The impact of demographic change on European regions

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Demographic trends in Europe

Two combined patterns:
- Growth in western Europe, decline in the eastern Europe (with numerous regional nuances);
- Decline along an axis running from Eastern Finland, through Germany and France to Spain and Portugal.

As a result of the economic crisis, East-West population flows are less intense, while South-North flows have picked up.

In general, economic convergence observed since the late 1980s came to a halt as a result of the crisis. This will have implications population movements between European regions and countries.
Economic impact of demographic change

- Ageing will not have the same effects in different European regions:
  - exclusion from the labour market of working-age population;
  - individual accumulation of capital;
  - productivity of the economically active population;
  - fiscal mechanisms of solidarity between generations and social groups.

- To make policy-relevant conclusions from demographic trends, factors such as these need to be taken into account.
Three key fields of intervention for LRAs

○ **Work-life balance**
Regions with better work-life balance regimes see higher women’s employment and fertility rates. ‘Time policies’ to organise working day schedules, life courses, and regulate the provision of services in cities help to address these issues.

○ **Teleworking and Independent professionals**
From 2004 to 2013, the number of independent professionals (‘iPros’) has increased by 45% in the European Union, from 6.2 to 9 million.

○ **Improved working conditions**
Better working conditions encourage employees to stay in employment longer.
Opportunities and perspectives for economic development

- **Silver economy**: targeting the needs of an ageing population.
- **Volunteering**: meeting needs for public services in innovative ways.
- **Residential economy**: attracting residents can be a more efficient lever of development than developing export-oriented production.
- **Remittances**: with appropriate support and infrastructure, remittances can trigger investments in lagging regions.
- **Self-perception and branding**: need for new policies, integrating these issues in cultural and social initiatives and using social networks actively.
Key recommendations

- It is not necessarily rational for all regions to maximise competitiveness and growth in export-oriented activities: some regions may concentrate these activities, while others focus on residential functions.

- Focus on overall performance and improved division of tasks between regions, rather than opposing ‘net-contributors’ and ‘net-receivers’.

- Additional costs and organisational challenges generated by demographic change can be addressed by encouraging local and regional authorities to become ‘public entrepreneurs’ and generate innovative solutions in cooperation with private and social economy actors.
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