes: Crude rate of natural population increase and Crude rate of net migration at NUTS2 level: 2010 data (with the exception of Lithuania and Malta).



Old Age Dependency Ratio projections



Source: Elaboration on Eurostat data, Regional Demographic Statistics.

4.2.2 National and regional strategies for demographic change

Table 18 summarises the main policies adopted at the national and regional level in the selected case studies to tackle the demographic challenges.

Table 18: Main policies in the field of demographic change

Region	Name of the intervention and period	Main category of intervention (infrastructure, business support, social infrastructure or services, welfare and labour market policies, other)	Level of responsibility (EU, State, region, county, town)
Basilicata (Italy)	Pension reform (2011)	Social protection system	State
	Regional Law n.4/2007	Social infrastructure or services	Region
	Regional Law n.10/2008	Business support	Region
	Regional Law n.11/2008	Other	State and Region
	Regional Law n.12/2008	Social infrastructure or services	Region
	Regional Law n.18/2008	Business support	Region
	Memorandum of Understanding for Apprenticeship 2012 - DGR n.485/2012	Labour market policies	State and Region
	The New Deal for Young People 2007-2013	Labour market policies, school-work transition	Region
Castilla La Mancha (Spain)	Plan de Choque	Welfare and labour market	Municipality
	Sustainable Development of the Rural Environment	Legislation for the sustainable development of rural areas.	National
Centru (Romania)	Reform of the pensions system in 2007 and 2010	Social protection system	State
	Programme for the employment of persons at risk of social exclusion	Labour market policies	National Agency for Employment in collaboration with local branches
	Programme for the high school and university students' employment	Labour market policies	National Agency for Employment in collaboration with its local branches
Lincolnshire- (UK)	Ageing Well programme	Social services	State and Region
	Rural Development Programme for England (RDPE) 2007 - 2013	Rural communities, welfare, business support	State and Region
	Sub Regional Investment Plan 2008 – 2011 (SRIP+)	Business support, skills development, labour market support	County
	Lincolnshire Housing strategy 2009-2014	Social Housing, infrastructure, welfare, rural communities	County
	Joint Health and Wellbeing Strategy for Lincolnshire 2013-2018	Social services, education, training, housing, labour market support	County
Lithuania	1) National Strategy on Demographic (Population) Policy (2004–2015)	Social and child care services and infrastructures, social protection policy, active labour market measures, etc.	State, municipalities
	2) Strategy on Managing Economic Migration (2007–2012)	Various interventions (development of relevant legal basis, educational services for Lithuanians living abroad, informational support for returnees, monitoring and analysis of migration trends, etc.)	State
	3) National Strategy on Public Health (2006–2013)	Various interventions (research activities, improvement of monitoring system of infectious and non-infectious diseases; dissemination of information about healthy lifestyles, etc.)	State, municipalities

Region	Name of the intervention and period	Main category of intervention (infrastructure, business support, social infrastructure or services, welfare and labour market policies, other)	Level of responsibility (EU, State, region, county, town)
	4) National Strategy for Overcoming the Consequences of Population Ageing (2004–2013)	Pension policy, social and health services, labour market policies.	State, municipalities
Lower Silesia (Poland)	Reform of the pension scheme (in force since 1 January 2013; long-term oriented)	Welfare and labour market	State
	"50 plus" activation programme (yearly editions since 2008 implementation of the programme "Solidarity of generations – 50+")	Labour market	State and county
	Family policy, in particular amendments of the mother and child care system (in force since 2012 or 2013; long-term oriented)	Infrastructure, social infrastructure or services; welfare	State, region, county and municipality, depending on the programme.
	"Do you have Plan of return?" (since 14 November 2008)	Labour market and business support	State, region, county (powiat)
	Immigration and immigrant integration policy (2012)	Infrastructure, social services, labour market	State
	"Lowering the eligibility age of entry into primary education" (from September 2014)	Infrastructure	County (powiat)
Malta	Pension reform	Labour market policy	State
	Active Ageing Strategy	Social and health services, welfare and labour market policies	State
	Community Work Scheme	Training for workers	State
	Measures targeting women	Social infrastructures and services, training	State
Östra Mellansverige (Sweden)	Swedish National Sustainable Strategy (2002) and Strategic Challenges (2006)	labour market policies inclusion of immigrants	State
	Committee for the future (2011, 2013)	Welfare policies; active ageing	State
Thuringia (Germany)	Urban renovation and development measures - new Länder	Infrastructure	Federal
	Community Improvement of the regional economic structure	Business support and labour market	Federal-regional
	Future Initiative Excellent Thuringia	Business support, labour market	Federal-regional
	Stadtumbau Ost	Infrastructure	Federal-Regional
	Smaller cities and municipalities	Social infrastructure and services	Federal-Regional
	Active City and district centres	Infrastructure	Federal-Regional
	"Demographic Change – Regions make Future"	Labour market and economic development, Infrastructure, social services	Federal-regional
	Thüringen-Invest	Business support and labour market	Regional
Thüringen Dynamik	Business support and labour market	Regional	
Province of Liège, Walloon (Belgium)	Marshall Plan 1 (2006 and 2009) and 2 (2009-2014)	Infrastructure, business support, life-long learning	Region Walloon
	Plan Stratégique Transversal 2 – Research and Training	Training, R&D infrastructures	Region Walloon – French Community
	Plan Stratégique Transversal 3 – Social inclusion	Infrastructures, social services, training	Region Walloon

Source: Case studies.

As can be seen in the table, in most of the regions considered there are no specific comprehensive strategies to tackle demographic change. These challenges are often addressed within national and regional development strategies, as well as social protection, welfare and labour market regulation reforms to tackle the sustainability of pensions and social and health expenditures in a rapidly ageing society. Only in Lithuania and Thuringia has a comprehensive framework of interventions been put in place at the national and/or regional level, while in other cases (Lincolnshire, UK; Lower Silesia, PL; Malta) specific programmes have been drawn up addressing the ageing challenge.

In most cases it is at the national level that integrated national development strategies also addressing the demographic challenges are defined, while the regional and local authorities tackle these issues mainly within the Cohesion Policy framework. Differences in the role of regional institutions reflect the institutional framework (degree of decentralization in policy making) and internal socio-economic and demographic heterogeneity. For example in Italy, Belgium and Sweden many competences have been decentralised at the regional level, while in Poland, where inter-regional differences in terms of demographic phenomena and their expected changes are fairly insignificant, the role of regional and sub-regional actors has so far been subsidiary.

Examples of comprehensive development strategies, including measures addressing the demographic challenges, are presented in Box 1.

Box 1: Examples of development strategies with attention to demographic challenges

In Lincolnshire (UK), the demographic challenges are directly and indirectly addressed with a range of initiatives launched at the national, regional and local level. The range of interventions include social housing infrastructures, business support, health and education initiatives, investments to improve the population's skills as well as the quality of life of rural communities.

In Lower Silesian (PL), a national development strategy ("Poland 2030. Developmental Challenges" (<http://zds.kprm.gov.pl/raport-polska-2030-wyzwania-rozwojowe>), includes the demographic situation among ten major challenges for Poland's future. Furthermore, the regional 2020 Development Strategy for the Lower Silesian Voivodship (DSLVS) has been changed in recent months to tackle undesirable depopulation trends as one of the biggest challenges in the region.

In Malta, the Government undertook a long-term strategy to tackle the major challenges, including demographic issues, which negatively affect economic performance and social inclusion. Within this strategy, an "active ageing" strategy is envisaged, involving a wide range of interventions, from legislative measures to social infrastructures, from training to information campaigns.

In Thuringia (DE) there are a number of federal and regional programmes that recognise the importance of addressing the consequences of demographic change with a specific focus on economic development. Several Regional Policy programmes focus on economic development, including measures to enhance enterprise competitiveness, especially for the SMEs, and boost innovation with investments in R&D.

The following four economic programmes entailed a total investment of 1.2 billion Euro (of which 840 million national and 343 million Euro co-financed by ERDF)²⁴ and can be considered the most important: the national programme “Community improvement of Regional Economic Structures” (Gemeinschaftsaufgabe Verbesserung der regionalen Wirtschaftsstruktur, GRW)²⁵, focuses on investments in the major economic sectors, redevelopment of industrial and commercial sites, tourist infrastructure, vocational training institutions and SME investment. The aim is to stimulate the local and regional economy and create jobs. From 2004 to 2010 about 3,400 investments were financed in infrastructure (with 478 Mio. €), 3,374 projects addressed firms (6,851 Million €) and 280 projects focussed on support for economic business.²⁶ The regional programme “Thüringen-Invest” focuses on investment projects for local and regional SMEs and start-up enterprise not financed by GRW. It provides loans with low interest (18,75 Million from ERDF). “Thüringen Dynamik” serving to enhance the competitiveness of SMEs with long-term investment and loans. It was implemented in 2010 as a credit programme for long-term investments (60 million Euro from ERDF and 20 million Euro national financing). The “Foreign trade Promotion” (Außenwirtschaftsförderung) aims to step up internationalisation of the regional enterprises and boost the export rate.²⁷

Walloon-Liege (BE). In 2005/2006 the Government of Walloon set up an ambitious plan (the “Marshall Plan”) to support the regional economy, by providing new economic and commercial activities in the urban centres and increased accessibility, as well as training schemes to ensure a better match between the demand and supply of labour and again attract migration flows towards these areas while sustaining the metropolisation of the cities along the Meuse. Since Liège faces challenges similar to those of the other Walloon provinces, the strategy has been designed at NUTS 1 level. The main objective is to stimulate the metropolisation of the Meuse river basin, minimise the marginalisation of people affected by the industrial restructuring process, and make it attractive for business, citizens and migrants once again. In 2009 the Marshall Plan was confirmed by the new Government of Wallonia in the “Marshall Plan 2.Green”²⁸, which places greater emphasis on eco-efficiency and green technologies, in line with the targets of the Lisbon strategy. Another plan, the ‘Plan Stratégique Transversal n°2’, contributing to economic recovery but specifically addressing the development of human capital was signed in 2005 by the Government of Walloon and the French Community to increase creativity, skills and employment among the Walloon population. In the same year, the ‘Plan Stratégique Transversal n°3’ was also launched with the focus on improving social inclusion for old people, immigrants, the disabled, people experiencing social exclusion and social malaise and unemployed persons.

Source: Case studies

²⁴ <http://www.thueringen.de/imperia/md/content/tmwta/wirtschaft/unternehmensfoerderung.pdf>.

²⁵ <http://www.thueringen.de/th6/tmwat/a-z/daten/57151/index.aspx>.

²⁶ <http://www.thueringen.de/imperia/md/content/tmwta/wirtschaft/foerderung/grw-thueringen-eb-2011-09-final.pdf>. From 1997 to 2003 investments of 9,042 Million Euro financed nearly 6000 projects. About 31,600 new work places (of which 27,4% for women) and about 75,000 jobs were secured. See: Thüringer Ministerium für Wirtschaft, Technologie und Arbeit (2004), Evaluierung des Einsatzes von Fördermitteln im Rahmen der Gemeinschaftsaufgabe „Verbesserung der regionalen Wirtschaftsstruktur“ (GA) in den Jahren 1997 – 2003 in Thüringen. http://www.thueringen.de/imperia/md/content/tmwta/wirtschaft/foerderung/evaluierung/evaluierung_ga_kurzfassung.pdf.

²⁷ During the period 2007 to 2013 about 1,48 Mio Euro will be invested by EFRE, to finance 5,700 projects, and create more than 5,000 jobs and 750 training opportunities. <http://www.thueringen.de/efre/informationen/veranstaltungen/jahresveranstaltung2010>.

²⁸ Source: <http://www.wallonie.be/fr/actualites/plan-marshall-2vert-mise-en-oeuvre-2010-2012> and <http://ec.europa.eu/enterprise/policies/innovation/policy/regional-innovation/monitor/index.cfm?q=p.policy&n=14145&r=BE3>.

Lithuania and Thuringia (DE), on the other hand, offer examples of national and regional strategies directly addressing the demographic challenges, as shown in Box 2 below.

Box 2: Strategies directly addressing demographic change: the case of Lithuania and Thuringia (DE).

In Lithuania, the key strategy which sets the national policy framework to tackle demographic change is the National Strategy on Demographic Policy 2004-2015 approved in 2004. It distinguishes three primary areas of intervention: family welfare, public health, and migration. The strategy includes enhancement of family welfare by facilitating reconciliation between family and work commitments, promoting equal rights for women and men, providing child care services, reducing family poverty and social exclusion, etc. The main interventions in the area of public health focus on reduction of morbidity due to infectious and non-infectious diseases, improvement of public health monitoring, health education, improvement of health service management, etc. Finally, the interventions with regard to migration include measures aiming at maintaining close relations with economic migrants from Lithuanians living abroad, cooperating with active Lithuanian organisations abroad, encouraging controlled labour force immigration from non-EU countries, etc. The aims of the Strategy in the areas of migration and public health are implemented through the two more specific national strategies: the Strategy on Managing Economic Migration for 2007-2012 and the National Strategy on Public Health for 2006-2013 respectively. The fourth strategy addressing demographic change is the National Strategy for Overcoming the Consequences of Population Ageing for 2004-2013. Its key aim is to create equal opportunities for people of all generations and to empower the elderly to live active personal, public, professional, and cultural. The interventions under this strategy focus on keeping older persons active within the labour market as long as possible, ensuring a steady income for every elderly person, ensuring the best possible health among older persons and guaranteeing quality health care services for the sick; enabling participation of older persons in public and community life, etc.

In Thuringia (DE), besides development programmes, specific national programmes address demographic change with a comprehensive approach, taking account of different aspects such as quality in the public service sector, the real estate market and promotion of mobility and transport infrastructures.²⁹ This is the case of the “Federal strategy for Demography”³⁰ and the programme “Ensure Basic services in the context of demographic change”³¹. Also the national pilot project “Demographic Change – Regions make Future”³² addresses local employment and the regional economy, transport infrastructure and mobility, social services and families, new forms of living patterns and cultural and regional identity in the rural areas.³³

Source: Case studies

²⁹ http://www.beauftragter-neue-laender.de/BODL/DE/Themen/Demografie/Daseinsvorsorge/daseinsvorsorge_node.html.

³⁰ http://www.demografiestrategie.de/BODL/DE/Themen/Demografie/Situation/situation_node.html?jsessionid=1A00DECABCDBE426AFEB81BDD8703C69.2_cid295.

³¹ http://www.beauftragter-neue-laender.de/BODL/DE/Themen/Demografie/Daseinsvorsorge/daseinsvorsorge_node.html.

³² http://www.region-schafft-zukunft.de/cln_030/sid_CDFD78090E189DF0805D960A18526118/DE/Home/homepage_node.html?_nnn=true.

³³ http://www.region-schafft-zukunft.de/cln_030/nn_252590/sid_CDFD78090E189DF0805D960A18526118/nsc_true/DE/ProjekteSuedharzKyffhaeuser/projekte_suedharz_kyffhaeuser_node.html?_nnn=true.

In all the case studies, besides comprehensive demographic or development strategies, specific national/regional policies have been implemented to tackle given demographic challenges. Some of them are illustrated below.

Within our case study sample, the most common policy responses to ageing at the national level are social protection and pension reform policies, while the provision of social services targeting the elderly – basically health and care facilities – typically remains a field of action for the regional and local governments. In some cases (e.g. in Malta, Lithuania, Lower Silesia, and Lincolnshire), the measures brought in to this end are accompanied by innovative measures to involve the elderly more actively in economic and social life.

For example, in Lithuania the National Strategy for Overcoming the Consequences of Population Ageing for 2004-2013 aims to empower the elderly to live active personal, public, professional, and cultural lives so that their experience can be appreciated and used by society and they themselves can feel respected and confident about their future. The interventions under this strategy focus on keeping older persons active within the labour market as long as possible, ensuring a steady income for every elderly person, ensuring the best possible health among older persons and guaranteeing health care services of good quality for the sick people; enabling participation of older persons in public and community life.

All the selected case studies include policies addressing migration issues. In the Eastern and, to a lesser extent, Southern regions the main challenge is the out-migration of young people and national or regional strategies have been implemented to support their return. For example, in Basilicata the regional Government has passed a specific law (Regional Law 16/2002) regarding citizens living abroad. The law defines the essential measures to sustain emigrant return through forms of solidarity and protection for the emigrants and their families, reinforcement of original identity, intervention for reintegration in the local labour market and social life, and financing of conventions and agreements with areas most affected by migration, starting from university institutions.

In the other regions the main issue is the regulation of migration flows and the social inclusion of foreign immigrants. In this latter case, the national government regulates the general framework for the recognition of citizenship and basic rights, while local authorities (regions and municipalities) usually implement employment and social inclusion policies targeting disadvantaged groups, including migrants. The approach to social inclusion at the regional level is multi-faceted, including housing, social services or targeted interventions aiming at areas and groups affected by poverty and social exclusion.

The ageing of the population means a reduced workforce. In order to contain this problem in many countries and regions policies supporting employment and the work–life balance have been implemented to reduce inactivity, especially among women with care responsibilities, the elderly and young people.

For example in Castilla La Mancha, the main regional strategy is the Plan de Choque (Crash Plan), aiming at mitigating the effects of long-term unemployment and facilitating access to labour. Final beneficiaries are long-term unemployed people, not necessarily youths, who can benefit from short-term job contracts and/or education and career orientation services. The Plan is implemented by the municipalities, which manage both the public procurement and aid delivery processes. They also implement information and awareness raising campaigns and hire career advisers and school counsellors to facilitate studying and employment choices.

In Thuringia, improving the qualification of workers is an important focus of Regional Policy, as migration has been a drain on skilled persons and unemployment is still high. Training initiatives have been implemented through the regional programme “Thüringen Trainee” and the “Vocational training cheque” (Bildungsscheck).

Within Member States and also within regions, population disparities between depopulated rural areas and congested urban areas are quite common. Regional disparities in population distribution mainly concern urban-rural or coastal-inland locations. The main drive for relocating to urban centres lies in better employment opportunities, especially for young skilled workers. For this reason, the depopulation of rural areas is often coupled with ageing rural populations. National and Regional Policy responses to population disparities relate to regeneration interventions and investments in infrastructures to improve the living conditions of the resident population and accessibility to services. Infrastructural investments (essentially transport, ICT and social infrastructures) and the provision of social services are the most common responses, especially to overcome accessibility shortcomings. Improving the quality of life of the residents, through infrastructural endowments, better services and in particular employment possibilities, is expected to give the population stronger motivation to stay in rural and depopulated areas.

In rural areas, the most promising interventions appear to be those based on integrated plans, strategically combining infrastructural and business measures, especially in the typical industries of the rural and most peripheral areas, like tourism, agriculture and the food industry. Different stakeholders and different levels of government are to be involved in such comprehensive strategies. On the other hand, urban policies are carried out at the regional and local level to tackle congestion and provide better infrastructures to serve the needs of the growing communities.

Urban and village development have received particular attention in the last few years as demographic change has brought pressure to bear on the local infrastructure, requiring investments in the housing infrastructure (such as re-building old buildings or modernising housing units³⁴), improvement in the deprived living areas and city centres, and transport and communication infrastructure. Examples of these type of policies implemented in the case studies considered are illustrated below.

In the past few years, Basilicata (IT) has pursued a long-term strategy aiming at overcoming the peripheral condition of the regional system and the internal territorial discrepancies through a range of measures devoted to the development of local transport networks, spreading ICT connections, reinforcing the local productive system and developing efficient social infrastructures. A mix of intervention categories has been put in place during the 2007-2013 period, including support benefits for industrial and agricultural firms; progressive decentralization of social and health services, and reorganization of local governments, including their functions.

In Castilla La Mancha (ES) the main long-lasting policy affecting the population challenge is the national Sustainable Development of the Rural Environment³⁵, establishing basic measures to favour rural economic, social and environmental development to improve the

³⁴ In the Frame of the Programme „Stadtumbau Ost“ 30,482 apartments have been demolished until the 31.12.2007.

http://www.bbr.bund.de/nn_311368/BBSR/DE/Stadtentwicklung/Staedtebaufoerderung/StadtumbauOst/ReFoProjekte/Evaluierung/03_ergebnisse.html.

³⁵ Law n. 45/2007.

quality of life for the inhabitants of the rural environments of Spain whilst promoting protection and appropriate use of ecosystems and natural resources. Given its predominantly rural character, the policy particularly meets the needs of Castilla La Mancha in keeping people in the fields, avoiding migration as much as possible. The policy provides incentives and fiscal facilitations to inhabitants of rural areas to promote their businesses in the agriculture sector.

A thoroughly comprehensive strategy in this respect is to be seen in the approach implemented in Eastern Germany and Thuringia, which is structured over various national and regional programmes. The Stadtumbau Ost (2010-2016, 2 phase) is the main city development programme for the East-German regions, launched in 2002. This Federal programme aims to enhance the inner city areas and maintain their historical buildings (built before 1948) with renewal investments and demolition of (socialist period) buildings no longer in use. The programme played an important role in restructuring the municipalities in the new Länder. The national-regional Smaller cities and municipalities Programme (Kleinere Städte und Gemeinden) implemented in 2010 supports cooperation between municipalities with the aim to guarantee a better supply of social services and to adapt investments in the city infrastructure to the changing needs resulting from demographic change. It includes the rehabilitation of buildings and new uses for empty buildings.

At the regional level, the Thuringer Initiative "Brilliant location" supports the cities in improving their inner-city areas by re-qualifying wasteland and creating space for residential properties. This initiative is supported by the "Active City and district centres" programme.³⁶ The aim is to provide attractive living spaces in order to reverse the migration dynamics, improve the use of urban spaces and avoid sub-urbanisation.³⁷ The Village Renewal programme (Dorferneuerungsprogramm) focuses on projects improving the living, working, social and environment situation of villages in rural areas. It is financed by the Funding Initiative Rural Development Thuringia FILET (Förderinitiative Ländliche Entwicklung in Thüringen 2007-2013) which is supported by the European Agricultural Fund for Rural Development (EAFRD).³⁸ It includes activities for the maintenance and renewal of the village structure, the transport infrastructure, the village ecology, the protection of historical and rural buildings and their adaptation to modern needs (for living and commerce), as well as support for local infrastructures and change in their uses.

4.3 The contribution of Cohesion Policy to tackle demographic change in the selected case studies

The evidence collected through the case studies shows that:

- The Cohesion Policy programming documents for the 2007-2013 period in the case studies considered explicitly take account of demographic change in the context analysis, and, even if there is no direct indication of demographic challenges among their priorities, all the regions have implemented measures which address

³⁶ Bundesministerium für Verkehr, Bau und Stadtentwicklung (BMVBS), (2011), Aktive Stadt- und Ortsteilzentren – drei Jahre Praxis, Erster Statusbericht zum Zentrenprogramm der Städtebauförderung. http://www.turmstrasse.de/downloads/pdf/foerdergebiet/foerderkulissen/110609_AZ_Statusbericht.pdf.

³⁷ <http://www.thueringen.de/de/genialzentral>.

³⁸ Other activities are the development and diversification of agriculture activities. In: Ministry for Agriculture, Environment protection and Environment, Förderinitiative Ländliche Entwicklung in Thüringen 2007-2013 (FILET), <http://www.thueringen.de/de/publikationen/pic/pubdownload896.pdf>.

demographic change. This is due to the type of measures eligible for ERDF and ESF funding, but also to the capacity of the regional authorities to single out demographic needs emerging at the local level;

- as described in chapter 3, Cohesion Policy has addressed demographic variables mainly in an indirect way, impacting on employment creation, upgrading skills, better living conditions and social inclusion, improved accessibility to remote rural areas and urban regeneration programmes. However, some (ESF) measures have directly addressed demographic change, targeting the needs of the older population, young people, women and migrants;
- lacking demographic indicators, the monitoring systems are unable to provide quantitative evidence of actual effects. However, more qualitative information collected in the field and perceptions of stakeholders show that overall the measures implemented have paved the way for significant improvements, especially in those cases where a number of conditions were satisfied, such as a better focus on demographic priorities, integration between ERDF and ESF interventions and between them and other national/regional programmes implemented at the regional and sub-regional level, the creation of effective public-private partnerships and the governance capacity of local authorities.

In the following sections, the main findings from the case studies are discussed, firstly providing an overview of the strategies implemented at the regional level and then looking at some of the measures addressing each of the main challenges related to demographic change in order to describe the type of interventions co-financed by Cohesion Policy, their main strengths and weaknesses in relation to effectiveness and sustainability and the lessons which may be learnt for future programming.

4.3.1 Cohesion Policy strategies in the selected case studies

As explained in chapter 3, Cohesion Policy contributes to tackling the demographic challenges by providing two categories of interventions in particular: infrastructures (business support, transport and ICT infrastructures, housing facilities, social infrastructures, urban/rural regeneration, etc.) and employment, training and social inclusion policies, financed respectively by the ERDF and the ESF Operational Programmes.

In the selected case studies, the context analyses of the programming documents show a widespread awareness of the demographic challenges reflected in policy. The ageing of the population and depopulation due to outmigration are the most pressing demographic problems of all the regions considered. The decline of the working age population in particular is felt to be a threat to the future development of most of the regions analysed.

Parallel to national/regional policy responses, the general objectives of Cohesion Policy address demographic change mostly in an indirect way.

Economic development is the main objective of the regional ERDF Operational Programmes, to be achieved also by tackling the negative demographic trends in order to increase regional attractiveness. Interventions addressing demographic issues are mainly framed in terms of measures supporting local development, urban and rural regeneration, employment and local infrastructures.

On the other hand, the upgrading of human capital and support for employment and social inclusion are the main objectives of the ESF Operational Programmes.

As shown in Table 19 all the case studies included in their OPs ERDF and ESF measures that have an important (mainly indirect) effect on demographic change, by supporting:

- local business start ups;
- social infrastructures and the social economy;
- urban/rural regeneration;
- transport infrastructures;
- tourism promotion;
- ICT access and networks;
- raising the skill level and adaptability of the elderly, women and young people
- employment and social inclusion of migrants.

In many cases the Cohesion Policy measures are the main provisions that address demographic challenges occurring at the regional and local level and often complement national/regional strategies.

Table 19: Cohesion measures addressing demographic change in the case studies

Country/region	Programme and measures
BASILICATA (ITALY)	
ERDF OP 2007-13	Axis III - Measure III.2.1 "Financial aids to innovative productive investment" under Axis III "Productive competitiveness" Axis V - Measures V.2.1 "Promoting the environmental, cultural and relationship amenities of the town of Matera to attract innovative investments" under Axis V "Urban Systems" - Measure V.2.3 "Regenerate the urban environment to increase quality and the citizens' living standards and to promote social inclusion in the city of Matera" under Axis V "Urban Systems" Axis VI - Measure VI.1 "Reinforcing care services and infrastructures" under Axis VI "Social Inclusion" - Measure VI.2 "Strengthening, diversifying and innovating business models for social care services management and organization" under Axis VI "Social Inclusion"
ESF OP 2007-2013	Axis II: - Measure II.e: Implementing active and precautionary work policies, with particular attention to migrants' integration in the labour market, active ageing, self-employment and enterprise start-up Axis IV: - Measure IV.i: IV.i.1) increasing participation in lifelong learning, also through regulations designed to reduce dropout rates and gender inequality with respect to school subjects; IV.i.2) increasing access to education, and primary professional and university training through improvements. Measures IV.i.1 and IV.i.2 are directly oriented at enhancing local human capital in order to prevent youth exclusion from the labour market or high drop-out rates.
CASTILLA LA MANCHA (SPAIN)	
ERDF	Axis 6 "Investment in social infrastructure": - Increasing the number of education infrastructures by developing the non-university education supply - Promoting the creation of Centres for Children Assistance. - Building and refurbishing hospitals, as well as Specialization, Diagnosis and Treatment Centres. - Building infrastructures for the integration of groups at risk of social exclusion.
ESF	Axis 2 - 2.69 Guaranteeing access to, better sustainable participation and involvement of women in the labour market. - 2.70 Implementing specific measures aiming at increasing the participation of migrant workers in the market, thus consolidating their integration in society

Country/region	Programme and measures
	- 2.71 Promoting the involvement of people with disabilities in the labour market; fighting discrimination in access to the labour market and encouraging career advancement; and promoting diversity in the workplace.
CENTRU (ROMANIA)	
ERDF	Priority axis 1: Integrated urban development plans including: rehabilitation of the urban infrastructure and improvement of urban services, including urban transport; development of sustainable business environment; rehabilitation of social infrastructure, including social housing and improvement of social services. Priority axis 3: rehabilitation, modernisation and equipping health service infrastructure; rehabilitation, modernization, development and equipping of social service infrastructure; rehabilitation, modernization, development and equipping of pre-university, university education and continuous vocational training infrastructure. Priority axis 4 measures indirectly tackle demographic issues (creation of new jobs to retain the population in the region: development of sustainable business support for structures of regional and local importance; support for the development of micro-enterprises.
ESF	Priority Axis 2 "Linking lifelong learning and labour market" at the national level addresses the need to ensure that all individuals have equal opportunities for learning and are well equipped with competences and skills for their sustainable integration in the labour market. Specific measures address Roma and the rural population. Priority Axis 3 "Increasing adaptability of workers and enterprises" aims at: promoting entrepreneurial culture; training and support for enterprises and employees in order to promote adaptability; development of partnerships and encouraging initiatives for social partners and civil society. Priority axis 5 "Promoting active employment measures" aims at: developing and implementing active employment measures; promoting long term sustainability of rural areas in terms of HRD and employment. Priority axis 6 "Promotion of Social Inclusion" aims at facilitating labour market access for vulnerable groups. The specific objectives are: to promote and support the creation of new jobs in the social economy field; to increase the qualification level of the persons belonging to the vulnerable social groups; to improve the level of competences of experts and public services in the social inclusion field.
INTERREG IV C: DART	Exchange of Experience: conferences, study visits and good practice analyses; Political recommendations and benchmark: development of political recommendations at EU and regional level based on analysis of the current demographic situation and future projections.
LINCOLNSHIRE (UK)	
ERDF	Priority Axis 2 "Linking lifelong learning and labour market" at the national level addresses the need to ensure that all individuals have equal opportunities for learning and are well equipped with competences and skills for their sustainable integration in the labour market. Specific measures address Roma and the rural population. Priority Axis 3 "Increasing adaptability of workers and enterprises" aims at: promoting entrepreneurial culture; training and support for enterprises and employees in order to promote adaptability; development of partnerships and encouraging initiatives for social partners and civil society. Priority axis 5 "Promoting active employment measures" aims at: developing and implementing active employment measures; promoting long term sustainability of rural areas in terms of HRD and employment. Priority axis 6 "Promotion of Social Inclusion" aims at facilitating labour market access for vulnerable groups. The specific objectives are: to promote and support the creation of new jobs in the social economy field; to increase the qualification level of the persons belonging to the vulnerable social groups; to improve the level of competences of experts and public services in the social inclusion field.
ESF	Priority Axis 1: <ul style="list-style-type: none"> o Improving employability and skills of the unemployed and economically inactive people and those recently made redundant to enable them to gain and retain jobs, and make progress in them. o Tackling barriers to work faced by disadvantaged groups (e.g. lone parents; older workers); o Reducing the number of young people who are not in education, employment or training (NEET). Priority 2: <ul style="list-style-type: none"> o Skills for Life/pre level 2 support o Support the delivery and achievement of full first level 3 qualifications. o Certifying skills of migrant workers. o Support for workers or new entrants to the workplace that are under-represented in

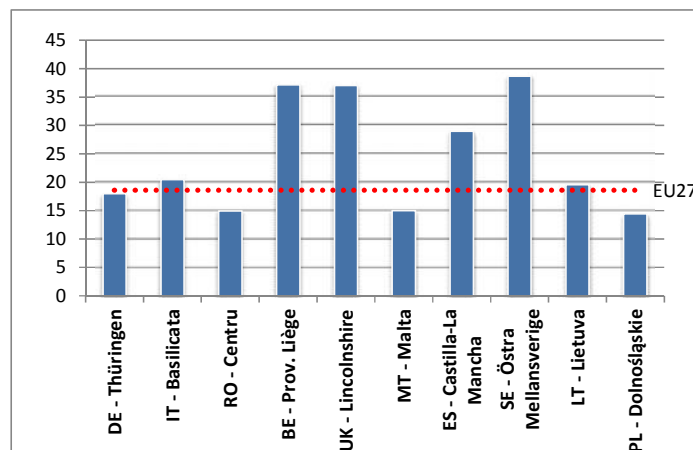
Country/region	Programme and measures
	<p>that industry.</p> <ul style="list-style-type: none"> o Training for those facing redundancy. o Customised learning to meet employers' needs.
LITHUANIA	
ESF(OP DoHR)	<p>Priority 1 „Quality employment and social inclusion“ .</p> <ol style="list-style-type: none"> 1. Reconciling family and work commitments; 2. Promotion of return for Lithuanian emigrants; 3. Improvement of human resources in a public sector (Training of health professionals who contribute to reducing the morbidity and mortality from the major non-infectious diseases) 4. Reconciling work and family commitments: development of integral assistance.
ERDF and Cohesion OP PoC	<p>The specific measures of the OP PoC that could be seen to address demographic challenges are mostly health-care related:</p> <ul style="list-style-type: none"> • Reduction of morbidity and mortality due to cardiovascular diseases; • Early diagnostics of oncological diseases and full-fledged treatment; • Reduction of mortality due to traumas and other external causes of death.
Operational Programme for Economic Growth for 2007–2013 (OP EG) financed by ERDF and Cohesion Fund	<p>None of the specific measures of the OP EG directly address demographic challenges to Lithuania.</p> <p>However, one project under this programme includes Junior Professional Programme "Kurk Lietuvai" ("Create for Lithuania") aiming to attract young Lithuanian graduates from universities abroad to Lithuanian public.</p>
Baltic Sea Region programme (BSR)	<p>There is one example of strategic projects related to demographic challenges identified under Priority 4: "Strategies addressing the demographic change and migration processes in the BSR". The project "Best Agers" (http://www.best-agers-project.eu/) aiming to encourage active ageing was co-funded by the Baltic Sea Region programme.</p>
LOWER SILESIA (POLAND)	
REGIONAL OPERATIONAL PROGRAMME (ROP)(ERDF)	<p>Priority 1 "Enterprises and Innovation": Measures to improve access to employment and increase sustainable participation and progress of women since special attention has been paid to support the development of SMEs (investing in the areas with high unemployment rate, in rural areas and small towns, and the areas specified in the Priority 9, "Towns" .</p> <p>Priority 3 "Transport"</p>
THE OPERATIONAL PROGRAMME HUMAN CAPITAL (HC OP) (ESF)	<p>Priority 7: "Promotion of social integration". 1) To reduce inequalities in the dissemination and quality of educational services in rural and urban areas; 2) To increase the attractiveness and quality of vocational training; 3) To enhance professional development and qualification of teachers, especially in rural areas</p>
MALTA	
ESF	<p>Axis 1: Investing in the education system; Addressing skill mismatches; Attracting more students into the research and innovation field; Training concerning ICT and research and innovation;</p> <p>Axis 2: Continuous training and education; Training and re-skilling in the private sector;</p> <p>Axis 3: Female participation in the labour market; Promoting an inclusive society; Addressing labour market distortions and ensuring that work pays.</p>
ERDF-CF	Axis 6. improvement of education, social and health-related infrastructures.
ÖSTRA MELLANSVERIGE (SWEDEN)	
ERDF	<p>The three overall measures – 1) Innovation, 2) Entrepreneurship and 3) Accessibility – in the programme make no direct reference to the possibilities for the region to adapt to demographic change, but they will indirectly affect demographic development.</p>
ESF	<p>The two overall programme areas – 1) Skills supply and 2) improved labour supply – do not directly address demographic change. However, measures and initiatives taken within the two programme areas may have an indirect effect on demographic change.</p>
THURINGIA (GERMANY)	
ERDF	<p>Measure 2.2. "Promotion of business investment" through the supply of innovative financing instruments (such as subsidised loans) for SME as well as large enterprises.</p> <p>Measure 3.1: "Support for sustainable development in cities with more than 10,000 inhabitants" includes projects on infrastructure in urban and rural areas having direct economic effect.</p>

ESF	<p>Axis 1: "Improvement to the adaptability and competitiveness of the labour forces and business organisations"</p> <p>Measure 1.1: "Occupational training" for the qualification of workers and for the development of employment in the service sector (i.e. ageing). Special training opportunities for older and low-skilled workers to improve their employability. This measure also provides for the supply of knowledge regarding personnel organisation and management in SMEs against a background of demographic change.</p> <p>Axis 2: "Improvement to human capital".</p> <p>Measure 2.1: "Development of vocational training - tailored professional training support" addresses the demographically-based decline in numbers of applicants by providing better basic qualifications for the young and young adults by means of closer connection between educational institutions and the world of work.</p> <p>Measure 2.3: "Promotion of human capital in research and innovation and network activities between universities and research institutions, technological centres and enterprises" to provide qualified personnel for enterprises, and exchange of experts between the different institutions (enterprises and educational institutions) in order also to enhance the qualification possibilities of young people and improve vocational training opportunities.</p>
PROVINCE DE LIEGE, WALLON (BELGIUM)	
ERDF 2007-13	<p>Axis 3 'Balanced and sustainable territorial development'. They are:</p> <p>3.1 Reclamation and reuse of derelict industrial and urban land;</p> <p>3.2 Support for integrated urban renewal and territorial attractiveness policies;</p> <p>3.3 Urban revitalisation and territorial attractiveness</p>
ESF 2007-13	<p>Axis 1 target the business sector by providing adequate actions to promote the creation of enterprises and entrepreneurship,</p> <p>Axis 2 for the 'Development of human capital, knowledge, skills and research', envisages measures to enhance the professional qualifications of the labour force (measures 2.1. and 2.2), and valorisation of already acquired competences (2.4).</p> <p>Axis 3 (particularly measures 3.1, 3.3 and 3.4) propose actions to improve social inclusion, by favouring the employment women, people of foreign origin and disabled.</p>

Source: Case studies.

Figure 22 presents the share of Structural Funds channelled towards demographic change out of the total amount of funds allocated in the selected regions, according to the methodology described in chapter 3. Overall the data show that measures addressing demographic challenges cover a significant share of total allocations. The share of funds allocated is highest in Östra Mellansverige (SE), Wallonia-Province of Liege (BE) and Lincolnshire (UK) with more than one third of total Structural Funds allocated to measures addressing the demographic challenges. The lowest share (around 15% of total funds) is to be found in the Polish region of Lower Silesia, in the Centru region in Romania and Malta.

Figure 22: Share of SF addressed to demographic change over the total amount of allocated SF in the region (2007-2013 period)



Source: Elaboration based on DG Regio database on SF expenditure.

In all the case studies Cohesion Policy appears to have an important role in tackling the main demographic challenges occurring at the regional and local level. According to the stakeholders interviewed and the evidence collected, the Structural Funds have complemented national and regional strategies and provided important value added.

In Basilicata, the ESF and ERDF Operational Programmes complement each other in providing both infrastructures and services to tackle demographic issues. The ESF is mainly co-financing projects to encourage unemployed and economically inactive people to enter the labour market, as well as to improve skills and workforce adaptability, while the ERDF is enhancing the attractiveness of local areas through a varied set of interventions ranging from business support to infrastructure refurbishment and/or extension. The Regional Strategic Reference Framework 2007-2013 (RSRF) provides the goals and strategic framework for the Operational Programmes, setting the overarching objective of sustaining economic competitiveness through innovation and internationalization of enterprises and facilitating a knowledge-based economy through investments in the required physical and social infrastructural capabilities, education and social inclusion. The RSRF relies on a solid and comprehensive analysis of the regional socio-economic context, highlighting the demographic challenges to which the region has been and is still exposed. The ESF 2007-13 OP, highlights in the SWOT analysis the main weaknesses of the Basilicata socio-economic context that need to be properly addressed with a focused long-term strategy, including the declining and ageing population, especially in inland areas, the increasing emigration of the younger and higher-skilled population and labour market inequalities. Demographic issues are directly and indirectly addressed in most of the objectives of the ESF OP's 7 Axes, particularly the Priority Axis II "Employability" and Axis IV "Human Capital". The main objective of the ERDF 2007-2013 OP is to promote the convergence of Basilicata economic growth to the European average as well as to improve innovation skills and the diversification of the production system. Demographic challenges are indirectly addressed in most of the Axes' objectives, especially with regard to enhancing the region's attractiveness and connections between different regional areas. In particular, the link between the PO ERDF objectives and the relevant demographic challenges is evident under Priority Axis III "Productive Competitiveness", Axis V "Urban Systems" and Axis VI "Social Inclusion".

The case of Castilla La Mancha (ES) is a good example of how the crisis has obliged regions to revise their initial intervention programmes. The main demographic challenges faced in Castilla La Mancha are now declining population and youth unemployment. The ESF Managing Authority very recently proposed a re-modulation of the programme with significant transfers of resources across axes to take over resources still available from Axes 1 (Adaptability) and 2 (Employability) and devote them to Measure 3.73, which is about the provision of education and vocational training services. This is seen as the main tool to meet an increased demand for education on the part of young people who remain unemployed and face difficulties either going back to school or accessing the labour market. Measure 3.73, which is the "symbol" of the new ESF policy focus on youth and employment, is closely connected with ERDF measure 75 on the creation and/or refurbishing of existing educational facilities.

In the Romanian Centru region, local demographic challenges are mainly tackled in the context of Structural Fund measures managed at the regional level and through the participation of the Centru Region in transnational programmes (DART Programme) in this field. In Romania the main priorities of Structural Funds OPs are identified and defined at the national level with the involvement of the Regional Development Agencies playing a consultative role in the programming phase. The involvement of the regional agencies in

the implementation process is limited to some OPs and priorities within these OPs. While the ESF OP is entirely coordinated and implemented by the national ESF Management Authority (belonging to the Ministry of Labour, Family and Social Affairs), ERDF implementation is undertaken by the Ministry of Regional Development and Tourism jointly with the Regional development Agencies. The ESF OP tackles issues regarding the creation of new jobs, lifelong learning, education and vocational training and social inclusion, which can potentially offer solutions to demographic changes in the Region. However, as this is a national OP, its objectives and priorities do not reflect the direct needs or specificities of Centru Region. Moreover, the national data regarding the ESF OP objectives and priorities are not disaggregated at the regional level. The Centru region is in charge of the implementation of the 5 axes of the ERDF programme, equivalent to 10% of the entire OP budget. In this context, the main measures implemented within the 2007-2013 Cohesion Policy framework were: the formulation of Integrated urban development plans including integrated plans for growth poles (Brasov metropolitan area), for urban development poles (Sibiu and Targu Mures cities) and for the development of urban centres (all small towns with maximum 10,000 inhabitants); the rehabilitation/modernization of healthcare infrastructure, of social services infrastructure and of the pre-university, university and professional training infrastructure; the establishment and development of business support structures of regional and local importance, rehabilitation of industrial sites and support for regional and local entrepreneurial initiatives, in order to facilitate job creation and sustainable economic growth. Nearly 100 projects have been implemented within these measures and are still ongoing. The main regional strategy directly addressing the demographic challenges is, however, the one developed with the participation of Centru Region in the Interreg IV C DART programme between 2009 and 2012. According to the interviews carried out, participation in this programme helped the Region to acquire knowledge of the challenges raised by demographic changes in the region and to define the main priorities in this field, also looking at how the other countries participating deal with demographic challenges.

The ageing population, which is now the major demographic challenge facing Lincolnshire, is neither mentioned as an issue nor directly addressed by the EU funded programmes covering the East Midlands Region, and with it Lincolnshire. This is because this only became an urgent issue during the programming period. The Programmes analysed focus particularly on objectives such as raising employment opportunities in the East Midlands and upgrading the skills of the working age population. The 'East Midlands Operational Programme', co-financed by the ERDF aims to increase the productivity of the Region through investment in innovation and to promote sustainable economic and enterprise activity in disadvantaged communities. The Programme is structured along three priority axes, of which only Priority Axis 2 (PA2) can be highlighted as particularly relevant from the demographic change perspective, being specifically designed to provide support and resources to localities with high levels of deprivation and low levels of enterprise activity. The link between PA2 and demographic challenges affecting Lincolnshire can be found in two specific measures which are expected to attract to/retain in the county a high share of working age population, thus balancing the ageing trend. Moreover, they aim to provide job opportunities for skilled workers, thus encouraging young people to start a business in these districts instead of moving towards highly paid jobs offered outside Lincolnshire. According to the monitoring data, the quantitative target set will be achieved if not overshoot by the time the programme ends. Cohesion Policy also contributes to tackling Lincolnshire's demographic challenges by means of the ESF OP for skills and employment –

a Framework for East Midlands³⁹. In line with the national programme, the regional ESF Framework for East Midlands aims to increase the employment rate and develop a skilled and adaptable workforce. Both ESF Priorities are intended to enhance the labour market structure (by upgrading the skills of the labour force) and to extend employment opportunities to the most disadvantaged segments of the population, such as people with disabilities, lone parents, older workers, (aged 50 and over), ethnic minorities and people with low qualifications. Both ESF Priorities complement the overall objective of the region's ERDF Programme. A major synergy lies with ERDF PA2 which targets the region's most disadvantaged districts by providing enterprise support, access to finance, access to resources and support, and opportunities to revive local infrastructure and environments. More directly related to demographic change are those measures which specifically target migrants and the most marginalised group (people living in rural districts), supporting their inclusion in the labour market. Positive results are expected from the ESF selected measures. However, some concern was expressed by the interviewees with regard to ESF management and delivery arrangements, especially in terms of reduced ability to introduce flexibility and respond to the changes in economic circumstances.

In Lithuania, Cohesion Policy 2007-2013 contributed to implementing national strategies addressing demographic challenges such as migration, ageing, public health and so forth. Some measures were directly linked to the goals of national demographic policy; for instance, encouraging return migration, reducing morbidity due to cardiovascular diseases and supporting family welfare. The support of European Structural Funds made it possible to implement measures in the field of demographic policy that would otherwise most probably not have been implemented. All the three national Operational Programmes address the demographic changes in the context and/or SWOT analysis, especially the ESF and ERDF OPs, which to some extent complement each other regarding attention to demographic changes as the former focuses more on ageing and the labour force decline caused by migration while the latter places the emphasis on ageing, the decreasing birth rate and mortality.

In Lower Silesia (PL), of the measures implemented in both the ESF and ERDF Operational Programmes some have a direct impact on adaptation to demographic change, e.g. measures to improve access to employment and increase sustainable labour participation on the part of women, measures supporting and promoting entrepreneurship and self-employment, and measures supporting integration and re-entry into employment for disadvantaged people. Furthermore, policies aiming at the social integration of immigrants are based on EFS projects only, as Poland has no integration policy towards immigrants. In the regional 2020 Development Strategy for the Lower Silesian Voivodship (DSLVS), a priority for the regional government is to create the best conditions for business development and attract new investors. According to the experts interviewed, the greatest opportunity for implementation of these measures lies in the EU financial contribution, even if constrained by the malfunctioning of the multilevel governance system.

In Malta, over the 2007-2013 period, Cohesion Policy has significantly complemented the national initiatives to provide social infrastructures, training, lifelong learning, capacity building and other measures to directly and indirectly tackle demographic changes. The two national Operational Programmes contribute to achieving the overall long-term policy

³⁹ In the UK, coordination between the national-level Operational Programme and regional strategies and plans was generated through regional ESF Frameworks – documents developed by Regional Skills Partnerships, which brought together a range of regional skills and employment stakeholders. The Frameworks are intended to enable the ESF programme to address specific regional employment and skills challenges.

objectives, by providing, in particular, infrastructure, training and labour market support. The most significant support to address the demographic problems in Malta is provided through ESF-funded projects. These are mostly 'soft' types of projects, i.e. training, labour market support and social services, capacity building and studies/research. These intervention lines are complemented by 'solid' interventions under the ERDF OP through the provision of social infrastructures. Both the OPs are fully in line with the overall governmental strategy for stimulating Malta's economic development while coping with the socio-demographic challenges, as described in the previous section.

In Östra Mellansverige the ESF and ERDF programmes have to some extent all highlighted the demographic development in the region when identifying regional strengths and weaknesses, but the objectives of the programmes do not directly address demographic development in the region. Therefore only a few specific measures can be considered to be coping with demographic changes or their consequences, albeit somewhat indirectly. While in all the programmes the context and/or SWOT analysis address demographic changes and what challenges and opportunities these changes might imply, when it comes to objectives and strategy design of the programmes the demographic challenges are not specifically addressed, the focus being on issues more indirectly linked to demographic change, such as increasing employment and better accessibility to enhance the population's mobility. Interviews with regional stakeholders provide evidence that the demographic issues are not particularly addressed at any phase of the programming cycle. The ESF regional plan for Östra Mellansverige in particular has a demographic dimension since it aims at improving working life conditions, stepping up on inclusion of those who are outside the labour-market and bringing in measures and initiatives targeting young people. In the ERDF Operational Programme for Östra Mellansverige 2007-2013 the main focus has been to enhance regional growth and the competitiveness of firms in the region.

In Thuringia, both Operational Programmes (ERDF and ESF) directly or indirectly take account of the demographic development of the region. Three of the four Axes of the ERDF Operational Programme were designed to boost enterprise innovation and make the economy more competitive in order to enhance the regions' attractiveness, stimulate investments and make the cities and rural areas more appealing for the population. Activities include investments in infrastructure, such as education, research institutions and indeed in the urban centres. This is also fostered with investments in the R&D field, and close connection with economy-related activities. Complementary to these, the ESF Operational Programme supports activities for the development of human capital (including development in research and innovation), in order to provide the necessary workforce and to keep high-skilled workers from leaving Thuringia. It includes activities to promote employability, entrepreneurship and the social inclusion of different population groups, such as youth, the elderly and women as well as maintaining a high level of education and qualifications. The selected ERDF and ESF measures targeting demographic change focus on: investment in infrastructure, vocational and educational institutions, and enterprises, as well as urban infrastructure, including transport, services; improvement of qualification possibilities for the young and elderly population in order to address the need for skilled persons; service provision for SMEs, including consulting activities for the improvement of management functions, support for networking with educational institutions to cope with the need for qualifications more appropriately and boost innovation by connecting R&D institutions with enterprises.

Box 3: A good practice example of integration between Cohesion Policy and national/regional strategies

A good practice example of an integrated approach is offered by the case of Walloon-Liege. Both the ERDF and the ESF OP indirectly tackle the region's demographic challenges by addressing the vulnerable population living in formerly industrialised centres. Moreover, even if not explicitly stated as an objective of intervention by either of the two OPs, the economic renaissance is likely to support demographic growth along the Meuse river, making it a destination for migration flows once again. The volume of resources made available by the Cohesion Funds to co-finance these two OPs (40% and 50% respectively for ERDF and ESF measures) represents a very minor share of the total public resources allocated by the federal and regional government and by the local councils. Nevertheless, their effectiveness is maximised through a comprehensive and common strategy of intervention, which ensures the reciprocal leverage effect of the Cohesion Policy programmes, and with the regional overarching strategy. The overall regional intervention strategy is based on the principles of transversality and agglomeration. By transversality is meant the financing of integrated portfolios of projects, which are intended to increase efficiency and favour the exploitation of scale effects: potential beneficiaries of EU funds⁴⁰ have to present an integrated group of project proposals, consisting of different individual projects all aiming at the same objective. This approach is expected to increase collaboration and synergies of different types among stakeholders called upon to give their contributions to the drafting and implementation of portfolios of projects on the strength of their specific specialisations. The agglomeration principle relates to the concentration of measures on more disadvantaged areas, particularly the urban centres along the Meuse basin, in order to favour their economic recovery and thus reduce the spatial economic dualism of Walloon. The governance system for the strategy involves a large number of actors, such as the ERDF Managing Authority in the Walloon regional government, the ESF Agency – which is a separate service of the Belgium French Community, managing the ESF funds for the regions of Walloon and Brussels – local councils, but also a large number of associations working in the social sector and in civil society which contribute to the implementation of the regional development strategy. According to the information gathered in field interviews, the collaboration between the different actors has been working well for both the ERDF and ESF programmes. The necessary creation of project portfolios, as required among the eligibility conditions for public financing, takes time but no major difficulties with this approach have been encountered. A recent evaluation reveals great satisfaction with this approach since it forces beneficiaries to talk to each other, to the benefit of all the interventions. Coordination starts from the project design phase and continues during implementation: annual meetings are organised between the beneficiaries, experts and the Managing Authorities to discuss problems, risks and find possible solutions to address them.

Source: Walloon case study

4.3.2 Cohesion measures addressing specific demographic challenges – Best practices

Overall 37 measures and ten good practices have been singled out for in-depth analysis. The selected measures are presented in table 20, while the ten good practices indicated by the Managing Authorities and the other stakeholders contacted in the field work are outlined in table 21.

⁴⁰ But also of other regional public financing.

Table 20: Selected Measures in relation to demographic change

Measure (programme)	Main type of intervention (infrastructure, business support, social services, other)	Thematic focus (active ageing, rural/urban regeneration, depopulation, migration, fertility, etc.)	Beneficiaries	Resource Allocation in absolute value and % of total programme resources
BASILICATA (ITALY)				
OP FSE, Axis II Employability	Labour market policies	Labour market imbalances	Active, Unemployed and inactive people	Axis II financial allocation 2007-2013: 70,078,494 euro (21.7% of the total programme resources).
OP FSE, Axis IV Human Capital	Labour market policies	Early school leaving	Active, unemployed, inactive people	Axis IV financial allocation 2007-2013: 110,446,235 euro (34.3% of the total programme resources).
OP FSE, Axis IV Human Capita	Labour market policies	Up-skilling and workforce adaptability	Active, unemployed, inactive people	Axis IV financial allocation 2007-2013: 110,446,235 euro (34.3% of the total programme resources).
OP ERDF, Axis III "Productive competitiveness"	Business support	Regional competitiveness and attractiveness	Entrepreneurs small and medium industrial firms	Measure III.2.1 financial allocation 2007-2013: 24,875,000 euro which is 31.3% of the total Axis III allocation and 3.3% of the total ERDF Programme resources.
OP ERDF Axis V "Urban Systems"	Infrastructures, business support	Urban regeneration	Enterprises	Measure V.2.1 financial allocation 2007-2013: EUR 12,648,937.50 which is 17% of the total Axis V allocation and 1.7% of the total ERDF Programme resources.
OP ERDF Axis V "Urban Systems"	Infrastructures, business support	Urban regeneration	Enterprises	Measure V.2.3 financial allocation 2007-2013: EUR 5,708,812.50 which is 7.7% of the total Axis V allocation and 0.8% of the total ERDF Programme resources.
OP ERDF Axis VI "Social Inclusion"	Infrastructures, social services	Active ageing, gender gaps in labour market	Enterprises	Measure VI.1 financial allocation 2007-2013: EUR 82,585,000.00 (84.3% of the total Axis VI allocation and 11% of the total ERDF Programme). Measure VI.2 financial allocation 2007-2013: EUR 14,925,000 (15.2% of the total Axis VI allocation and 2% of the total ERDF Programme).
CASTILLA LA MANCHA (SPAIN)				
2.69 ESF	Social services	Work-life balance	Firms, Households, Individuals	Original: 19,409,707 (10.8%) Re-modulation: 17,225,584 (9.6%)
3.73 ESF	Education services	Population decline	Secondary education level students	Original: 7,576,201 (4.2%) Re-modulation: 78,077,870 (43.4%)
75 ERDF	Social infrastructure	Population decline	Secondary education level students; Teachers.	40,462,971 (2.8%)
CENTRU (ROMANIA)				
ERDF OP: priority axis 1 S Support for sustainable development of urban growth poles	Social infrastructure and business support	Urban regeneration	Municipalities	148.61 million euro; 30% of the programme budget allocated to Centru Region
ERDF OP Priority axis 3 Improving social infrastructure	Social infrastructure and social services	Active ageing; depopulation	public institutions	74.30 million euro; 15, 4% of the total budget allocated to Centru Region within the programme

ERDF OP Priority 4 Strengthening the regional and local business environment	Business support infrastructure	Migration, depopulation	Private firms	59.55 million euro; 12.3% of the total budget allocated to Centru region within the programme
LINCOLNSHIRE (UK)				
Measure 2a- Enterprise Support – Priority Axis 2 of OP I	Business support	Rural/urban regeneration, migration	All population groups in the labour market, with a special focus on the working migrants and young people.	A total of EUR 18,961,137 addressed to finance projects under this measure (73% of resources allocated to Lincolnshire under PA2).
Measure 2c – Access to Resource and Support – Priority Axis 2 of OP I	Labour market, social services	Rural/urban regeneration	All population groups in the labour market	27% of resources allocated to Lincolnshire under PA2 have been spent to finance 6 projects under this measure.
Training measures under Priority Axis I of OP II	Training, capacity building	Social inclusion, rural and urban regeneration	People with: low skills, living in deprived communities, having learning difficulties or disabilities, Lone parents, black & ethnic minorities, older workers (50+)	A total of EUR 238,931 went to finance this measure in Lincolnshire (45% of which being provided by ESF). It represents 12% of the total amount of resources allocated to Lincolnshire.
ESF Priority Axis II of OP II	Training, capacity building	Social inclusion, migrants, labour market	Unskilled people, people for whom English is not their first language, Older workers (50+), Lone parents or those with caring responsibilities, Those from disadvantaged areas, ethnic minorities, women, migrant workers, people with Learning difficulties or disabilities	A total of EUR 597,332 went to finance this measure in Lincolnshire, of which 45% provided by ESF. It represents 29% of the total amount of resources allocated to Lincolnshire
ESF Priority II of OP II	Training, capacity building		The unskilled, People for whom English is not their first language, Older workers (50+), Lone parents or those with caring responsibilities, Those from disadvantaged areas, ethnic minorities, women, migrant workers, people with Learning difficulties or disabilities	A total of EUR 597,332 went to finance this measure in Lincolnshire, 45% of which provided by ESF. It represents 29% of the total amount of resources allocated to Lincolnshire
LITHUANIA				
ESF (OP Development of Human Resources 2007-2013)	Information and advice; research	Migration Decreasing (working age) population	Lithuanian emigrants	1.86 million LTL (0.51 million euro) 0.056% of total programme resources; Initial allocation 17.6 million LTL (5.1 million euro) reduced
ESF (OP for the Development of Human Resources 2007-2013)	child care services; active labour market measures (training)	Decreasing (working age) population, fertility	People with care responsibilities	48.4 million LTL (1.46 million euro) 1.33% of total programme resources
(OP for Promotion of Cohesion for 2007–2013)	Infrastructure (diagnostic equipment)	Active ageing, mortality	Health care institutions and patients with cardiovascular diseases	156.5 million LTL (45.4 million euro) 1.51% of total programme resources

LOWER SILESIA (POLAND)				
ESF (EDUCATION (ROP – Priority 7)	Infrastructure	Migration, population decline, active ageing	Self-government institutions, scientific and higher education institutions, non-governmental organisations, socio-economic partners	Community funding: 99,050,316; total funding: 120,097,658; co-financing rate: 82.47%
2) Transport (ROP – Priority 3)	Infrastructure	Rural urban regeneration, population decline, migration	Self-government institutions, their unions and associations, entrepreneurs	Community funding: 227,950,624; national counterpart: 45,512,610; total funding: 273,463,234; co-financing rate: 83.36%
(ROP-Priority 8)	Infrastructure, social services	Active ageing, mortality	Healthcare institutions operating within the public healthcare system	Community funding: 52,722,970, national counterpart: 11,888,513, total funding: 64,611,483, co-financing rate: 81.60%
MALTA				
ESF (OP II, Axis 2 'Investing in employability and adaptability of the workforce')	Training and education	Skill mismatches	All population groups in the labour market, with special focus on the elderly	Thirteen projects for EUR 18,542,189 allocated. This amounts to 14.1% of the total ESF budget.
ESF (OP II, Axis 3 'Promoting an equal and inclusive labour market')	Training, campaigns, capacity building, study/ research	Social exclusion	Women with children and other persons with dependents, young school leavers, elderly, disabled people, immigrants, inactive, parents, educators, social workers	19 projects amounting to EUR 30,855,639.43 allocated. This amounts to 23.4% of the total ESF budget.
ESF (OP II, Axis 3 'Promoting an equal and inclusive labour market')	Social services, campaigns, training, study/ research	Female unemployed	Women, with a special focus on those with young children	Six projects for EUR 6,012,162.62 allocated. This amounts to 4.6% of the total ESF budget.
OSTRA MELLANSVERIGE (SWEDEN)				
(Regional ESF plan for Östra Mellansverige 2007-2013)	Labour market	Migration, increasing/decreasing population	Employers, individuals on the labour market	Programme area 1 "Provision/development of skills": 360 million SEK (36 million Euro) 30% of total programme resources
(Regional ESF plan for Östra Mellansverige 2007-2013)	Labour market	migration, gender balance	Employers, organisations, authorities, individuals on the labour market	Programme area 1 "Provision/development of skills": 360 million SEK (36 million Euro) 30% of total programme resources
Attractive societies/Quality of Life (Central Baltic programme)	Improve quality of and access to welfare services, inclusion on vulnerable groups	Migration, age balance	Municipalities and other public organisations. Universities, research institutions and NGOs.	N.A.

THURINGIA (GERMANY)				
ERDF Measure 2.1. "Promotion of business investment"	Business support	Migration		In Axis 2 a total of 22 projects were supported with an eligible investment volume of approx. 29 million Euro.
ERDF Measure 3.1 "Support for sustainable development in cities with more than 10,000 inhabitants"	Infrastructure, social services	Rural/urban regeneration	Local inhabitants in general, small enterprises in the functional centres.	Total: 120 Mio. € ERDF: 90 Mio. € As of 30.6.2010 public investments of 35.77m € have been approved (29.8%) and 17.7% have been paid in.
ESF Measure 1.1 "Occupational training, enhancement of the competitiveness of enterprises"	Education and qualification	Lack of skilled personnel	Workers and employees, younger and elderly people, Start-ups and SMEs	87 million EUR (21% of ESF total investments) 22.25 million Euro (44.4%) were for vocational training courses
ESF Measure 2.2 "Support for Lifelong learning"		Lack of skilled personnel		36 of the 47 million EURO have been paid for projects targeting pupils and young adults. 15 million EUR have been paid for labour market orientation projects (Halbzeit)
PROVINCE DE LIEGE, WALLON (BELGIUM)				
Measure 3.3 (ERDF OP, Axis 3 'Balanced and sustainable territorial development')	Infrastructure	Spatial dualism	Cities, the Walloon Region, the Walloon Regional Society of Transport (SRWT), Walloon housing society (SWL), tourist engineering organisations.	EUR 172.81 million, 40% of which financed by the ERDF.
Measure 2.2 (ESF OP, Axis 2 'Development of human capital, knowledge, skills and research')	Training	Unskilled labour force	Universities, schools and public operators of training, social promotion and education.	EUR 149 million, 50% of which financed by the ESF.
Measure 3.1: Activities of socio-economic insertion in the Region of Walloon (ESF OP, Axis 3 'Social inclusion')	Training	Unskilled vulnerable labour force	Institutes of social promotion and distance education, socio-vocational bodies, job-training companies.	EUR 105 million, 50% of which financed by the ESF.

Source: Case studies.

Table 21: The selected good practices

Basilicata (Italy)	<p>Educational vouchers for highly educational course "Projects and policies for local development" March 2012 – May 2012</p> <p>5 educational vouchers to cover the attendance costs and lodging fees for the training course "Projects and policies for local development" organized by the School of Development Studies of Francesco Saverio Nitti Foundation and held in Melfi (PZ). EUR 52,000.00 (EUR 20,800.00 by ESF 2007-2013 under Axis IV "Human Capital", EUR 31,200.00 by national funds)</p>	<p>Young people living in Basilicata aged under 35 and holding a master degree with an overall mark of at least 95/110. Preferential qualifications: a) holding a post-graduate master degree or a Ph.D.; b) professional experience in projecting and implementing public or private interventions in Southern Italy; c) advanced knowledge of English.</p>	<p>The project was co-financed by <u>public and private partners</u>, representing an opportunity for the participants to establish professional contacts with the co-financing partners. This network was also able to provide a useful platform for the creation of future training courses and activities on local development.</p> <p>The <u>application procedure, entirely online</u>, enabled the Basilicata region to shorten the administrative procedures associated with the tender notice, with no need for the applicants to use printed forms.</p>
Castilla La Mancha (Spain)	<p>Transnational Net on Youth Unemployment 2008 – 2013 ESF fundings.</p> <p>The activities are implemented within the Learning Network on Transnational Cooperation in ESF and Community of Practice on Transnational Cooperation project, aimed at fostering learning and build capacity among ESF programme managers to help ensure successful implementation and promotion of transnational actions under ESF. Under the network different international working groups ("nets") are created to discuss jointly specific ESF-related issues, exchange good practices, learn lessons and develop tools for a common understating and application of ESF instruments.</p>	<p>EU Managing authorities and programme managers of the European Social Fund.</p>	<p>The key strength is the <u>transnational nature</u> of the initiative, which is based on joint collaboration between authorities and a strong mutual learning process. This <u>improves capacity building and institutional learning</u>.</p> <p>This initiative is also highly reproducible and the whole Learning Network on Transnational Cooperation in ESF also contributed to improve the capacity building and institutional learning of the Managing Authority.</p>
Centru (Romania)	<p>Social and medical services at home for elderly/dependent people 2007 – on-going</p> <p>Social and medical services at home.</p> <p>The project was originally financed through PHARE funds and afterwards through Structural Funds (ERDF and ESF). Moreover the programme benefits from the financial contribution of the County councils and the sponsorships and donations granted to Caritas (lead partner). It also uses the funds from the state social insurance system</p>	<p>3240 persons aged over 60 with various chronic diseases who need assistance from other persons.</p>	<p><u>Strong and long term collaboration between the public institutions</u>.</p> <p><u>Fund integration</u>: PHARE funds, Structural Funds, regional and local financial resources; sponsorships/donations.</p> <p><u>Integration between programmes and measures</u>: the programme includes both infrastructure rehabilitation measures and the provision of social services.</p> <p>The programme is complementary to another Caritas programme, financed by the Ministry of Labour, Family and Social Protection, training social assistants for the services offered by the programme.</p>
Province de Liège, Walloon (Belgium)	<p>Urban regeneration of the Serésienne valley 2008 - 2015</p> <p>Portfolio of 12 infrastructural projects to help the urban and economic regeneration of the city of Seraing. The budget available is EUR 23.35 million. The ERDF contribution amounts to EUR 9.34 million (40%).</p>	<p>Entire population of Seraing, with a special attention to the unemployed</p>	<p>The existence of a <u>shared Master Plan and of a dedicated Public Company (ERIGES)</u> in charge of its implementation are the main strengths characterising the project, since they allowed for a well integrated and coordinated approach to interventions.</p> <p>This element, which is <u>part of the overall regional strategic approach to public investment</u>, ensures strong collaboration between the partners involved and good integration of the different projects designed and implemented.</p>

Lincolnshire (UK)	<p>BG Futures 2010 – 2012</p> <p>The project involved the building of a multi-function business incubator built on the campus of Bishop Grosseteste University College, with the aim to facilitate the development of micro-businesses. It is built on a previous project – the Sky Centre - created and funded via the Higher Education Innovation Fund. EUR 2,0 (65%% by ERDF, 2% by Lincolnshire Enterprise and the Lincolnshire County Council, 33% by BG)</p>	<p>Graduates/students seeking to develop enterprises but also specific groups such as migrant workers, women and the disabled.</p> <p>In order to ensure access for a large number of people, virtual positions have been provided for.</p>	<p><u>Integration of financial and infrastructural support with counselling and business services and mentoring.</u> Businesses already launched will support those just starting out.</p> <p>The Enterprise Development Manager is also on site to provide all the support that new businesses need.</p> <p>The provision of an infrastructure housing new enterprises is not deemed enough to ensure success for the initiative. It is important to understand what businesses actually need to put their business ideas in place.</p>
Lithuania	<p>Junior Professional Programme "Kurk Lietuvai" ("Create for Lithuania") 2012 – on-going</p> <p>The programme offers paid internships in government ministries for selected returnees who graduated from the best universities in the world and chose to come back to Lithuania in order to work in the public sector institutions.</p> <p>The programme is funded under measure Assistant-3 (Operational Programme for Economic Growth for 2007–2013). It is part of the project "Attracting foreign direct investment to Lithuania" implemented by Invest Lithuania (a government agency) which provides free advice and introductions to on-the-ground experts to global companies interested in doing business in Lithuania.</p>	<p>Young Lithuanian professionals who have graduated from universities abroad.</p>	<p>A <u>very positive public image</u> for the programme, which helped <u>raise awareness of demographic change</u>, enhanced knowledge and underlined the critical role of public services in measuring success in declining and ageing regions.</p> <p><u>Focus on graduates from foreign universities</u></p> <p><u>Institutional learning in ministries offering the internships</u></p>
Lower Silesian (Poland)	<p>DART (Declining, Ageing and Regional Transformation) 2010 – 2012</p> <p>Several activities to facilitate the exchange of experiences amongst the partners in three thematic fields, namely Health and Social Services, Education, Lifelong Learning and Job Market, and Innovative and Traditional Economy. 13 regions from 11 countries (coordinated by the German team) have been selected for DART.</p> <p>As for Lower Silesia, the Best Practice from the region in the thematic field Social Services "Chance Zone" has been selected by projects' partners due to its sustainability and transferability. EUR 2,050,098.00 (ERDF contribution: EUR 1,579,941)</p>	<p>Regional, national and European policymakers responsible for social and demographic change (policy).</p>	<p><u>Focus on demographic change</u></p> <p><u>Transferability and sustainability of many good practices</u> that can be implemented in different countries and regions; recommendations at EU and national/regional levels.</p> <p><u>Development of demographic indicators and a regional observatory</u>, which were tested on the evidence of appropriate demographic and social data from the various sub-regions.</p>
Malta	<p>Unlocking female potential 2009 - 2012</p> <p>The project involved research focusing on learning and understanding the factors that hold women back from employment opportunities, as well as the promotion of gender equality in the business sector, by awarding the "Equality Mark" to the best performing companies. EUR 649,232 (85% by Cohesion Policy Funds, 15% by national funds)</p>	<p>Various groups, including teenage parents, male and female entrepreneurs, workers that are self-employed or contract workers in the tourist industry, cleaning services, language schools, men and women in employment, inactive and unemployed women, etc.</p>	<p><u>Wide ranging promotion including various means of communication and promotional material.</u> NCPE empowered employers and company management to work further to promote gender equality in the workplace in their practices, in line with the Equality Mark criteria.</p>

		The Equality Mark initiative targeted employers within the private and public sectors as well as employees and the general public.	The importance of retaining trained workers by enabling a work-life balance was emphasised and employers understood that it is cost-effective for them to implement the objectives of the equality mark instead of having to recruit in order to replace those workers who, due to family responsibilities, need to change their work patterns.
Östra Mellansverige (Sweden)	Hälsolyftet 2010 – 2011 Mapping the health situation in the major workplaces in the municipality, provision of personally adjusted programmes for all employees according to their health profiles, activities to raise awareness among both employers and employees of the need to work with more long-term activities for better health, improve the rehabilitation processes at the work places. 7 555 612 SEK (approx. 750 000 Euro)	Employees at the largest working places in the municipality.	<u>Oxelösund municipality has learnt from SSAB when it comes to rehabilitation methods.</u> The project has reached a large number of the citizens in Oxelösund (total population 11 000). The <u>largest private employer and the largest public employer have worked together closely on this project.</u>
Thuringia (Germany)	Thuringian demographic network ("Thüringer Netzwerk Demographie") 2006 – on-going The network provides various measures to raise regional enterprise awareness of demographic change. The activities include: - Networking/cooperation and exchange of experience between enterprises. - Individual consulting of enterprises based on a "demographic check-up" (including age analysis of employees) - A 5-day training seminar to become "Company demography consultant", in enterprises with more than 50 employees (at present about 120 trainees) (free of charge) - They can also participate in network meetings (6 per year). - Workshops for knowledge-transfer for different interest groups Since 2008 the services have been free of charge. Thuringian Ministry of Economy, Labour and Technology and European Social Fund	Small and medium-size enterprises in Thuringia	<u>Active approach to demographic change</u> by developing long-term strategies to address the lack of skilled personnel, for example by improving integration and enhancing the employability of elderly workers. <u>Enterprises with a high level of age-appropriate personal and organisational strategy receive the "Age-oriented enterprise" certificate.</u> Enterprises are evaluated on the basis of 33 Indicators (corporate culture, personnel marketing, succession planning, leadership, workplace organization, working time, knowledge transfer, lifelong learning and health promotion, personnel management, work place quality, health, management and qualification). <u>The involvement of SMEs</u> (as important job providers also for elderly people) in the network helps to raise employers' awareness of the need to address demographic change in their enterprises. They should be supported in motivating and boosting the productivity of their employees, regardless of age.

Source: Case studies.

Ageing

The case studies show that Cohesion Policy has addressed ageing mainly by supporting the creation of social infrastructures for health care and life-long learning at the regional level. In all case studies the ERDF support for social infrastructures was linked with ESF support for the training of workers in the health care sectors and provision of training and lifelong learning services. The synergies between the two funds were higher in those regions where the ERDF and ESF were managed together by a sole Managing Authority.

In some cases (like Basilicata, Malta, Lower Silesia and Thuringia) measures have also been implemented to promote active ageing through support for the mobility of the elder population, targeted training and support for innovative management and work organization measures.

The provision of care facilities for the elderly in rural or urban disadvantaged areas has come up with good results in all the regions analysed which have supplied these services, with high demand and coverage rates relative to the regional older population.

For example, in Lithuania a measure co-financed by the ERDF OP aimed at reducing morbidity and mortality due to cardiovascular diseases which are the main cause of death in Lithuania, especially among men over 45 years. For this purpose, considerable investments in modern infrastructure and diagnostic equipment were made. According to the representatives of the Ministry of Health, the project also encouraged some young physicians and other medical staff to move from the cities to work in rural and remote areas in Lithuania. The measure is linked to the Europe 2020 strategy and in particular to its Flagship Initiative "European Platform against Poverty" as it increases accessibility to better health care services in rural areas. The measure also contributes to pursuing the strategic aim of the National Strategy on Public Health for 2006–2013 and of the already mentioned National Strategy on Demographic (Population) Policy (in the area of public health).

In Basilicata (IT), ERDF measure VI.1 "Reinforcing care services and infrastructures" is directly related to the enhancement of health and assistance services, educational services, cultural and sports opportunities. Consistently with the general objectives and priorities, the measure is divided into three operational objectives: to boost and improve health care services; to improve a wider range of services for the community; and to refurbish school buildings. The first measure focuses on social economy actors, enhancing the role of social enterprises in the care services system. This objective is pursued with interventions promoting and improving the quality of social enterprises. The overall results for this Axis appear particularly satisfactory in relation to demographic challenges, showing positive results in "Childcare facilities' diffusion" and "In-home assistance for elderly people".

Box 4: A good practice in the provision of health care programmes

A health prevention project considered a good practice is the Hälsolyftet (Health boost) project in Östra Mellansverige (SE). The aim of the project is to identify and harmonize the work done to improve health conditions in the municipality of Oxelösund in Södermland (Östra municipality), an area characterised by a high rate of sickness, especially among women. It aimed at mapping the health situation in the major workplaces in the municipality, providing personalised health programmes for all employees, implementing awareness raising activities targeting both employers and employees and improving the rehabilitation processes in the workplaces. The partners involved were the main local employers: a steel company, the port of Oxelösund and the municipality. Close cooperation between the major private and public employer was the key innovative element of this project.

Source: Östra Mellansverige case study

As for active ageing policies, in Lower Silesia (PL), active ageing has been promoted by education programmes targeting the elderly: the 'Third Age University' and 'Third Age Academy' projects provide educational programmes in foreign language, new technologies, health and general knowledge.

Box 5: A good practice in supporting age management practices in SMEs

An interesting good practice in active ageing is "The Thuringia Network on Demography (TND)", a project coordinated by the Institute of the Thuringian Economy (Institut der Wirtschaft Thüringens - IWT), with the participation of several regional and national partners. It started its activities in 2006 and from 2008 to 2011 was financed by the ESF. The TND project was also part of a nationwide initiative which aimed to implement changes to meet demographic challenges.⁴¹ The Network's aim is to enhance employability and prepare the SMEs to address demographic change, and in particular the lack of skilled persons and ageing, by taking a pro-active approach. It helps to develop age-appropriate measures to keep elderly employees in work and increase their productivity. The activities of the TND include awareness-raising and consulting services for SMEs based on "demographic check-up" (including age analysis of the employees)⁴². By identifying their specific needs it is possible to develop concrete solutions and age management strategies. Also, a cost-free 5-day training seminar is offered to persons interested in becoming "Company demography consultants". This is possible in enterprises with more than 50 employees. Enterprises with a high level of age-appropriate personnel and organizational strategy receive the certificate "Age-oriented enterprise".⁴³ Here, enterprises are evaluated on the basis of 33 Indicators, including aspects like: corporate culture, personnel marketing, succession planning, leadership, workplace organization, working time, knowledge transfer, lifelong learning and health promotion, personnel management, work place quality, health, management and qualification.⁴⁴ Another important field of activity is knowledge transfer and exchange of experience through the organisation of workshops and conferences, also to support enterprises in developing future scenarios and drawing up options for action and solutions, such as reorganisation of working hours, working conditions and work organisation, in order to upgrade working conditions and prevent health problems.

Source: Thuringia case study

Training measures and educational facilities for lifelong learning

The provision for training and educational facilities to support lifelong learning and skill upgrading addresses the risks associated with a shrinking work force, skill mismatches and the brain drain. These interventions usually see the integration of training measures co-financed by the ESF as well as the provision of training and education facilities co-financed by the ERDF. The ERDF supports the creation or modernisation of training and educational facilities in rural or disadvantaged urban areas, which offer training courses to different

⁴¹ <http://www.esfage.eu/sites/esfage/files/resources/Thuringia%20Network%20on%20Demography.pdf>.

⁴² See the Demographic checkup overview:

[http://www.bwtw.de/BWTW/cms_de.nsf/%28\\$UNID%29/ECF0416E7E0F34B1C1257AFC00420159/\\$File/Infoblatt%20Demografie-Checkup%20%281-seitig%29%202013-01-23.pdf](http://www.bwtw.de/BWTW/cms_de.nsf/%28$UNID%29/ECF0416E7E0F34B1C1257AFC00420159/$File/Infoblatt%20Demografie-Checkup%20%281-seitig%29%202013-01-23.pdf).

⁴³ [http://www.bwtw.de/BWTW/cms_de.nsf/%28\\$UNID%29/56227BC748DCB7C3C1257AFE0056384D/\\$File/Flyer-G%C3%BCtesiegel-final.pdf](http://www.bwtw.de/BWTW/cms_de.nsf/%28$UNID%29/56227BC748DCB7C3C1257AFE0056384D/$File/Flyer-G%C3%BCtesiegel-final.pdf).

In 2012 the certificate was given to Jena-Optronik GmbH, AGO Kontakttechnik, AWO Alten-, Jugend- und Sozialhilfe gGmbH, das Landratsamt Saalfeld-Rudolstadt and ProSeniore-Residenz Dornheimer Berg. See: <http://www.wir-thueringen.de/beitrag-zur-fachkraeftesicherung>.

⁴⁴ [http://www.bwtw.de/BWTW/cms_de.nsf/%28\\$UNID%29/56227BC748DCB7C3C1257AFE0056384D/\\$File/Flyer-G%C3%BCtesiegel-final.pdf](http://www.bwtw.de/BWTW/cms_de.nsf/%28$UNID%29/56227BC748DCB7C3C1257AFE0056384D/$File/Flyer-G%C3%BCtesiegel-final.pdf).

groups of the population: young people, women, the disabled and the elderly, thereby also successfully addressing the problem of a shrinking student population. In the regions considered these interventions were closely linked to ESF programmes providing training and educational services. Their sustainability requires continuous maintenance and management of the training structures, which is more likely when public-private partnerships are created and when these interventions are included in national strategies.

Box 6: A good practice in supporting young people's local development projects

In Basilicata (IT) the good practice identified by the MA consists in 5 educational vouchers for higher educational courses, "Projects and policies for local development". It responds to the needs to improve matching between supply of and demand for skills, especially for younger and high-skilled people. The course aimed at enabling highly-skilled young people to conceive and carry out local development projects, taking into account the structural difficulties that development policies face in the particular context of Southern Italy. The course addressed young people aged under 35 holding a master degree, preferably already having had professional experience in projecting and implementing public or private interventions in Southern Italy. It is considered a good practice by virtue of the positive results attained and its innovative nature. In fact, the initiative was received with considerable interest by the local population, especially among young women. Furthermore it was co-financed by public and private partners, representing an opportunity for the participants to establish professional contacts with the co-financing partners. Secondly the application procedure, entirely on line, enabled the Basilicata region to shorten the administrative procedures associated with tender notice, with no need for the applicants to use printed forms.

Source: Basilicata case study

In Lincolnshire (UK) ESF measures supporting skill upgrading have different targets. The first group of measures, strictly linked with ERDF measures, aim at supporting business start ups. For example, schemes financed under the measure Access to Resource and Support include the redevelopment of Boston College, Mablethorpe Vocational college, Lincoln University and college campuses with the aim of encouraging local employers to recognise the benefits of developing and retaining skilled workforce and increasing job opportunities for skilled young people. On the other hand, training measures under OP II target individuals living in rural and sparsely populated districts of Lincolnshire, and provide them with the support and skills needed to break down barriers and access job opportunities. The services provided aim specifically at building up the individuals' self confidence, levels of skills and aspirations, so that they will be better able to face the labour market challenges. Finally, specific measures are designed to enhance skills in the third sector: the Supporting a programme of activity aims at building up the skill levels within small third sector organisations/social enterprises to become more effective in competing for public service contracts. The measure targets all the people working in the third sector. The aim is to ensure they can effectively run their organisations and are able to access board and decision-making positions.

In Malta the ESF project for continuous training and education includes an aid scheme, the 'Training Aid Framework', implemented by the Employment and Training Corporation to provide training opportunities to different social groups. Other projects provide support in selected sectors (e.g. tourism), areas (e.g. residents in Gozo) or to specific population groups (e.g. women and older workers). The projects include, for example, foreign

language courses or adaptation of existing skills to new growing industries (e.g. the film industry).

In Thuringia (DE), the ESF Measure 1.1 “Occupational training and increase of the competitiveness of employees and enterprises through qualification and counselling” includes 16 different activity fields (support for vocational training, qualification counsellors, network activities for improvement of the regional employment situation, and the employment-database QualiService Thüringen) which aim to upgrade the qualification of workers and employers as well as special training opportunities for older and low-skilled workers to enhance their employability. Within this measure also the activity field “Projects on topics of personal and organizational development within the company” provides training on human resources and organizational development in SMEs in the context of demographic change. ESF Measure 2.1: “Development of vocational training - tailored professional training support” addresses the demographically-based decline in numbers of applicants by providing a better basic qualification for the young and young adults through closer connection between educational institutions and the world of work. ESF Measure 2.3: “Promotion of human capital in Research and innovation and network activities between universities and research institutions, technological centres and enterprises” aims to provide qualified personnel for enterprises, and exchange of experts between the different institutions (enterprises and educational institutions) in order to improve also the qualification possibilities of young people and enhance vocational training opportunities.

In Wallonia (BE) the ESF “Vocational training” measures include training activities to enhance the employability and adaptability of the active work force of Walloon. The main objective is to reduce unemployment and the risk of unemployment. Recognising that the loss of a job means a critical time for low-skilled and older workers in particular, the ESF supports professional qualifications and training schemes for the employed and unemployed, particularly related to new technologies and with special attention to upgrading the skills of the older workers. Projects financed under this measure are, in general, the continuation of actions initiated in previous years, in sectors as diverse as personal care, metallurgy and trade.

Work-life balance

Measures facilitating the reconciliation of work and family life are crucial to support the labour market participation and employment of women and address the shrinking workforce. Besides the provision of public care services, Cohesion Policy has supported the implementation of awareness rising campaigns and incentives to employers for the introduction of family-friendly measures in private companies. Two interesting good practices in this respect have been implemented in Lithuania and in Malta.

Box 7: Good practices in supporting family friendly measures in private companies

In Lithuania a specific ESF measure aims at reconciling family and work commitments. The majority of interventions under this measure focus on assistance to unemployed people with care responsibilities (mainly single parents taking care of their children). The projects implemented integrate the provision of child care services with training in, for example, computer literacy to support employability. As a good practice example mention was made of a project that supported the provision of child care facilities for the company’s employees at a large firm. The measure is closely related with the National Strategy on Demographic Policy and helps to ensure family welfare.

In Malta one of the ERDF projects approved within Priority Axis 6 “Urban regeneration and improving the quality of life” (which includes intervention guidelines to investment in the health, social and education sectors and promoting urban regeneration and integrated local development) is an aid scheme providing infrastructure and equipment for childcare services. The Aid Scheme should help to upgrade and improve existing child care facilities, by assisting child care providers to re-locate premises (if required), encourage start-ups and facilitate compliance with the National Standards for Child Care Facilities. Another measure targeting unemployed women with young children comes under the ESF OP financing training courses, campaigns and studies/research to support women in re-entering the labour market and improving their career prospects. This project is considered a good practice by the Maltese MA due to the extraordinarily positive results attained, which greatly exceeded expectations, and its innovative nature. It was approved in 2008 and implemented between 2009 and 2012 by the National Commission for the Promotion of Equality (NCPE) in partnership with social partners. The first component of the project, consisting of research on the Maltese socio-economic context, focused on the life prospects of teenage parents, the situation of male and female entrepreneurs and vulnerable workers in Malta, the importance of economic independence for Maltese women, an analysis of inactivity from the gender perspective, and the factors affecting women employment in Gozo. The second component consisted in an awareness-raising campaign to promote the culture of gender equality at the workplace, by encouraging employers to create gender-equal work conditions, and other measures ensuring family-friendly measures and work-life balance options. A certificate, called the ‘Equality Mark’ has been introduced to award companies fulfilling all these requirements. The companies awarded are given considerable prominence in the media and the possibility to use the mark in their correspondence. The ‘Equality Mark’ represents the most innovative element of this project. Against an initial target of 10 entities, so far about 50 (among import companies, banks, manufacturing firms and governmental departments) have already received the ‘Equality Mark’ certification.

Source: Lithuania and Malta case studies

Social integration of migrants and other disadvantaged groups

Cohesion Policy is an important framework for the implementation of measures to support the labour market and social integration of (return) migrants and other disadvantaged groups at the local level.

In Eastern and some Southern countries characterised by large outflows of young highly skilled workers (brain drain) the main issue is to create incentives for them to return. Interesting measures in this respect are implemented in Lithuania.

Box 8: A good practice in supporting the return of young professionals

In Lithuanian ESF measures supporting the return of highly skilled young people are implemented in synergy with national strategies. One measure involved the dissemination of information about living and working conditions in Lithuania for Lithuanians living abroad through dedicated meetings organized in 2008 in two Irish cities (Dublin and Monaghan) and consultations on employment opportunities in Lithuania provided for emigrants living in the United Kingdom and Ireland by Lithuanian Labour Exchange and EURES Lithuania.

A more successful measure is the programme "Kurk Lietuvai" ("Create for Lithuania") which is considered a good practice in attracting young professionals who have graduated from best universities of the world and choose to return to Lithuania to work in public sector institutions. The selected returnees are offered paid internships in various institutions of the public sector for one year. Every four months the participants move to a new institution where they work on selected policy projects. The programme is very popular among returnees. The programme was extended for a few more years. A new call for applications to participate in the programme from September 2013 was announced in March 2013. The programme could readily be transferred to other countries that also suffer from intensive emigration of young people through the "brain drain".

Source: Lithuania case study

In other regions policies addressing migration issues are mainly implemented with measures to support the social and employment integration of migrants as well as other disadvantaged groups.

For example, in Lincolnshire (UK), the ESF Training to support individuals/businesses measure supports those individuals (especially migrants) facing multiple barriers in starting a new business. The measure is expected to contribute to raising the number of businesses in Lincolnshire, which is underperforming in comparison with the East Midlands and the UK average. Projects financed under this measures include activities aiming at stimulating individuals to set up their own businesses, and then providing them with the building blocks to start up/implement their business idea.

In Malta, ESF projects target different categories of disadvantaged groups at risk of poverty and social inclusion, by offering ad hoc training courses and actions directed towards the acceptance of diversity in the workplace, and capacity building of parents, educators, trainers and personnel working with vulnerable groups. Examples include training for victims of domestic violence, young school drop outs and asylum seekers, to secure formal employment, and the Youth Employment Programme specifically focused on the social and labour market integration of young people, particularly early school-leavers. Young people fall within this target and thus the OP is currently funding employment interventions which seek to enhance the employability and labour market integration of young people, and particularly early school leavers who would benefit from further training as well as a greater knowledge of their rights and responsibilities.

In Walloon (BE), the ESF measure 3.1 "Activities of socio-economic insertion", part of Axis 3 "Social inclusion" targets vulnerable people that are more likely to be discriminated against in the labour market and in training activities: women, migrants, people with handicaps, the illiterate and the unskilled unemployed. The measure envisages a combination of actions to increase employability, taking an approach tailored on the characteristics and profiles of the target. The activities financed include the development of professional behaviour and fundamental technical skills to have access to skill training, and ultimately, the labour market, vocational training projects, and individualised psychosocial support. For instance, a project has been financed to help the migrants to tackle the various obstacles encountered towards their integration process and improve their employability. Other projects targeted imprisoned people, young persons and the most marginalised social groups living in degraded urban centres.

Young people are the target of various ESF measures, especially in area characterised by high youth unemployment and NEET rates.

For example, a good practice in this policy field is the Castilla La Mancha (ES) Transnational Net on Youth Unemployment, indicated for its innovation, evidence of positive effects on demographic issues, transferability and sustainability. The Network is led by the Czech Republic and supported by England, France (Racine), Germany, Greece, Poland, Slovenia, Spain and Sweden. The aim of the network is to foster learning and build capacity among ESF programme managers to help ensure successful implementation and promotion of transnational actions under ESF. Under the network different “nets” (i.e. working groups made of experts from different Managing Authorities) have been created to develop and discuss specific ESF-related issues. Among them, a specific net deals with youth unemployment, the major demographic challenge in Castilla La Mancha. The objective of the Transnational Net on Youth Unemployment is, in fact, to define common standards to improve youth employability across the EU. The net started work in 2008 focusing on three thematic areas, namely: young entrepreneurship; promotion of mobility; improvement of the career advisory system. The relevant working groups developed one benchmarking study for each thematic area, and a Common Reference Framework for the harmonization of professional qualifications across countries, which has been adopted by Castilla La Mancha Managing Authority as a reference with which all activities promoting labour have been aligned. In addition, in 2010 a project for the mobility of school and career advisors was launched in collaboration with the other net “ESF-CoNet”. Finally, a communication platform, common to all nets, has been developed with the aim to facilitate exchange of good practices and experience in designing, implementing, monitoring, disseminating and mainstreaming transnational actions and also jointly developing new tools and procedures to make transnational cooperation work.

In Lower Silesia (PL), the “Chance Zone” project is considered a good practice due to its sustainability and transferability. It targets young adults and young people at risk of social exclusion and promotes youth active participation and empowerment. The other good practice is a project, ‘Stop to passivity – be a successful woman’ (HC OP Priority 9, Measure 9.1). Project ‘, supporting unemployed women in the region by increasing their employability (adapting qualifications and skills to the Lower Silesia labour market) and making conditions to stimulate professional activity.

Support for SMEs and entrepreneurship

Support for SMEs, when improving economic and employment opportunities at local and regional levels, may help to tackle demographic challenges by reducing outmigration and increasing area attractiveness.

To enhance the competitiveness of local SMEs and attract new settlements, the ERDF supports business start-ups, business incubators and industrial zones. Usually business aid and support for business start-ups are complemented with business services and training, in most cases co-financed under the ESF. The outcomes appear to be in line with expectations in terms of business start-ups and employment creation, but there is little information on the survival rates of supported enterprises.

In Basilicata (IT) ERDF Measure III.2.1 “Financial aid to innovative productive investment” aims at supporting innovative investments in highly innovative businesses, such as energy, sustainable mobility, biotechnology and ICT. A 2011 call addressed applicant entrepreneurs, with 29% of the available amount reserved to start-up in the ICT

sector and 13% to academic or industrial spin-off. This initiative registered 126 applications for funding, showing a great interest in the regional industrial system. With regard to support for existing small and medium-size firms, a call for tender was published in December 2010 and 289 applications were received, of which as of June 2012 fifty small and medium-size enterprises received support. It should be noted that this measure aroused great interest despite the economic crisis, as the number of applications regularly exceeds the funds available. This entailed some problems in relations between the banking system and the enterprises, which had difficulties in stocking debt capital due to the credit freeze forced by the economic crisis.

Box 9: A good practice in supporting the business start ups

In Lincolnshire (UK), Enterprise support is a measure providing support to individuals willing to start a business. A good practice in this respect is the BG's business and enterprise hub (now known as BG Futures) funded under the Priority Axis 2 of the ERDF East Midlands OP. BG Futures is a multi-function business incubator built on the campus of Bishop Grosseteste University College (BG), in Lincoln, with the aim to facilitate the development of micro-businesses. It is built on a previous project – the Sky Centre - created and funded via the Higher Education Innovation Fund. Opened in 2007, the Sky Centre enjoyed more success than expected, and experienced more demand than availability. On this basis, BG decided to expand the building and this was jointly financed by the ERDF (65%), Lincolnshire Enterprise, Lincolnshire County Council (2%) and BG itself for a total cost of £1,7million⁴⁵. Approved in 2010, BG Futures was completed in 2011 and became operative on the 1st January 2012. As stressed by the Project manager, what makes the BG Futures a good practice is the fact that it is a real community where the businesses launched will support those which are just starting out. The aim is not only to provide the infrastructure and facilities needed to start a new business but also to encourage people to take on the right entrepreneurial attitudes to face business challenges. People at the BG constantly work with BG Futures' tenants in order to improve their self-confidence, enhance their communication skills (through training) and encourage them to take risks. The project targets graduates/students of BG seeking to develop enterprises but also specific groups such as migrant workers, women and the disabled. The BG Futures' tenants now number 23, 15 of which physically benefit from a business unit while 8 are virtual tenants. The support provided by BG Futures' team is the most innovative element of the project. For instance, migrants need more support to integrate in the community, and become familiar with the local legislations and practices. Therefore, training and guidance are provided by BG Futures' team to help them along. In some cases, high-skilled people with good business ideas need to be advised on how to implement them appropriately. The support of local authorities, such as Chambers of Commerce or Universities, are also considered of paramount importance for the success of the initiative, by playing the role of information channel for people who have a business idea but lack the resources or the skills to implement it.

Source: Lincolnshire case study

In Thuringia (DE), ERDF Measure 2.1. "Promotion of business investment" focuses on the supply of innovative financing instruments, such as subsidised loans for long-term

⁴⁵ The total cost of the project was £ 1.7 million equal to EUR 2.0 million (exchange rate equal to 0.8453, 7 May 2013).

investments, to support for enterprises to invest in appropriate economic infrastructure, as a requisite to create and protect jobs. The activities support investments for the expansion and reorganisation of existing enterprises, as well as the development of new ones. It addresses SMEs as well as large enterprises. About 818 projects of 752 enterprises have been supported (of which 94% were SMEs) up to 2011. The total number of jobs created was 2,660, of which 25% were for women.⁴⁶ In the programme “Thüringen-Invest-subsidy” about 428 SMEs were supported, of which 131 (or 30%) were start-ups (of 41% of women).

Transport and ICT infrastructures

ERDF interventions supporting transport and ITC infrastructures are particularly important in improving access to services and employment, especially in very remote and thinly populated areas and in regions characterised by great internal disparities. The case studies show that these measures have had a positive indirect effect on overcoming some of the problems associated with demographic imbalances by improving spatial connections and facilitating access to basic services such as health care, educational, social and commercial services, especially for the populations in rural areas and/or small municipalities, the elderly and the disabled. Improved ICT and transportation infrastructures also boost the regional economy by attracting new firms and creating employment opportunities which, in the case of ICT, also involve highly-skilled young workers. Infrastructural interventions (especially in the case of transport and ICT) are more sustainable than other local projects in the medium-long run, because they are part of larger national strategies and multi-level agreements. The considerable potential effects of these infrastructures on the reduction of demographic imbalances and the accessibility to basic services are, however, fully exploited only when the specific needs of the older population, the disabled, migrants and other disadvantaged groups are taken into account in the design of accessibility conditions.

For example, in Lincolnshire (UK), the projects financed under the measure Access to Resource and Support include some aiming at enhancing the connectivity and accessibility of the most sparsely populated districts in the county. ‘An Online Revolution’ is an example of project financed under this measure and dealing with the objective to improve connectivity within the three districts addressed by PA2 (Lincoln, Boston and East Lindsey). In particular, it delivers pilot schemes with the objective of raising usage of digital services and encouraging providers to deliver in Lincolnshire. The objective is to increase demand for digital services on the part of communities and businesses.

Regeneration of rural/urban areas

ERDF interventions in the regeneration of rural and urban areas may have significant effects in improving the development and attractiveness of degraded areas. These interventions involve the regeneration of rural areas through environmental improvement and upgrading and/or the renovation of degraded urban areas and the creation of social infrastructures.

The creation or upgrading of social infrastructures and services for children and young people in rural or urban deprived areas may indeed be an important driver for local development and for countering out-migration and depopulation, providing jobs and attracting new settlements.

⁴⁶ http://www.thueringen.de/imperia/md/content/efre/j_hrlicher_durchf_hrungebericht_2011.pdf.

Interventions aiming at the regeneration of rural areas in some cases supplement measures designed to improve their environmental sustainability with the promotion of regional natural resources and cultural heritage. The integration of environmental preservation and sustainability together with promotion of tourism and awareness raising measures should enhance the attractiveness of rural areas and the quality of life for the regional population. However this integration is often difficult to achieve due to the large number of actors and institutional levels involved. In addition, the projects implemented are in some cases on a very small scale and of short duration, with only marginal effects.

Interventions supporting urban regeneration consisted in the regeneration of urban centres through architectural conservation and the creation of community centres providing basic services and cultural/sport/leisure activities. The most successful and sustainable interventions were those involving private stakeholders in public-private partnerships. A good knowledge of local needs is also important to guarantee accessibility to services for the local population. Finally, urban policy measures appear to have been more effective when integrated with different activities, from business support to the regeneration of local and urban infrastructures and architecture and support for local networks and public-private initiatives, as well as improvement in socio-cultural conditions.

In Basilicata (IT), the ERDF aims at enhancing the role of the two cities of Potenza and Matera as “development engines” through innovative urban networks, supply of high-quality services and raising the inhabitants’ standard of living. Matera and Potenza are the two cities where the main problems are due to the major flows of migration from inland areas. The challenge is how best to develop the two urban systems in accordance with their specific vocations and characteristics. Measures “Promoting the environmental, cultural and relationship amenities of the town of Matera to attract innovative investments” and “Regenerate urban environment to increase quality and citizens’ living standards and to promote social inclusion in the city of Matera” appear the most relevant in relation to demographic challenges. The former aim at enhancing the tourist attractiveness of the city of Matera by pursuing a range of operational objectives. Among other projects the promotion of production specialization in the innovative sectors of ICT and in urban creative industry is particularly interesting as it could represent appreciable employment opportunities for young people. The second measure, on the other hand, aims at permanently raising the citizens’ standard of life, through structural interventions relating to the quality of urban environments and the effectiveness of the social inclusion services. The goal of enhancing the quality of the urban contexts is pursued through consistent actions of environmental regeneration, IT facilities and implementation of an innovation system for urban services.

In Thuringia (DE), ERDF Measure 3.1 “Support for sustainable development in cities with more than 10,000 inhabitants” (ERDF) includes projects on infrastructure in urban and rural areas focussing on employment and living standards as well as economic competitiveness, in order to improve the long-term supply-side of urban districts in cities with more than 10,000 inhabitants. These cities have regional importance for the surrounding rural areas and play an important role in providing the basic services for the surrounding areas, where depopulation is widespread and leads to a lack of service provision in smaller towns and rural areas.⁴⁷ The cities are also considered to be of importance for the labour market as

⁴⁷ http://www.thueringen.de/efre/foerderbereiche/staedte_regionen.

they concentrate economic activities. The projects address inner-city business areas, city infrastructure improvement of living surroundings.

The set of interventions implemented in Wallonia (BE) aiming at economic revitalisation of the city of Seraing is considered by both the ERDF and ESF Managing Authorities an example of good practice in addressing demographic change in a deindustrialised and declining urban context.

Box 10: A good practice in supporting urban revitalization

In Wallonia the ERDF measure 3.3 “Urban revitalisation and territorial attractiveness”, aims at fighting spatial dualism within the region by making the cities along the Meuse basin more attractive for residents, entrepreneurs, private investors and tourists, so as to make them engines of economic development once again. The projects financed include infrastructural investments for creating housing, commercial and economic activities, green areas, and improving transport accessibility and mobility. Seraing is a city of about 60,000 inhabitants, located along the Meuse river in the outskirts of Liège. Since the aftermath of the World War II, Seraing has been the destination of many immigrants attracted by the numerous work opportunities offered by the steel industry and its supply chain. The decline of the steel industry, beginning in the Seventies, caused the progressive closure of several plants, with inevitable and immediate consequences on the unemployment rate (reaching now 40%). In order to cope with the adverse economic circumstances, in 2005 the City Council drafted an ambitious Master Plan⁴⁸ aiming at renovating 800 hectares of the City, through projects for housing, economic activities, public spaces, retail, culture, training and leisure. The main objective is to maintain the population, by making the city more attractive and giving its inhabitants new employment opportunities. The portfolio of projects for the “Urban regeneration of the Serésienne valley” includes a set of infrastructural interventions co-financed by the ERDF, in the framework of the OP Priority 3, and implemented by local and regional actors. The ERDF portfolio includes 12 projects for a total value of EUR 23.35 million allocated between 2008 and 2013. It envisages the realisation of a new road specifically dedicated to industrial transport, more new roads of access to the cities, a pedestrian underground way to improve mobility, enhancement of public transport services, provision of new apartments for the elderly in substitution for the older and unhealthy ones which will be demolished, the opening of a square in front of the cultural centre, and the establishment of a more liveable urban centre. These projects have been complemented with other infrastructure investments co-financed by the Region, the Province and the City Council with non-Cohesion Funds to depollute and regenerate the former industrial land and give them new uses, build new commercial and housing centres, and enlarge the scientific park for innovative SMEs located in the periphery of Liège. A number of complementary soft investments have also been co-financed by the ESF. Among the ESF projects financed in the 2007-2013 period there is one to teach the poorest to drive cars, buses or trucks, and one to train unemployed people with skills to be exploited in the construction or gardening sector. These projects have been approved in conjunction with the ERDF portfolio, thus confirming the complementary nature of ERDF and ESF interventions. All these combined efforts have already managed to create new and diversified work opportunities and attract some private investors, as well as ensuring better living conditions for the residents.

Source: Wallonia case study.

⁴⁸ Co-financed by the Belgium federal government as part of its urban policy.

4.4 Indications for the 2014-2020 programming period in the selected cases

4.4.1 Cohesion Policy and demographic change in the 2014-2020 programming period

The draft legislative package which will frame Cohesion Policy for 2014-2020⁴⁹ contains general principles and thematic objectives that could support a more effective role for Cohesion Policy in tackling demographic change.

Addressing demographic change and accessibility are explicitly mentioned among the cross cutting policy objectives in the Common Strategic Framework⁵⁰ elements reported in Annex I of the Commission's amended regulation proposal adopted on 22.4.2013. According to the text (EC, 2013: p.134) Member States shall use the CSF Funds to:

- i) develop tailor-made strategies to tackle demographic problems and to create growth linked to an ageing society;
- ii) ii) enhance job opportunities for the elderly and young people and invest in health infrastructures to support a longer working life;
- iii) iii) identify measures to support an improved work-life balance and better conditions for families and provide cost effective health care and long term care, including investments in e-health, e-care and infrastructure. Furthermore managing authorities have to ensure that all goods, services and infrastructures are accessible to all citizens, including those with disabilities. Measures to support access to and use of ICT technologies and to promote active and healthy ageing are also listed among the thematic ex-ante conditionalities.

Besides these cross-cutting policy objectives and the gender equality and non-discrimination horizontal principle, adoption of the territorial cohesion principle, introduced by the Lisbon Treaty to tackle geographic or demographic imbalances, is particularly important in confronting the demographic challenges. According to this principle, the overall approach will have to reflect the specific conditions of different territories: cities, rural areas, coastal areas, areas facing specific geographical or demographic problems, such as the outermost regions with very low population density, islands and cross-border or mountain regions. Territorial cohesion also means addressing urban-rural population imbalances and access to affordable, quality infrastructures and services in regions with a high concentration of socially marginalised communities.

⁴⁹ European Commission (2013), Amended proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006, Brussels, 22.4.2013, COM(2013) 246 final 2011/0276 (COD), <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0246:FIN:EN:pdf>.

⁵⁰ The Common Strategic Framework (CSF, art.10 of the draft regulations) was presented as a Staff Working Document by the Commission on 14 March 2012 and, as requested by the Council and the European Parliament, has been included in the form of an Annex to the Common Provisions Regulation. The CSF provides a common strategic direction to the Member States' programming process, translating the objectives and targets of the Europe 2020 Strategy into investment priorities in order to improve the strategic orientation, coordination and complementarity of expenditure under all the CSF Funds. It is intended to help Member States in defining policy objectives for the implementation of the CSF Funds and to facilitate the adoption of an integrated approach and the sectoral and territorial coordination of various funds. The CSF Funds include the ERDF, ESF and Cohesion Fund, as well as the EAFRD and the EMFF funds.

In this respect, for instance, the proposed ERDF regulation provides for increased focus on sustainable urban development, with a minimum of 5% of ERDF resources earmarked to this end. Support for innovative actions in the field of sustainable urban development is also foreseen, subject to a ceiling of 0.2% of the annual funding. Additional allocations are envisaged for areas with specific natural or demographic features (e.g. outermost & sparsely populated regions), with particular focus on research and innovation, information and communication technologies, and SME competitiveness.

The new ESF regulations place greater emphasis than in the past on the promotion of active and healthy ageing and on social inclusion measures. Active healthy ageing is explicitly indicated among the measures listed under the thematic objective “Promoting employment and supporting labour mobility”, and enhancing access to affordable, sustainable and high-quality health care and social services of general interest is mentioned under the thematic objective “Promoting social inclusion and combating poverty”. Specific provisions are also envisaged to encourage the active participation of social partners and non-governmental organisations (NGOs) in ESF measures, especially in less developed regions. Social innovation and transnational cooperation activities are encouraged through an increased co-financing rate for dedicated priority axes, specific programming and monitoring arrangements, and a stronger role for the European Commission in the exchange and dissemination of good practices and joint actions. Simplified cost options should facilitate the use of ESF by small operators.

Specific mechanisms to support greater integration and coordination among the Cohesion Structural Funds and between Cohesion and other European Funds have also been introduced in the draft regulations. The coordination of Cohesion Structural Funds with the Rural Development Fund could allow for more integrated intervention in rural areas, also addressing their specific demographic challenges.

Mechanisms, such as Community Led Local Development, Integrated Territorial Investments and the development of Integrated Operations and Joint Action Plans should facilitate the adoption of integrated approaches in the implementation of Cohesion Policy at the local level. Member States also have the possibility to implement multi-fund programmes combining ERDF, ESF and the Cohesion Fund.

The proposed regulatory framework remains rather complex, however, and it is still not clear how many of the envisaged mechanisms will be operating in practice. Uncertainty about the financial allocations has slowed down the programming process and makes it very difficult to assess the potential role of the new Cohesion Policy framework in supporting territorial cohesion and tackling demographic change.

Limited information is available on the extent to which the national and regional programming documents will mention demographic changes and integrate them within the overall national or regional strategies. This is because the drafting of the 2014-2020 programming documents is still underway in all countries and regions. Most regions are currently outlining the context analysis and identifying the needs and challenges. However, in some of the regions considered initial indications on the policy priorities have already been outlined and show increased attention to demographic challenges.

4.4.2 Strategic priorities for the 2014-2020 period in the case studies: initial indications

In all the cases examined for this study initial discussion of the strategic priorities for the 2014-2020 period has taken place. The initial indications emerging from the interviews with local stakeholders conducted in the case studies in March and April 2013 are presented below.

The Basilicata (IT) the Regional Authority, in collaboration with local stakeholders, in January 2013 presented the strategic approach for Basilicata. Among the challenges to be addressed is the provision of transport services, support for the economic performance of local firms, and the need to secure full access to social services in a region characterised by a sparse and ageing population. In continuity with the current programming period, four pillars have been identified with potential for the region's future development: i) regional competitiveness, innovation and cluster-based development; ii) environment, tourism and agricultural products; iii) development of renewable energy sources; iv) education, social services and mobility. Pillar 1 and Pillar 4 are the most relevant in tackling the demographic challenges. Under Pillar 1, the Region should develop a comprehensive innovation plan including: better access for firms to local innovation support services; creation of skill enhancement programmes more closely aligned to local needs; interaction between local firms and the university and other major knowledge-intensive organizations; establishment of a new Regional Development agency providing more customized and coordinated public support; support for return migration. Pillar 4 directly addresses the challenge of the sparse and ageing population and limited internal mobility, with few agglomerations. In line with the previous programming period, the guiding principle will be improvement of accessibility, in terms of both spatial and socio-economic access to services, welfare and opportunities, offering a way out from problematic social and economic conditions. The involvement of the private sector should be linked to clear incentives for the development of innovative methods of delivery.

In Castilla-La Mancha (ES), a preliminary proposal for the ESF 2014-2020 programming period general objectives and priorities has already been formulated. Adaptation to demographic change does not appear as an explicitly mentioned priority. However, several elements related to demographic change are present and considered relevant. The regional labour policy of the next programming period will focus mainly on increasing education and fighting unemployment, especially youth unemployment, keeping to the track already initiated to address the challenge of the population decline. The Education pillar aims at providing youths with the basic conditions to be employed through education services and training, including, above all, *Programas de Qualificación Profesional Inicial* (Programs of initial vocational trainings). The Employment pillar aims at providing incentives to boost employment and active participation of youth in the labour market through: i) the promotion of self-employment and young entrepreneurship (e.g. incentives and financial aid for exchange programmes, trainings, credit advantages, etc.); ii) incentives to firms to employ young people.

In Centru (RO), the inclusion of a demographic perspective in the 2014-2020 Cohesion Policies at the regional level will depend not only on the political will to take this perspective into consideration in the policy design phase, but also on the region's level of decisional autonomy. Currently, in Romania there is debate on the creation of Regions as a new administrative level. The objectives and priorities of the 2014-2020 Cohesion Policies will mostly depend upon the decisions to be taken on the creation of regions. Should the regions be created, they will have decision-making power in establishing the focus of the Cohesion Policies. In view of transition from a national programming period (2007-2013) to

a regional one (2014-2020), some recommendations on how to include the demographic perspective in the regional Cohesion Policies of Centru Region were formulated within the DART project. Some of these recommendations have already been internalized in the priorities envisaged for the 2014-2020 Centru region Cohesion Policy.

In Lincolnshire (UK), the initial proposals (21 November 2012) for the UK Partnership Agreement indicate that EU resources across the country will be channelled into exploiting innovation, promoting the SME's competitiveness, improving workforce skills, promoting employment opportunities for disadvantaged groups and fostering a low carbon economy. The Growth Programme guiding the 2014-2020 national strategy will be financed by ERDF and ESF with a contribution from EAFRD (with some strategic alignment with EMFF where appropriate). The Local Enterprise Partnerships (LEPs)⁵¹ will be the fundamental building blocks of the EU Growth Programme. The LEPs would have full term (2014-2020) "notional allocations" for EU funding for ERDF, ESF and the relevant aspects of EAFRD. Under this model, the LEPs would identify their portfolio of investments consistently with their broader investment strategies. Regional strategies are expected to be influenced by these national priorities. Improving the skills of the workforce will still be the focus of the UK national and regional strategies in the next programming period. As stressed during the interviews, there is a need to upgrade the skills of the labour force at all levels to address the predicted shortage of technical and engineering skills, especially in sectors with high growth potential. There is also a need to increase pathways between skill levels – so that people can move from pre-apprenticeship training to higher skill levels. Accordingly, priorities for EU resources from 2014- 2020 will probably include: basic skills for the most disadvantaged groups; and policies for smaller businesses to grow and play a role in an export led recovery. This would focus funding on management and entrepreneurship skills; apprenticeship and other up-skilling activities for those in work to improve the ability of key growth sectors to compete internationally; and meeting the skill challenges in relation to particular economic drivers such the ageing population. As far as Lincolnshire is concerned, the local authorities suggest that measures will probably be designed to tackle the needs of ageing people, such as ensuring their access to health services. In this regard, the local authorities are discussing the use of EU funds to finance innovative technologies aiming at providing e-health services in the most sparsely populated districts of Lincolnshire. Although still under discussion, programmes may include measures to improve accessibility to health services for age groups living in the most rural and sparsely populated areas. The use of ICT technologies for the provision of services in remote areas of the region is an issue currently debated by the regional and local authorities.

In Lithuania, there are some indications as to what priorities are going to be included in the draft Operational Programme. As in 2007–2014, the programming document on demographic challenges will certainly be discussed in context analysis, but it is less likely that any priorities or specific objectives will directly address demographic issues. The demographic topic most discussed in the context of 2014–2020 programming period is active and healthy ageing. However, even in this case there is on-going discussion as to whether a separate funding priority should be attributed to active and healthy ageing or whether the activities encouraging it should be integrated horizontally under other relevant funding priorities.

⁵¹ LEP is a voluntary partnership between local authorities and businesses formed in 2011 by the Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within its local area. The LEPs perform some of the functions previously served by the regional development agencies which were abolished in March 2012. As of September 2012 there are 39 local enterprise partnerships in operation.

In Lower Silesia (PL) the regional 2020 Development Strategy for the Lower Silesian Voivodship (DLSLV) has been changed in recent months to take into account the expected unfavourable demographic trends (depopulation) as one of the major challenges in the region. It also points to the unfavourable old age dependency ratio as one of the biggest barriers to the socio-economic growth of the region. According to the interviewees, this may suggest some future developments in favour of demographic aspects although 2014-2020 Cohesion Policy programming documents are not available yet.

In Malta, according to the interviewees, the change in Government (subsequent to the Maltese general election on 9 March 2013) may lead to changes in policies and strategies. However, given that the socio-economic needs are overall the same as in the past years, the Government could progress on the national strategy to strengthen and increase economic development, growth, competitiveness, employment and social inclusion. In particular, much remains to be done to improve formal education and to address the problems of young school leavers. Additional investments are also needed as far as lifelong learning is concerned, where greater efforts need to be made to organise the training system more effectively. The increasing proportion of Cohesion Policy funds which by EU Regulation will be allocated to the ESF measures in the coming period could, in principle, guarantee a higher volume of investments in demographic change-related projects. The widening of the range of items eligible under the ESF, which will include e.g. equipment and, perhaps social infrastructures,⁵² is considered positive, as it will allow for the financing of new types of initiatives and sustain fund absorption. Yet, there is some concern about the ability to absorb the entire amount of ESF funds that will be available; hence the Managing Authority perceives the urgent need to find alternative types of projects to finance through the ESF funds which could still be of interest to the Maltese population. In order to increase the effectiveness and attractiveness of Cohesion Policy, a substantial simplification of eligibility and administrative rules is called for. The new EU Regulation has in fact already introduced some simplifications in the administrative and reporting system. The Maltese Managing Authority will also consult the beneficiaries and study possible ways to simplify the administrative procedures for the coming years, as this is considered an effective way to stimulate the drafting and proposal of more projects.

In Östra Mellansverige (SE) the Ministry of Enterprise, Energy and Communications has commissioned Örebro regional council to coordinate the process of drafting an Operational Programme for Östra Mellansverige for the coming programme period. In addition, Örebro regional council is responsible for providing analytical material as a contribution to the process of developing a new national ESF programme. As for the national ERDF programmes, the Swedish government has decided that 85% of the funding will go to the 8 regional ERDF programmes and 15% to a national programme.⁵³ Three priorities are suggested for the Operational Programme (ERDF) for Östra Mellansverige: 1) Innovation and entrepreneurship, 2) Low-carbon economy and 3) ICT and sustainable transports. For the ESF programme three investment priorities are suggested; 1) Enhancing employment and Mobility of the labour force, 2) Enhancing social inclusion and fighting poverty and 3)

⁵² The draft EU regulations on the eligibility of infrastructures under the ESF have yet to be made clear. Further clarifications by the European Commission on these issues and, perhaps, concrete examples of projects will be provided in the next months.

⁵³ Näringsdepartementet, [Uppdrag och erbjudande att utarbeta förslag till regionala strukturfondsprogram för målet Investeringar i tillväxt och sysselsättning \(Europeiska regionala utvecklingsfonden\) avseende programperiod 2014-2020](http://www.regeringen.se/content/1/c6/21/70/83/2bd9d227.pdf), Regeringsbeslut 2013-05-16, <http://www.regeringen.se/content/1/c6/21/70/83/2bd9d227.pdf>.

Investing in education, skills and life-long learning.⁵⁴ As in the current programme period, the priorities do not explicitly address demographic change, but measures under all these priorities may affect the ability and possibility for the region to handle the demographic challenges. A new cross-border programme for the Central Baltic area is also under development. Four priorities have been selected for the Central Baltic programme 2014-2020: 1) Environment, 2) Transport, 3) SMEs and 4) Education/Lifelong learning. In addition, there will be two horizontal themes: Low carbon economy and ICT. The Central Baltic programme will most probably cover the same geographical area as it does in the current programming period (Smed Olsen and Van Well, (2012) The issue of outmigration from rural and archipelago areas and concentration of population to the capital area is key in the discussion on the new programme.

As for Thuringia (DE), Germany started drawing up the Partnership Agreement in autumn 2012 identifying as Germany's most pressing challenges issues related to regional competitiveness and demographic change, the labour market, transformation of the energy system and the sustainable use of natural resources. Regional competitiveness and demographic change are also considered a core focus. The expected decline in population and the changing age structure constitute a serious challenge for the Eastern German Länders, with significant consequences for the revenues and expenditures of the local authorities. In view of these demographic trends and the diminishing labour force, an important long-term challenge will lie in avoiding systematic skill shortages. Local- or regional-specific strengths will be addressed in order to avoid fragmentation and waste of valuable resources for successful economic re-structuring. The objectives of a specific funding priority 'Reducing regional disparities in competitiveness taking account of demographic change' will be achieved primarily with thematic objectives 'Strengthening research, technological development and innovation', enhancing access to, and use and quality of, information and communication technologies'; enhancing the competitiveness of SMEs, the agricultural sector and the fisheries and aquaculture sector' and ' Investing in education, skills and lifelong learning'. The interviewees among the Lander authorities point out that the documents will consider demographic change both directly and indirectly, as it is – especially when it comes to migration – a relevant development factor for the region Thuringia.

In Wallonia (BE), the strategy will continue to focus on the NUTS 1 region of Walloon for the ERDF and on the French Community (Walloon and Brussels) for the ESF. It will represent the continuation of the present strategy for economic growth, in line with the direction of the Marshall Plan 2.Green. The strategic approach will continue to be based on the integration of different types of interventions, financed by the ERDF, the ESF and other national, regional and local resources. The practice of approving portfolios of projects, rather than single projects, will also be maintained, since it has proved to ensure higher degrees of collaboration between the stakeholders involved and greater effectiveness for the projects. The main focus will be on the increase of the employment rate particularly among the young people, and the provision of training to improve education and skills of the unemployed. Also, the re-launching of urban areas is on the top of the agenda, in order to revitalise their economic activity, stimulate innovation and favour transition towards a more sustainable and green economy.

⁵⁴ <http://www.regionrebro.se/blameny/internationellt/nystrukturfondsperiod/larkonferens19april.4.2a9f7fac13dd0dc500a80c.html>.

A similar strategy will continue to ensure alignment with the targets set by the EU 2020 strategy. Some discussion is in progress about which measures could possibly be financed by the ESF in the coming programming period. From past experience it has been learnt that bringing people to employment is not enough and actions that help people keep their jobs should be envisaged, providing them with assistance even after they have been hired. Ex ante conditionality for EU funds is perceived as a problem, as it will probably impose further constraints on the use of funds. The related risk is to reduce the absorption of Structural Funds and increase the share of investment from other policies. Given the need for a large volume of public investment to finance the regional economic restructuring, greater flexibility in accessing and using the Structural Funds would be welcomed.

5 OVERALL CONCLUSIONS AND POLICY IMPLICATIONS

KEY FINDINGS

- The study shows that the regional and local dimensions are crucial in addressing demographic change and that Cohesion Policy is among the main tools to support regions in adapting to demographic change, especially thanks to the focus on regional socio-economic development and labour markets and the multi-year integrated programming approach.
- Cohesion Policy appears more successful in those regions where a number of conditions are satisfied, such as better focus on demographic priorities, integration of Cohesion Policy within regional and national strategies, the creation of effective public-private partnerships and the governance capacity of local and regional authorities.
- The main policy implications resulting from the study are consistent with the indications of the European Parliament 2011 Resolution and in part they have already found reference in the amended draft legislative package framing Cohesion Policy for 2014-2020 and in the cross cutting policy objectives of the Common Strategic Framework.
- To enhance the effectiveness of the Structural Funds in tackling demographic change a greater focus on the topic as a priority area is necessary, as well as guidelines to support Member States and Regions in addressing demographic challenges in the design and implementation of Partnership Agreements and Operational Programmes; also, a more pro-active approach in policy-making and the exchange of good practices and experiences for institutional learning; specific tools for the monitoring and evaluation of the potential and actual effects of Structural Funds in tackling demographic change and technical support for the managing authorities and local stakeholders for the implementation of effective policies.
- The European Parliament has an important role to play in promoting greater attention to the demographic challenges in Cohesion Policy and a pro-active approach in this field. The coming months will be particularly important and the European Parliament should monitor the application of the 2011 Resolution and reinforce its supervisory role with regard to the effectiveness of Cohesion Policy in addressing demographic change.

The mandate of the present study was to provide an overview of regional demographic structures and trends in the EU, with the focus on their likely effects on socio-economic and territorial cohesion, and to assess how and to what extent the 2007-2013 European Structural Funds have been tackling demographic change at the regional level in order to derive useful indications on how Cohesion Policy actions could be more effective in the future programming period (2014-2020).

The study was carried out along the following steps:

- review of literature and data on demographic and spatial trends in the EU regions and the main policy developments;
- review of Cohesion Policy programming documents for 2007-2013 to derive indications regarding their potential contribution to addressing demographic challenges;
- quantitative analysis of regional socio-economic and demographic trends to derive regional clusters and select ten representative regions for the field analysis;

- in-depth field analysis of ten regional case studies to assess the contribution of the 2007-2013 Cohesion Policy in adapting to demographic changes and to derive examples of good practices.

This chapter provides a horizontal reading of the main findings as a basis to draw conclusions and lessons for the 2014-2020 programming period.

5.1 Main findings

Main demographic and spatial trends and socio-economic impacts

Population decline and population ageing are the two major issues all the European Countries have to address. Over the period 2008-2030, one EU region out of three is projected to experience population decline. Most of these are located in Central Europe, Eastern Germany, Southern Italy and Northern Spain. Around 20 of these regions will face a population decline of more than 10%. For the majority of the regions projected to show positive growth over the period 2008-2030, on the other hand, positive migration is an important factor, either combined with positive natural change (in 92 out of 281 EU regions) or compensating for negative natural change (in 75 regions).

International migration has in fact gained importance in becoming the major force behind population growth from the early 1990s onwards. In recent years more than three quarters of the total population increase has been due to net inward migration. A significant exception is to be seen in a few Eastern European countries that, by contrast, have seen large-scale outward migration flows. In 2008 the stock of non-EU-27 nationals living in the 27 Member States was close to 20 million, equivalent to 4% of the total population. The proportion of other EU nationals living in different European Union countries accounts for 2.4% of the total population on average, with around 12 million individuals.

Extended longevity and persistent low fertility levels are the causes of the ageing of the EU population. The median age of the EU population is projected to rise from the 40.4 years of 2008 to 47.9 years by 2060. In the EU-27 countries the average share of persons of 65 years and over is projected to increase from the 17.1% of 2008 to 30.0% by 2060; in the same time interval the number of old people will rise strikingly from the 84.6 million of 2008 to 151.5 million. The largest shares of old age population are projected to be reached in Eastern Germany, Northern Spain, Italy and some parts of Finland. In Central and Eastern Europe the impacts of ageing will be delayed due to their younger population and shorter life expectancy.

Life expectancy is in fact generally longer in the old Member States than in the new ones. The average life expectancy at age 65 for the EU countries is 20.7 for women and 17.2 for men. In 2011 the longest was observed among French women, 23.4 years, followed by the Spanish (22.9) and the Italians (22.1). The lowest life expectancy at age 65 is registered among the Bulgarian and Romanian women, who are expected to live just under 17.5 years.

As a consequence of population ageing, the share of working age population is expected to be particularly low in several regions. The magnitude of decline in the working-age population shows dramatic variations: 44 European regions will see a decline of more than 10%. These regions suffer from a combined effect of low fertility and high out-migration. Some will be particularly hard hit, with a decline of 25-30%

A declining working age population is supporting a growing older population. Old-age dependency ratios over 30% were found in 68 regions, mainly in: the Nordic countries, in regions of Sweden and Finland; north-western and central and eastern Europe, comprising regions of the United Kingdom, Belgium, Germany and Bulgaria; the Mediterranean countries, including regions of France, Spain, Portugal, Italy and Greece.

The European Union is at the same time characterized by low fertility, motherhood postponement and an increase in childlessness among the younger generations. In the EU-27 countries the total fertility rate has declined from a level of over 2.5 in the 1960s to a level of less than 1.6 children per woman. In 2011, Ireland was showing the highest fertility rate (2.05 children per woman), together with France (2.3 in 2010), Sweden (1.9), Finland (1.83) and Denmark (1.75), while Poland, Hungary and Romania showed the lowest rates – less than 1.3 children per woman.

In most countries the crisis has brought about a decline in the number of births and in fertility rates. Similarly, deterioration in well-being could also stem the rise in longevity.

Demographic trends also have effects on the spatial conditions of the EU. The relationship between European population and spaces inhabited is in epochal transition. Administrative regions (NUTS2 and NUTS3) often include different types of territories, and efforts should be going into an approach better tailored to the geographical specificities of the territories.

The analysis presented in chapter 2 shows that areas at demographic risk include peripheral, rural and post-industrial urban districts. Besides the East-West and North-South polarization, the territorial dimension of demographic change is thus affected by other macro trends:

- The urban-rural dimension: with the majority of urban poles (and in particular the more extensive ones) gaining in population, and decline in most of the rural areas.
- The capital city factor: most capital cities in Europe have seen positive demographic development. Traditionally rural territories around cities have been succumbing to urban sprawl with all the consequences in terms of living styles and demand for services. Suburban growth is particularly notable in the EU Eastern countries.

Some cities, however, are experiencing population decline, especially in the Eastern countries and in Portugal, the UK, Southern Italy and the Eastern part of Germany. This has important consequences for the urban economy and policies. Studies on future prospects suggest that the number of shrinking cities will increase, especially in the Eastern regions and in the peripheries of Western Europe.

Intra-urban dynamics, suburbanisation and gentrification also modify the population structure in European cities. In particular, ageing populations in inner cities are a matter of growing concern. Thus, demographic change is strengthening the process of societal fragmentation and polarization of our urban societies, with increasing disparities in terms of economic capacity and service accessibility.

Mountain regions are generally losing more population than plain areas. Particularly small proportions of children are to be seen in the mountainous areas of France (Massif central, Corsica, Pyrenees), and in the mountain areas of central Poland and Cyprus. Moreover, sparsely populated areas face the twofold challenge of an ageing population and depopulation while coastal regions generally see growing populations.

These demographic and spatial trends have important socio-economic and policy implications due to the impact of ageing on: productivity and growth; the provision of social and healthcare services; urban-rural population imbalances; and labour supply.

Demographic change is thus a mainstream issue integrating different policy areas: social protection systems, employment and industrial policies, urban and rural planning, housing, social, mobility and communication infrastructures, family policies, education and training policies, immigration and social integration policies.

The diversity of regional conditions implies that policies must increasingly be place-based while the regions will have to consider the effects of long-term population trends in their regional medium-term strategies. Regions with declining populations consisting mainly of senior citizens will face difficulties in supplying essential public goods and services, such as health care, housing, transport and tourist services. Tackling demographic change also means connecting the geographic areas better, including the most isolated and remote ones, as this will help reduce distances and facilitate workforce mobility. Connecting geographic areas also has a social inclusion effect, making services available to everyone while redressing the physical isolation of people and the consequences with respect to their cultural, educational and employment involvement. Apart from transportation improvements, the problem of isolation can also be addressed through the diffusion of ICT, since it substitutes some physical services and infrastructures. Regional policies also have to tackle far-reaching social changes affecting the composition of families, particularly evident in the growing number of elderly persons living alone.

Policy challenges and responses

For a decade, demographic change has been at the forefront of European, national and regional policies. Most of the policy fields addressing demographic changes lie within the competence of national and regional authorities, while the European Institutions can initiate and stimulate debate on demographic change and its consequences and support reforms and policy making through Cohesion Policy.

Possible responses in the direction of alleviating ageing effects on social and economic systems can be activated in both the demographic and economic spheres.

From the demographic point of view, both increasing fertility levels and increasing migration flows may have a favourable impact on ageing. Increasing fertility levels seem to be the best driver to counterbalance population ageing. Migration may either alleviate or aggravate population ageing, depending on the forces of attraction of a region compared to others, such as better employment opportunities. But even positive and continuous immigration flows cannot be considered the ultimate solution to counterbalance the ageing of the population.

From the economic point of view, besides migration, the need arises for higher employment levels, to be achieved by raising effective retirement ages and the labour participation and employment rates of women and the elderly alike. In this respect, policies supporting active ageing together with adequate reconciliation and gender equality policies could prove useful measures to help address the challenge of ageing. Family-friendly policies could also remove the obstacles that prevent Europeans from having the desired number of children.

The geography of family-friendly policies in Europe presented in chapter 1 shows that the Nordic countries and France, with public family services, a wide variety of subsidized

childcare services, rather short but highly subsidized maternity leave and compulsory leaves for fathers, are characterised by both high female employment levels and relatively high fertility rates.

The European Commission has presented several initiatives on the understanding that demographic change in the EU constitutes one of the most challenging tasks for the future and a priority on the European policy agenda. To address the socio-economic consequences of population decline, population ageing and territorial population imbalances, the Commission has so far stimulated debate and produced data, indicators and reports on demographic change. It has stressed the need for reforms to counter ageing-induced budgetary costs for pensions and healthcare, and brought in Structural Fund regulations and Community Strategic Guidelines offering support to Member States, regions and cities in implementing policies to adapt to demographic change.

The current Europe 2020 strategy for smart, sustainable and inclusive growth and its seven Flagship Initiatives address the demographic challenges in a wide range of policy areas. Demographic concerns related to the ageing population and shrinking workforce are highlighted among the European structural weaknesses, and demographic issues are addressed in the Flagship Initiatives as both a challenge and an opportunity for growth and social cohesion. In the Flagship Initiatives “Innovation Union” and “A Digital Agenda for Europe” population ageing is given priority with the promotion of R&D and innovation policies on issues relating to health and ageing, as well as promotion of digital literacy and accessibility for the elder population. The Flagship initiative “An Agenda for new skills and jobs” supports longer working lives through lifelong learning and the promotion of healthy and active ageing; female labour participation is to be supported with policies facilitating the work-life balance, and comprehensive labour migration policies are envisaged. The Flagship Initiative “European Platform Against Poverty” addresses the adequacy and sustainability of social protection and pension systems and the need to ensure adequate income support in old age and access to health care systems also in marginal areas.

Implementation of the Flagship initiatives relies on financial support from Cohesion Policy Funds.

The European Parliament has also been addressing the consequences of demographic change in various reports over the last decade. In 2011 it enacted a Resolution⁵⁵ entirely devoted to the need to address demographic change in Europe and the implications for Cohesion Policy at the regional level. The document states that although meeting the full range of demographic challenges is principally the task of the Member States, the regions must be proactive, for which they need European-level support. Moreover, the Resolution encourages the Member States and regions to take demographic indicators into account when allocating and distributing EU Structural Funds, also in order to counteract population concentration in certain urban areas, prevent the negative consequences deriving from population ageing and depopulation, and encourage the integration of migrants. Public investment in care and healthcare, work and family reconciliation, family support and housing are also recommended in the interest of addressing the demographic challenges. The European Parliament calls on the Commission to include demographic change as a horizontal objective in the future Cohesion Policy and stresses that demographic change should not be seen only as a threat for the EU, but also in terms of opportunities.

⁵⁵ European Parliament resolution of 15 November 2011 on demographic change and its consequences for the future cohesion policy of the EU (2010/2157(INI)) (2013/C 153 E/02).

In many Member States and regions there are no specific comprehensive strategies to tackle demographic change. These challenges are often addressed within national and regional development strategies, and in the context of social protection, welfare and labour reforms to tackle the sustainability of pensions and social and health expenditures in a rapidly ageing society and find ways to encourage workers to remain longer in the labour market by raising the retirement age, making early retirement less financially attractive, promoting flexible phased retirement solutions, combining pensions with part-time work, supporting active ageing with lifelong learning and improving workers' skills.

In most cases it is at the national level that integrated national development strategies are defined which also address the demographic challenges, while the regional and local authorities tackle these issues mainly within the Cohesion Policy framework. Differences in the role of regional institutions reflect the degree of decentralization in policy making and internal socio-economic and demographic heterogeneity.

A number of regions are at the forefront of strategic thinking with innovative actions to tackle the specific demographic challenges at the local level. As described in chapter 4, many comprehensive and innovative strategies developed at the local level have been co-funded with the EU Structural Funds.

The most common policy responses to ageing at the regional level relate to the provision of health care and social services targeting the elderly. In some cases the measures brought in to this end are accompanied by innovative measures to involve the elderly more actively in economic and social life.

Regional policies addressing migration issues reflect the different challenges faced by the European regions. In the Eastern and, to a lesser extent, Southern regions the main challenge is the out-migration of young people, and national or regional strategies have been implemented to support their return. In the other regions the main issue is the regulation of migration flows and the social inclusion of foreign immigrants, with national governments regulating the general framework for the recognition of citizenship and basic rights while it is usually the local authorities (regions and municipalities) that implement employment and social inclusion policies targeting disadvantaged groups, including migrants. The approach to social inclusion at the regional level is multi-faceted, including housing, social services or targeted interventions aiming at areas and groups suffering poverty and social exclusion.

In many countries and regions policies supporting employment and the work–life balance have also been implemented to reduce inactivity, especially among women with care responsibilities, the elderly and young people.

Policy responses to rural/urban population imbalances relate to regeneration interventions, investments in infrastructures (transport, ICT and social infrastructures) and the provision of social services to improve the living conditions of the resident population and accessibility to services.

Infrastructural endowments, better services and employment opportunities are expected to give the working age population stronger motivation to stay in rural areas, curbing depopulation, while urban policies seek to tackle congestion and provide better infrastructures to serve the needs of the growing communities.

The most promising interventions targeting rural areas are those based on integrated plans, strategically combining infrastructural and business measures, especially in the typical industries of the rural and most peripheral areas, like tourism, agriculture and the food industry. Measures to attract the young to settle down in rural areas are also ways to tackle depopulation and to support local development.

Urban and village regeneration measures have also received particular attention in the last few years as demographic change has brought pressure to bear on the local infrastructure, requiring investments in the housing and social infrastructure, such as refurbishing old buildings, modernising housing units or adapting housing systems to the needs of an elderly population, modernising existing health care and social infrastructures, in rural areas as well as in deprived urban areas.

The role of EU Cohesion Policy

Being a multi-dimensional phenomenon, demographic change may be associated with a wide range of Cohesion Policy fields.

EU Cohesion Policy can thus have a very important role to play in supporting regional adaptation to demographic change, as it can put into practice a range of initiatives on various scales and for different types of territories, from urban to rural and peri-urban areas, and tackle demographic change with a place-based approach. Indeed, most of the priority themes of the Structural Funds (ERDF, ESF and Cohesion Fund) can address demographic risks: social infrastructure (health, education, welfare etc.), the information society, transport, urban and rural regeneration, increasing the adaptability of workers and firms, improving access to employment and sustainability, enhancing human capital, and improving social inclusion for less-favoured persons.

Conceptualization of demographic challenges is increasing at both the European and national level, and demographic issues are considered in EU regulations and guidelines for both the 2007-2013 and 2014-2020 programming periods, although no explicit attention is paid to demographic change among the horizontal principles.

The growing importance of demographic issues is reflected in their increasing prominence in the European Cohesion Policy agenda, and many Operational Programmes at the national and regional level have addressed these issues with targeted measures in the 2007-13 programming period.

As pointed out in chapter 3, it is the investments in social infrastructures and urban and rural regeneration that are most closely linked to demographic issues among the ERDF Priority themes, while in the case of ESF Priority themes attention focuses on improving access to employment, especially for the more disadvantaged targets (low-skilled young people and elderly people, migrants and ethnic minorities, women), and on ways to prevent the brain drain of high skilled young people.

According to our estimations, in the 2007-2013 period a total of EUR 64.1 billion (19% of the total ERDF, ESF and Cohesion Fund allocated to the Member States) have been dedicated to priority themes directly or indirectly targeting demographic challenges. The largest share (nearly 20% of the Structural Funds allocated to demographic change) is accounted for with ESF labour market measures promoting upskilling and employment for the more vulnerable population groups, such as migrants, young people, women and the elderly. ERDF and Cohesion Fund investments in urban/rural regeneration, transport and

social infrastructures (such as education, childcare and healthcare infrastructure) and ICT measures play a more indirect albeit no less important role.

Poland, Spain, Italy and Germany have allocated the largest sums of SF to demographic change-related measures (more than EUR 5 billion). However, when considering the share of total SF allocated to these measures, Belgium, the UK, France and Ireland are the countries allocating more than 30% of the SF at their disposal to such priorities, while Poland, Denmark, Slovenia and Bulgaria allocate less than 15%. Germany, Finland and the Netherlands are the countries investing the largest share (more than 50%) in measures with a strong and direct impact on demographic change.

At the NUTS2 level, as the analysis conducted in chapter 3 shows, areas belonging to the Convergence Objective are investing fewer SF resources in measures aiming at tackling demographic change than the regions covered by the Competitive and Employment Objective. These different regional expenditure patterns can be accounted for by differences in the demographic challenges faced by western and eastern or southern regions, but also by the fact that the convergence regions, lagging behind from the economic point of view, allocate a large part of their resources to financing the provision of basic infrastructures (e.g. waste and water treatment plants, transport infrastructure, etc.) in order to reduce the gap in physical endowment with the more prosperous EU regions. By contrast, in regions covered by the Competitiveness and Employment Objective, characterized by more favourable economic conditions, Cohesion programmes are more focused on enhancing soft factors of competitiveness and labour market bottlenecks.

NSRF analysis shows that demographic issues are already internalized in Member States' strategies for the implementation of EU Cohesion Policy, albeit with greater emphasis at the programming stage: demographic challenges are considered contextual elements from which to derive (some) policy strategies and objectives. In context analysis, particular attention is devoted to population ageing and the duality between urban and rural areas, usually less populated and with a high incidence of elderly people. Attention to migration flows is also notable.

Cohesion Policy has addressed demographic variables mainly in an indirect way, impacting on employment creation, skills upgrading, better living conditions and social inclusion, improved accessibility to remote rural areas and urban regeneration programmes. However, some (ESF) measures have directly addressed demographic change, targeting the needs of the older population, young people, women and migrants. These measures are susceptible to create new opportunities and options for employers and employees, as well as for consumers and the economic development in the EU regions.

The opportunities arising from demographic change relate, for example, to the development of innovative technologies, products and services addressing the needs of the elderly, women and migrants for healthcare and long term care, social and lifelong learning services, infrastructures and housing. Exploiting the opportunities created by new technologies is particularly important for economic growth and for actions tackling the problems arising with budget consolidation.

Transport and ITC infrastructures also have an important part to play in improving access to services and employment, especially in very remote and thinly populated areas and in regions characterised by great internal disparities. Economic and social opportunities may also arise from the valorization of the skills of the elderly, women and the migrant population, as well as from proactive interventions addressing these population groups as

economic agents and important providers of social and cultural services and of inter-generational and inter-cultural bonds, as well as consumers.

The analysis of the ten regional case studies presented in chapter 4 (and in detail in the full case studies' reports in Volume II of this study) confirms these findings and shows an increasing awareness of and attention to the challenges posed by demographic change at the local level. The ten regional cases are representative of the different socio-economic and demographic challenges EU regions are facing and of the Regional Policy approach implemented so far.

In all the case studies demographic change is taken into account in the context analysis of regional programming documents and in most cases the Cohesion Policy measures are the main provisions that address demographic challenges occurring at the regional and local level and often complement national/regional.

The potential of Cohesion Policy interventions in relation to demographic change has, however, been limited by the scant awareness of the potential of the European Structural Funds in tackling demographic change and the difficulties regional and local authorities have had in translating local needs into specific interventions within the complex framework of Cohesion Policy regulations, while the lack of a comprehensive strategy addressing demographic change is another limiting factor. This is evidenced, for example, in the scarcity of proactive measures able to address not only the threats but also the opportunities of a changing population structure at the regional level, and in the lack of demographic indicators in monitoring systems.

In addition, many regional and local initiatives remain isolated, often not sustainable with regional funds and with limited impact in addressing the demographic challenges. Except in those (few) countries that have national strategies addressing demographic change, the various governance levels that need to be working together to support age-friendly environments fail to coordinate their action, nor is there coordination at the European level among the local/regional/national actors on these issues.

On the other hand, in many of the case studies considered, Cohesion Policy interventions acted as catalysts for other contributions from public and private stakeholders, increasing the probability of sustainable results. Furthermore, the good practice examples indicated by the regional Managing Authorities and other local stakeholders show innovative approaches that could represent a good starting point for the new programming period and open up new opportunities for the regions.

In detail, the field work shows that:

- ERDF interventions supporting SMEs and entrepreneurship were more effective in enhancing the attractiveness of the local economy when financial aid was complemented with the provision of business services (such as training, business advice, marketing services) and infrastructures in close collaboration with local business associations, chambers of commerce and training and education institutions. A good practice example in this respect is the Future business incubator in Lincolnshire (UK), providing a business incubator for new enterprises and business training and guidance services. Close collaboration between local authorities, the local Chamber of Commerce and the University is considered a crucial factor for the success of this initiative.
- Interventions addressing the regeneration of urban and/or rural areas seem to have achieved the most tangible positive effects: they have contributed to improving the

attractiveness of some areas, which could mitigate the migratory deficit. This was especially so where the ERDF interventions were part of local development plans in synergy with ESF interventions and regional and/or national strategies, as in the cases of Wallonia and Thuringia. The Wallonia case study shows the importance of a comprehensive and integrated regional strategy to address effectively the demographic and socio-economic gaps between the fast-growing and dynamic areas and those characterised by declining traditional industrial activities and high long-term unemployment rates. Another strength of the Wallonia strategy has been the close collaboration between the ERDF and the ESF Managing Authorities in all the phases of the programming cycle, as well as the involvement of organisations from civil society which ensured the design and implementation of projects tailored on the actual needs of the local population.

- Infrastructural and ICT interventions improved accessibility to services and supported employment creation, especially in remote and thinly populated areas and in regions characterised by substantial internal disparities. However, when they did not directly target specific population groups (or specific population needs in remote areas), their overall impact remained limited.
- The ESF mainly financed interventions designed to encourage unemployed and economically inactive people to enter the labour market, to enhance the skills and adaptability of the workforce to new social needs (such as care-related professions) and the employment and social inclusion of the groups more at risk of exclusion, as well as local institutional capacity building. These measures appear especially effective when clearly targeting local needs. Examples of ESF good practices in this respect are the Lithuanian Kierk Lietuval project, supporting return migration for young professionals; the Basilicata (IT) training project for young high skilled professionals involved in the implementation of local development projects; the Thuringia Network on Demography (TND) supporting SMEs in adopting age-appropriate management measures; the Maltese "Unlocking female potential" project, promoting female employment through awareness-raising measures targeting employers; and the Ostra Mellansverige (SE) project promoting awareness rising measures on health care issues and rehabilitation programmes in the major public and private workplaces of the municipality.
- Interreg programmes appear effective in supporting institutional learning and the sharing of experiences and good practices. Such is the case of the Interreg IV C DART programme, specifically dealing with the demographic challenges in the partner regions. According to the Polish and Romanian stakeholders interviewed, participation in this programme helped the regions involved to acquire knowledge of the demographic challenges in the region and define the main priorities in this field, also looking at how the other countries participating deal with demographic challenges.
- SMEs, NGOs and municipal authorities have important roles to play in local policies. These actors, however, often have little awareness of the relevance of demographic change to local development and are usually able to implement only very small projects, difficult to sustain in the long run. Their intervention capacity needs to be supported, integrating financial support with technical assistance and capacity building. An interesting project in this respect is the Lincolnshire (UK) project aiming at building up management skills in small third sector organizations/social enterprises to become more effective in competing for public service contracts.
- One of the main limitations to more effective implementation of Cohesion Policy measures indicated by the Managing Authorities and local stakeholders interviewed is the complexity of administrative procedures, especially in relation to eligible expenditure and reporting. Administrative complexity in particular discourages SME and NGO access to the European Structural Funds and discourages adoption of complex and innovative interventions.

In relation to the new programming period, the field work and interviews with local stakeholders show that in all the cases considered initial discussion of the strategic priorities for the 2014-2020 period has taken place, even if the overall process has been slowed down by delays at the European and national level. In all the cases studied the intention is to continue the current strategy, paying greater attention to the demographic challenges and the consequences of the crisis. Greater integration and synergies between the ESF and ERDF and Cohesion Funds as well as between these funds and national and regional strategies are also envisaged.

5.2 Lessons learnt

Some lessons may be derived from the study to improve the effectiveness and sustainability of Cohesion Policy in relation to demographic change. Some have already been addressed in the debate on the future of Cohesion policy and integrated local development (Barca F.2009; Bachtler J., 2009).

The starting point is that the regional and local dimensions are crucial in addressing demographic change, given its place-based nature, and Cohesion Policy is among the main tools to support regions in adapting to demographic change, especially thanks to the focus on regional socio-economic development and labour markets and the multi-year integrated programming approach.

As illustrated in chapters 1 and 2, the demographic challenges are context-dependent and require interventions tailored to the specific needs of the regional areas (remote or rural areas, congested and/or degraded urban districts, etc.) and the beneficiaries (the elderly population, migrants, young people and women). Tailoring measures implies a good knowledge of the regional context, as well as integration of the various different measures according to the local needs and the capacity to find new solutions when addressing new problems, as shown by the good practice examples provided in the study.

Appropriate management capacities at the regional and local levels are needed to improve the effectiveness and sustainability of Cohesion Policy. Overall, the success of regional policies in addressing the risks and opportunities related to demographic change largely depends on the governance and implementation capacity of local stakeholders:

- the capacity to identify and address local needs;
- the capacity to provide a supportive policy framework facilitating the implementation of integrated measures consistently with regional/national development strategies and to reinforce complementarities and synergies between the European Structural Funds and other financing sources and programmes operating at the local level;
- the capacity to mobilise all the relevant stakeholders at the local level, including businesses and the third sector, and cooperation and networking among local actors;
- the capacity to learn from experience.

However, regional policy cannot tackle all the policy challenges related to demographic change. Integrated and multi-level policy responses are necessary to address the manifold dimensions of demographic change, as it cuts across different policy fields and calls for integrated strategies based on multi-level, cross-sector governance capacities and multi-actor partnerships. To avoid the fragmentation of interventions and to overcome the limitations, due to the limited financial resources available (especially outside the

Convergence areas) and to restrictions on eligible interventions, Cohesion Policy should be better integrated within broader regional strategies which clearly address demographic priorities and exploit all the possible synergies with national/regional programmes and other co-financed programmes implemented at the national and regional level. Support from higher-level institutions, participation in European networks and the development of guidelines for the design and implementation of local strategic plans may help institutional learning among the local authorities, especially in rural and marginal areas.

In conclusion, Cohesion Policy appears more successful in those regions where a number of conditions are satisfied, such as better focus on demographic priorities, integration of Cohesion Policy within regional and national strategies, the creation of effective public-private partnerships and governance capacity on the part of the local and regional authorities.

5.3 Policy implications

The main policy implications arising from the study on ways to enhance the effectiveness of Cohesion Policy in relation to demographic change are consistent with the indications of the 2011 Resolution of the European Parliament (2010/2157 (INI)).

Overall there is a need for a European framework of common intervention principles and general objectives in tackling the demographic challenges, promoting a more proactive approach in policy making.

An integrated and coordinated approach, combining different measures (economic, social, environmental), is necessary to address the demographic challenges at all institutional levels. At the European level, this calls for greater coordination of the activities promoted by the Structural (and other EU) Funds, and greater flexibility in their use to enhance complementarities and consistency.

A strengthened multi-level governance framework is needed to this end, with clearly defined roles among the different levels of governance and among public-private stakeholders, as well as identification of the interventions better implemented at the regional, national or European levels and development of effective European and national coordination mechanisms.

The European Institutions can ensure the development of effective coordination mechanisms at the European level and promote a more pro-active approach in policy making, as well as partnerships at the regional, cross-border and inter-regional levels. This can be accomplished by:

- Fostering evidence-based debate on how demographic change can be addressed in policy-making;
- Supporting the exchange of good practices and experiences for institutional learning, with specific attention paid to pilot and innovative actions.

For example, much could be learnt from the experience acquired through the implementation of programmes that support active ageing and consider the elderly population, women and migrants as important economic agents for regional and local development, exploiting the skills and resources of these population groups. Infrastructural interventions could place greater emphasis on the needs of the elderly, the disabled population and women. Transnational cooperation programmes may play an important role in this respect;

- Supporting the development of comparable data and appropriate indicators on demographic trends to help the national and regional authorities define their strategies;
- Providing methodological guidance and assistance in the development of specific monitoring and evaluation tools for policies addressing demographic change.

As for Cohesion Policy, the effectiveness of Structural Funds in addressing demographic change, can be improved through:

- greater focus on demographic change as a priority area for Cohesion Policy and definition and dissemination of specific guidelines to support Member States and regions in exploiting the potential that Structural Funds may have in addressing the demographic challenges, at both the national and the local level, in design and implementation of Partnership Agreements and Operational Programmes;
- greater coordination and integration of the activities promoted by the different Structural Funds and greater flexibility in their use to enhance complementarities and consistency in measures tackling demographic change;
- development of tools for the monitoring and evaluation of the effects of Structural Funds in addressing demographic change through the provision of guidelines and the further development and diffusion of the relevant demographic data and indicators (such as the Demographic Vulnerability Index) at the European, national and local levels, to be internalized in the Programmes' monitoring and evaluation systems. This could support the Managing Authorities in defining targets and monitoring systems for co-financed interventions;
- provision of technical support to Managing Authorities and local stakeholders for the implementation of effective policies addressing demographic change at the regional level with the exchange of experience and technical assistance services. The managing authorities and local stakeholders need capacity building both in policy design, raising the level of awareness of the importance of demographic change for local development, and in policy delivery. They need to keep attention focused on demographic issues in all phases of the policy cycle through appropriate procedures to internalise the demographic perspective in the project selection criteria, implementation methods and monitoring arrangements.

As discussed in chapter 4, the draft legislative package which will frame Cohesion Policy for 2014-2020⁵⁶ contains general principles and thematic objectives that could support a more effective role for Cohesion Policy in tackling demographic change.

Addressing demographic change and accessibility to all goods, services and infrastructures are explicitly mentioned among the cross cutting policy objectives of the Common Strategic Framework reported in Annex I of the Commission's amended proposal adopted on 22.4.2013. Besides these cross-cutting policy objectives and the gender equality and non-

⁵⁶ European Commission (2013), Amended proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006, Brussels, 22.4.2013, COM(2013) 246 final 2011/0276 (COD), <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0246:FIN:EN:pdf>.

discrimination horizontal principle, adoption of the territorial cohesion principle is particularly important in confronting the demographic challenges. According to this principle, the overall approach will have to reflect the specific conditions of different territories, including areas facing specific geographical or demographic problems, such as the outermost regions with very low population density, islands and cross-border or mountain regions. Territorial cohesion also means addressing urban-rural population imbalances and access to affordable, quality infrastructures and services in regions with a high concentration of socially marginalised communities.

In this respect, for instance, the proposed ERDF regulation provides for increased focus on sustainable urban development and additional allocations are envisaged for areas with specific natural or demographic features (e.g. outermost & sparsely populated regions), with particular focus on research and innovation, information and communication technologies, and SME competitiveness.

The new ESF regulations place greater emphasis than in the past on the promotion of active and healthy ageing and on social inclusion measures. Active healthy ageing is explicitly indicated among the measures listed under the thematic objective “Promoting employment and supporting labour mobility”, while enhancing access to affordable, sustainable and high-quality health care and social services of general interest is mentioned under the thematic objective “Promoting social inclusion and combating poverty”. Specific provisions are also envisaged to encourage the active participation of social partners and non-governmental organisations (NGOs) in ESF measures, especially in less developed regions. Social innovation and transnational cooperation activities are encouraged through an increased co-financing rate for dedicated priority axes, specific programming and monitoring arrangements, and a stronger role for the European Commission in the exchange and dissemination of good practices and joint actions. Simplified cost options should facilitate the use of ESF by small operators.

Specific mechanisms to support greater integration and coordination among the Cohesion Structural Funds and between Cohesion and other European Funds have also been introduced in the draft regulations. Coordination of Cohesion Structural Funds with the Rural Development Fund could allow for more integrated intervention in rural areas, also addressing their specific demographic challenges. Mechanisms, such as Community Led Local Development, Integrated Territorial Investments and the development of Integrated Operations and Joint Action Plans should facilitate the adoption of integrated approaches in the implementation of Cohesion Policy at the local level. Member States also have the possibility to implement multi-fund programmes combining ERDF, ESF and the Cohesion Fund.

The proposed regulatory framework remains rather complex, however, and it is still not clear how many of the envisaged mechanisms will be operating in practice. Uncertainty about the financial allocations has slowed down the programming process and makes it very difficult to assess the potential role of the new Cohesion Policy framework in supporting territorial cohesion and tackling demographic change.

The European Parliament has a crucial role to play in promoting greater attention to the demographic challenges in the new programming period and a pro-active approach in this field given its prerogative as directly elected representatives of the citizens and its role as co-legislator with the Council. Steps in this direction were taken in November 2011 with the approval of Parliament’s above-mentioned Resolution on Demographic change and its consequences for the future for Cohesion Policy. In addition, the EP Committee on Regional

Development has voted on the new Cohesion Policy legislative package on July 10 2013⁵⁷, supporting greater attention to integration of the Structural Funds and policies, greater involvement of local and regional stakeholders in the definition of the Partnership Agreement, greater flexibility in the use of the ERDF for transition regions and greater attention to marginalized groups and regions, with further simplification of administrative procedures.

The coming months will be particularly important and the EP should monitor the application of the 2011 Resolution and use its co-legislator role with regard to the effectiveness of Cohesion Policy in addressing demographic change by:

- Finalizing the negotiations on the legislative package for Cohesion Policy 2014-2020 in due time;
- Supporting the development of a European framework of common objectives, intervention principles and coordination mechanisms in tackling the demographic challenges, to avoid the fragmentation of initiatives and promote attention to demographic issues in all policy-making;
- Calling upon Member States and Regions to pay greater attention to the demographic challenges when drawing up and implementing their Partnership Contracts and resulting Operational Programmes;
- Calling upon the European Commission and Member States to provide the necessary technical support and know-how transfer to regional and local authorities and stakeholders for the implementation of effective policies;
- Calling upon the European Commission and the Member States to develop comparable regionally based demographic indicators to be included among the common monitoring and evaluation indicators and to take into account the expected effect on regional demographic challenges in the project selection criteria and in the arrangements for programme implementation and evaluation;
- Promoting the creation of a regular forum for awareness-raising and debate on the need to tackle demographic change in a proactive way and the effectiveness of Cohesion Policy in this respect. Dedicated studies, experience exchange and networking can be promoted, as well as regular meetings of the REGI Committee with other EP Committees dealing with cross-cutting demographic themes and with the European Commission and the Committee of Regions. Thematic learning networks, workshops and seminars open to the media and the public on specific demographic issues could be promoted at the European, national and regional level, with the aim of bringing together local and regional authorities – as well as other stakeholders - across the EU to share innovative evidence-based solutions.

⁵⁷ Open issues mainly relate to the ex ante conditionalities and the Performance Reserve which are opposed by MEPs. EP Plenary vote is expected on October 2013.

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ISBN 978-92-823-4916-8
doi: 10.2861/39848