

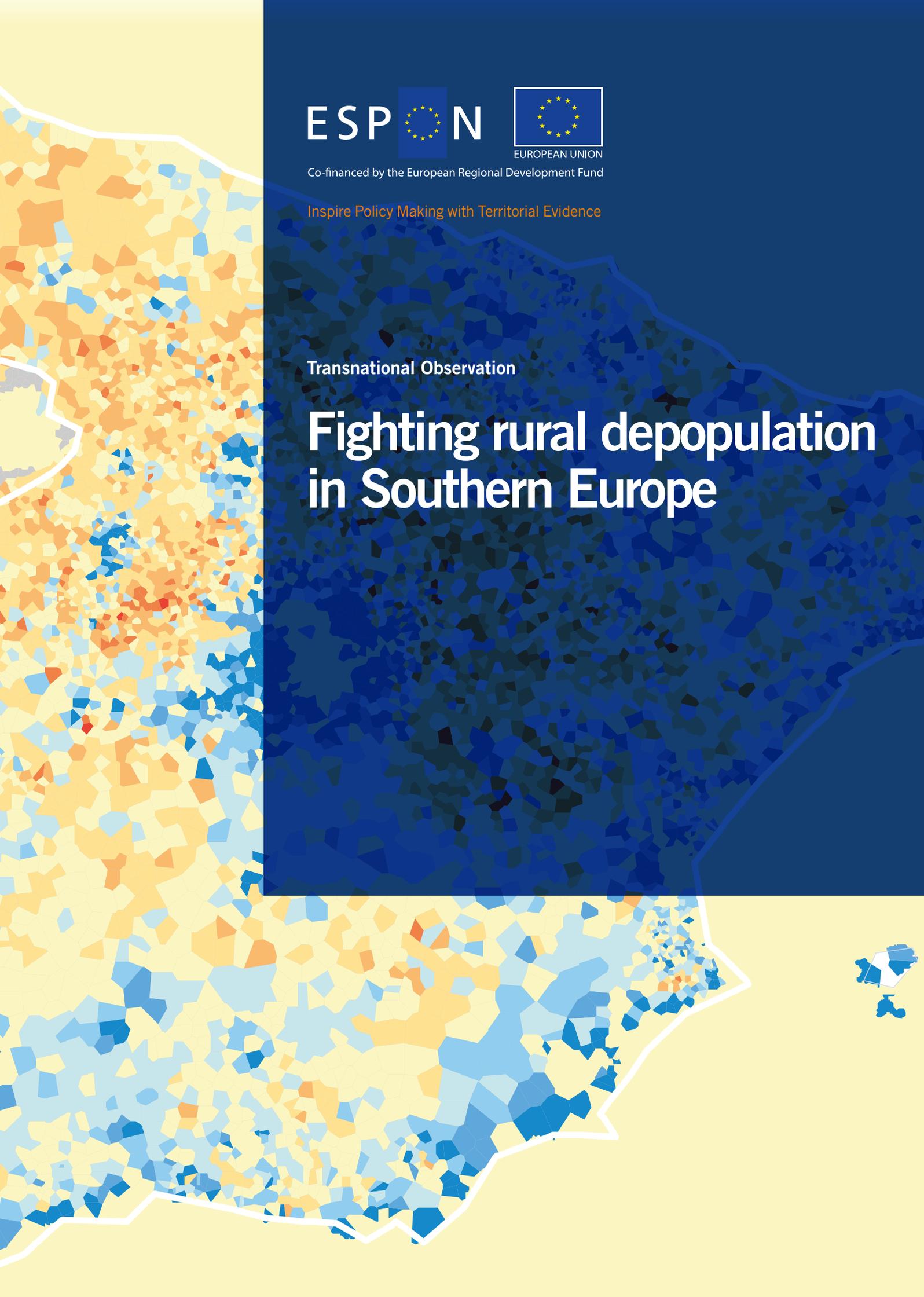


Co-financed by the European Regional Development Fund

Inspire Policy Making with Territorial Evidence

Transnational Observation

# Fighting rural depopulation in Southern Europe

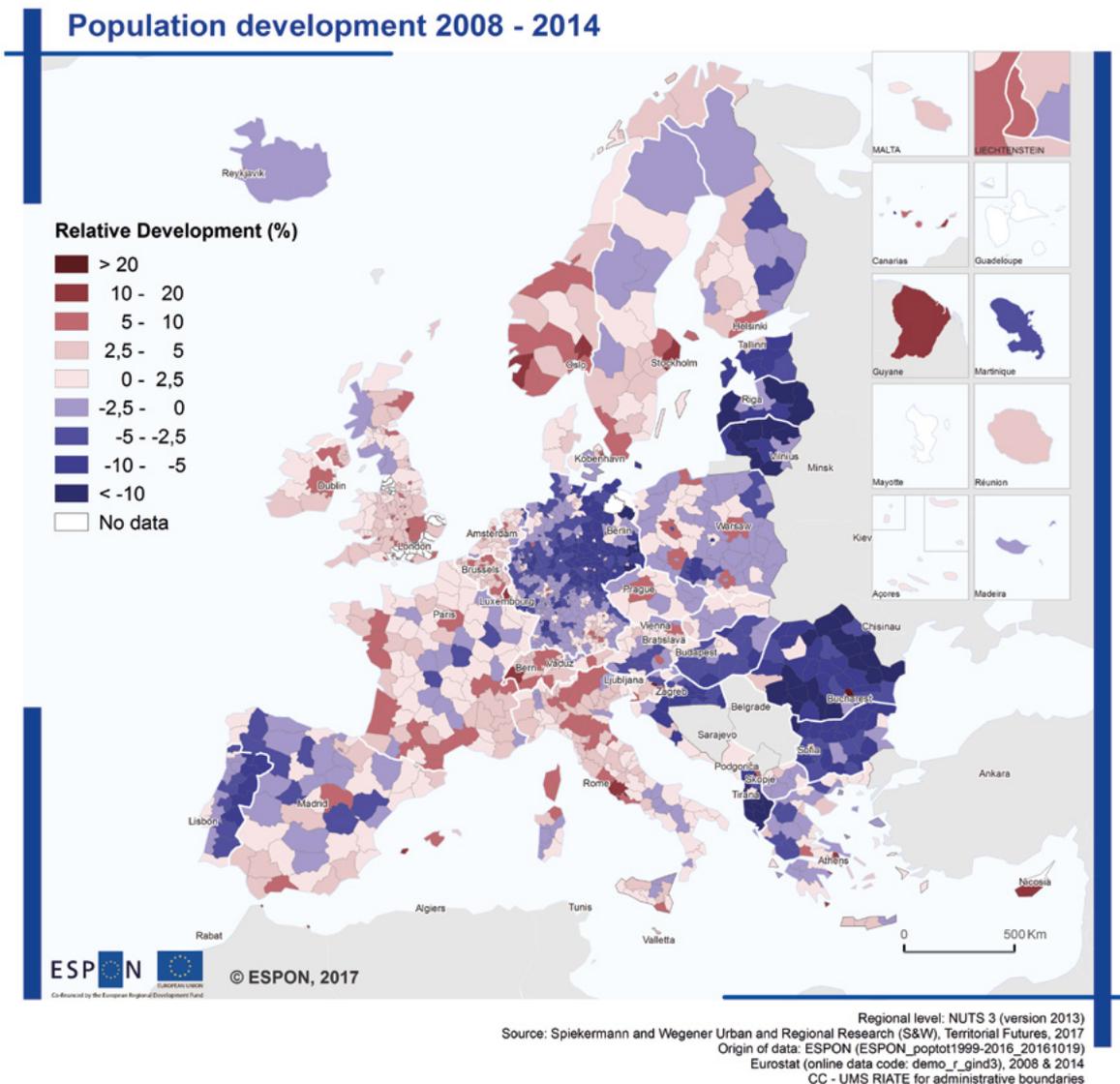


# Fighting rural depopulation in Southern Europe

## 1. Dimensions of rural depopulation

### 1.1. Mapping depopulation

The regions that suffer from depopulation are mostly found in the East and the Baltic States, and also in Germany and Southern/Mediterranean countries like Greece, Portugal, Bulgaria, Romania, large parts of Spain and some areas in the South of Italy (see *Figure 1*). But it is not only peripheries which are affected by the phenomenon; there are also “shrinking” areas in the wealthiest parts of the EU.



**Figure 1**  
 Population development 2008-2014

In very general terms, **population development is dominated by an increasing urban-rural polarisation**. In most European countries, demographic growth has been lower in rural than in urban areas, and population is more and more concentrated in or around larger cities and metropolises. Figure 2 shows that, in every European Macro-Region (as understood by the European Commission) apart from the North-West, rural regions are declining whilst the opposite is true for cities. This trend is particularly obvious in the Danube area, but also within the Mediterranean countries as well.

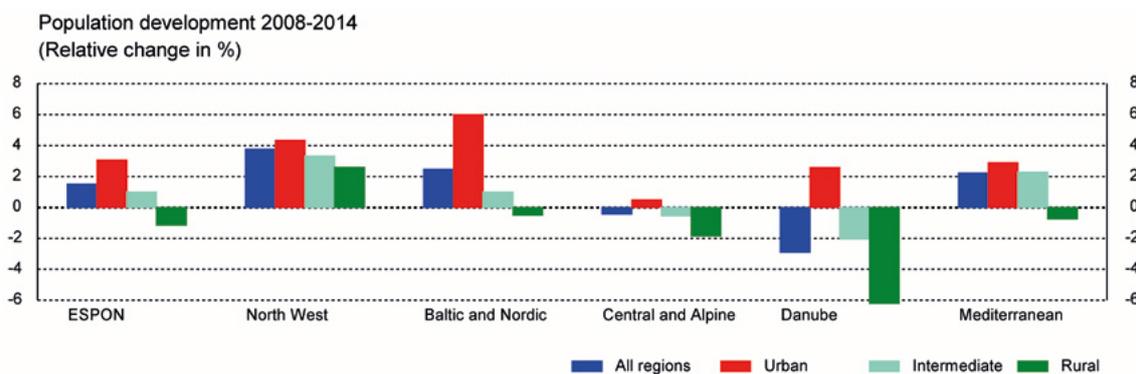
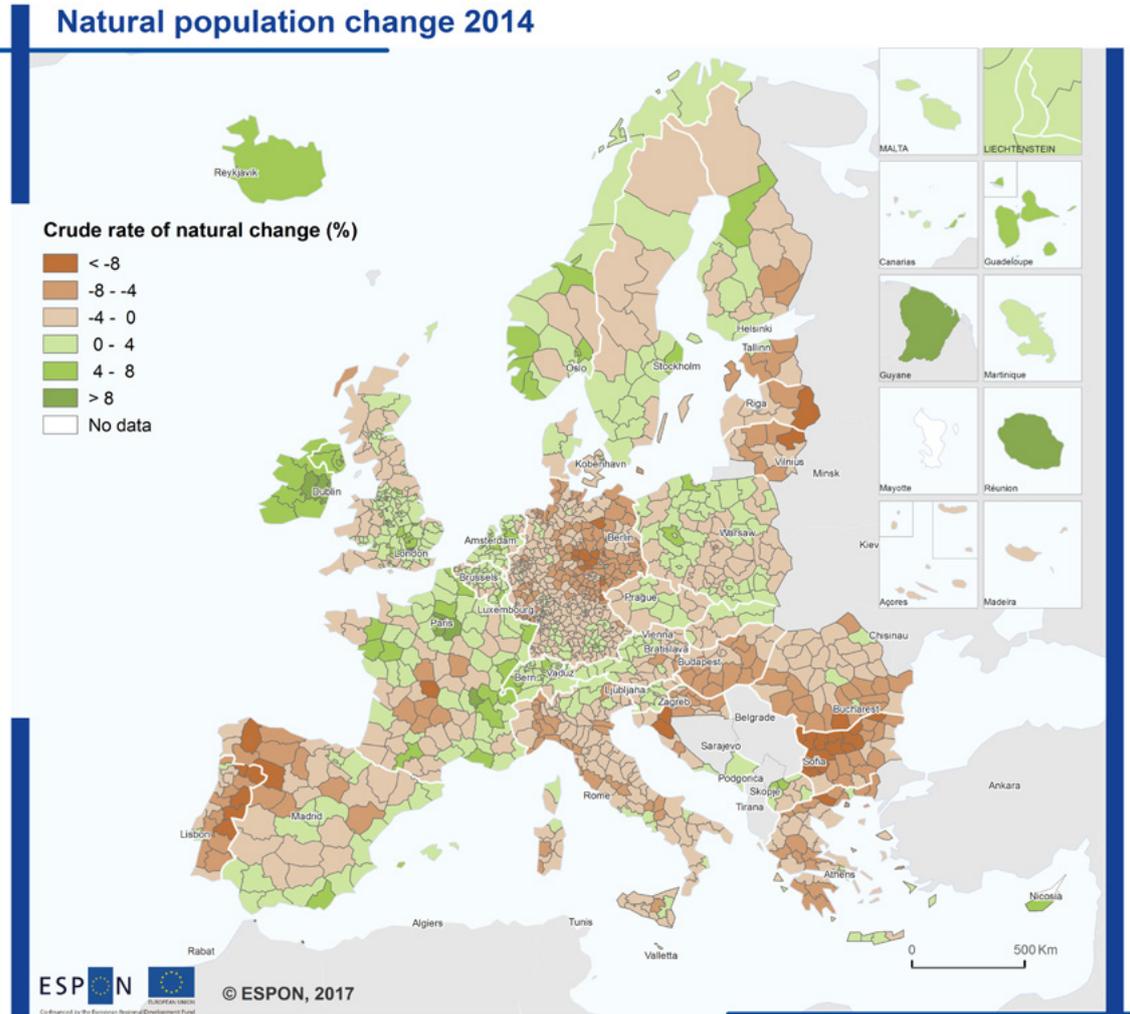


Figure 2

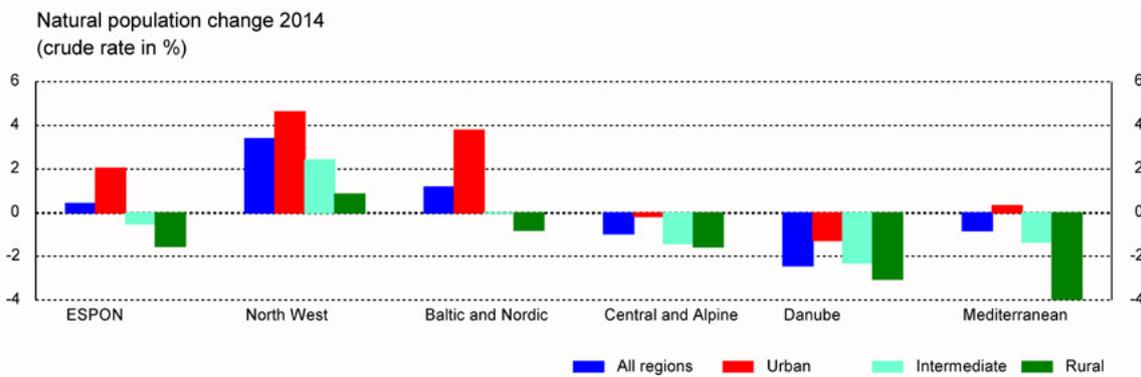
Population development 2008-2014 by Macro-Region and urban-rural typology

Depopulation is associated with drops in fertility rates and lower life expectancy – a shift which puts baby boomers at the top of the age pyramid. Consequently, **Europe is ageing considerably, but more in some places than others**. The natural population change (defined as the difference between birth rate and death rate) is now lowest in rural regions as demonstrated by *Figure 3* and *Figure 4*.

*Figure 3* below shows, as would be expected, that the areas that are most challenged by ageing are, to a very large extent, the same as the ones which suffer from depopulation, including areas in Southern Europe. As shown in *Figure 4*, in each European Macro-Region, ageing is particularly prevalent in rural areas. The birth rate is notably too low to maintain the population in the Mediterranean rural regions, where the rate of natural population change had fallen to -4% in 2014. The trend is even more acute in peripheral parts of the continent, including islands.

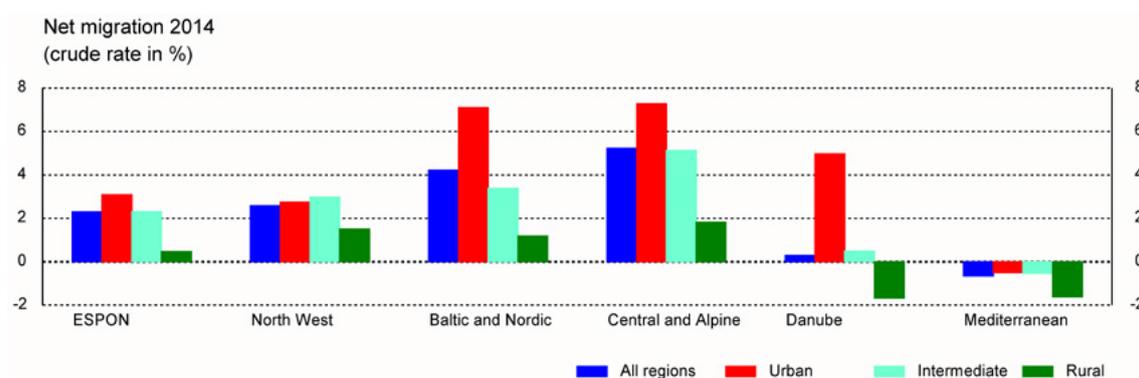


**Figure 3**  
 Natural population change 2014



**Figure 4**  
 Natural population change 2014 by Macro-Region and urban-rural typology

Meanwhile, **immigration will not compensate for depopulation and ageing** in the rural parts of Southern Europe. Even though the EU as a whole is one of the most attractive places in the world, immigrants often settle in the North-West and tend to be concentrated in larger cities where opportunities are more numerous. *Figure 5* shows that migration to urban areas (both intra- and extra-EU) is much higher for all urban areas, but it also shows that rural areas in the Danube and in the Mediterranean macro-region have become “sending” regions (meaning that they lose inhabitants to the “receiving” regions of the EU).

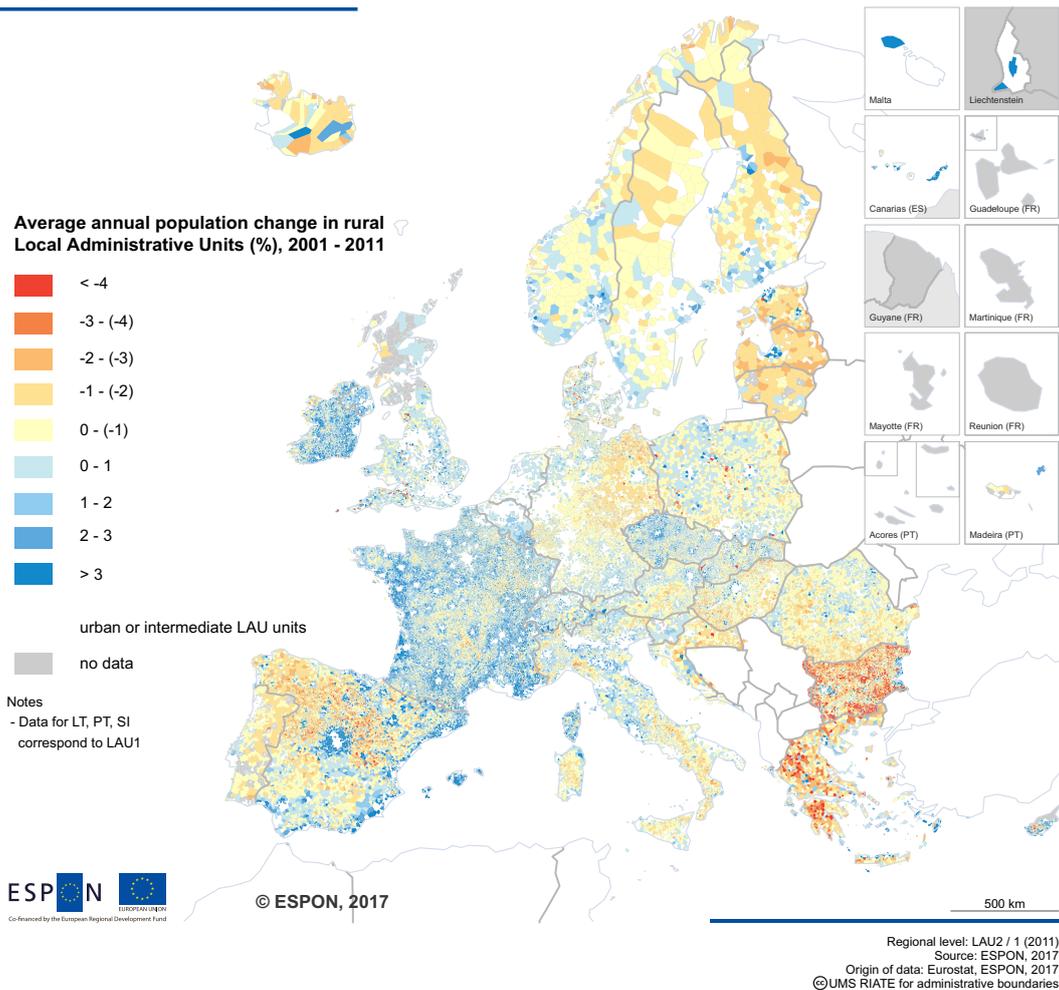


**Figure 5**  
Net migration 2014 by Macro-Region and urban-rural typology

This phenomenon of internal migration highlights the importance of addressing the challenges of depopulation and ageing identified earlier, such as brain drain or labour shortage. Furthermore, it also fosters urban segregation or social tensions due to the arrival in an area of persons with different backgrounds. Overall, it further accelerates territorial imbalances within Europe.

*Figure 6* synthesises the trends in rural population change between 2001 and 2011. It confirms that many of the rural areas which are suffering most from demographic decline are located in the south of the EU: Bulgaria, Greece, the Mezzogiorno, the north-east of Spain, and Portugal. Islands such as Sicily or Sardinia are also affected.

## Population change in predominantly rural regions, 2001-2011



**Figure 6**  
Rural population change (2001-2011)

### 1.2. Key challenges of rural depopulation

Rural depopulation is a systemic phenomenon. The major challenges encountered by rural regions – poor access to public services (SGIs), low accessibility, lack of economic competitiveness and innovation and precarious governance – are indeed both the causes and symptoms of demographic decline. Moreover, ESPON evidence shows that they are interdependent: each trend is correlated to the other and may trigger a vicious cycle of population shrinkage, leading rural territories to become “inner peripheries” (characterised by ESPON research as regions with significantly lower access to services of general interest than the surrounding areas, even though they are not peripheries in the geographical sense of the term). These challenges must be studied, therefore, not only separately but in terms of their interaction.

Good access to social and economic services of public interest is a major factor which contributes to quality of life across European territories. However, **sparingly populated areas commonly suffer from insufficient access to SGIs**. Demographic change may, indeed, cause a deterioration in the quality and diversity of services available; a weak local market results in underutilisation, poor maintenance and ultimately withdrawal or clustering of services. The lack of basic SGIs further erodes the appeal of shrinking regions and a downward spiral of decline begins which is characterised by the exodus of young workers without professional opportunities or of parents seeking better education facilities. Consequently, fertility rates fall and the remaining population ages.

**Transport and digital connectivity also affect regional attractiveness.** This reality can be observed in many rural places in Southern European countries, notably in Spain. Indeed, long travel times to urban centres complicate access to SGIs. Local businesses are also negatively affected by the costs of transporting raw materials and products which need to reach distant markets. Such issues are likely to impede both economic and demographic growth.

The **exodus of young and highly qualified workers further hinders the economic performances of rural regions.** Indeed, the rise of unemployment in Southern European countries drives away skilled labour usually to the most competitive areas in the new knowledge economy, which are concentrated in cities and in North-West Europe. Again, this trend sustains a downward spiral which decreases the overall appeal of rural regions in the south. Moreover, the loss of human capital hits small and medium enterprises (SMEs) harder as they are more dependent on the availability of local skilled workers. The impact of the “brain drain” is, thus, more significant in rural regions, where the share of employment in SMEs is, on average, 10% higher than in urban areas in the EU.

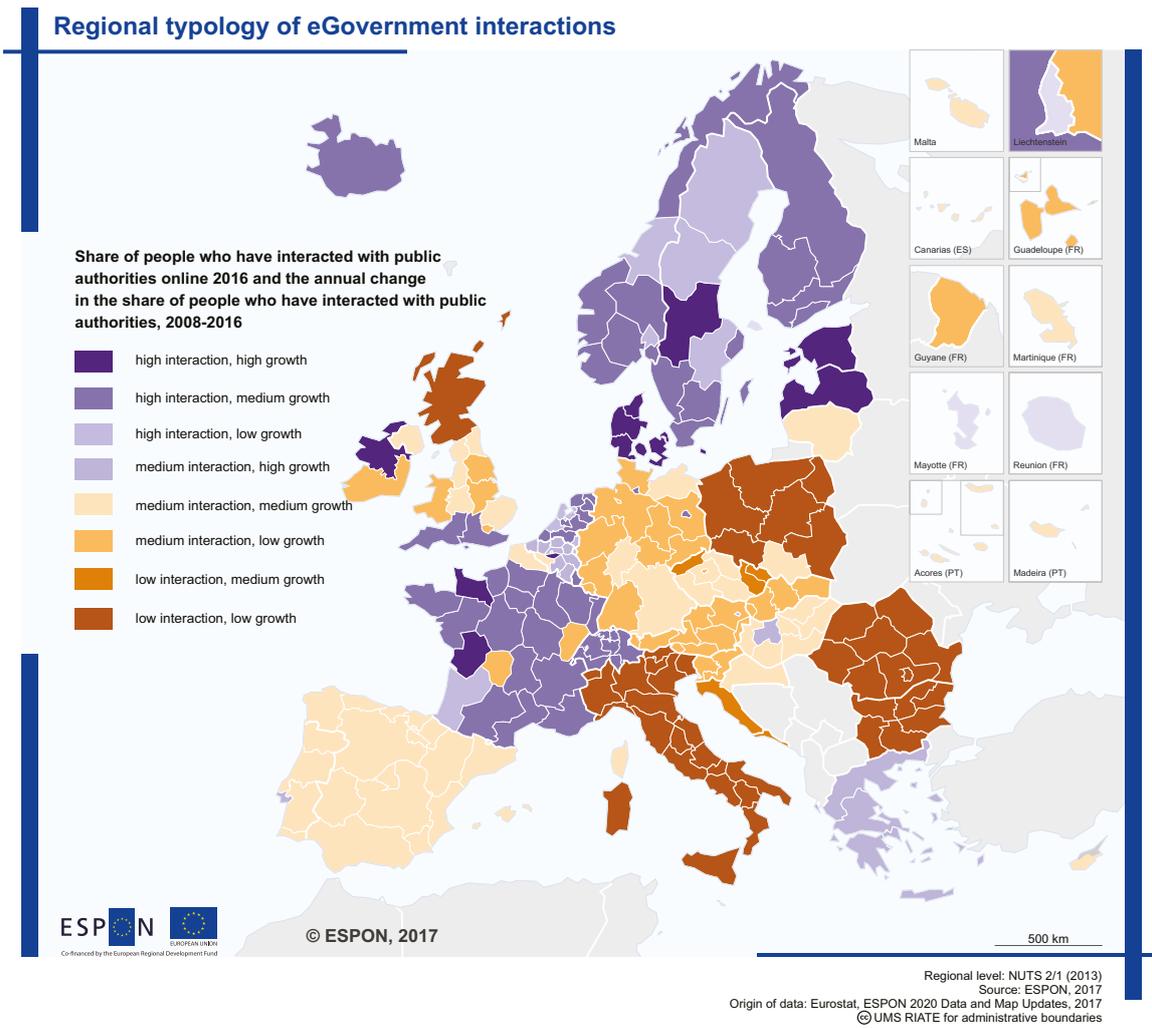
**Depleting demographics are also a challenge in terms of governance quality.** Public budgets notably experience substantial pressure in the face of reduced fiscal resources and necessary increases in social spending linked to ageing. This decreases governance capacity at the same time as inhibiting proactive economic policies. The importance of local governance for territorial development is widely illustrated by ESPON evidence and other sources. However, the municipalities or regions which most need to develop strategies to cope with depopulation are often those with the least capacity to design and implement a comprehensive, long-term policy response. Finally, **rural areas may also be peripheral in terms of connectedness to wider networks and centres of political authority.** Deprived of influence in terms of decision-making and governance arrangements, local actors are unable to initiate policies or gather the necessary resources to counter demographic and economic decline.

## 2. Smart approaches for shrinking rural areas

### 2.1. Smart approaches to improve the provision of services

Reopening local public services or improving transport infrastructures may not be the only options, particularly in an era of budget cuts. **Innovative ways of delivering SGIs have to be imagined and implemented.**

Investments in Information and communication technology (ICT) and digitalisation are fundamental for depopulating rural regions in that regard. **Access to public databases, healthcare, social and welfare services, education and even to the political process (online consultation, for instance) can be drastically improved by more general digitalisation** – especially if strategies are simultaneously implemented to improve the e-literacy of the older generation. Online SGIs are currently mostly available in larger cities, but underdeveloped in Southern Europe (as illustrated by *Figure 7*). As such, there are ample opportunities to improve the provision of services through digitalisation in shrinking rural areas, thus limiting the adverse effects of an ageing population and isolation. However, this requires national intervention, as ICT infrastructures are often deficient and small municipalities do not have the capacity to launch ICT projects on their own. In this context, faster internet connections and broadband should be considered as a basic public service in itself, requiring both horizontal and vertical coordination at national and regional levels.



Rural border areas have traditionally been treated as peripheries by nation-states and, therefore, often lack basic services. **transnational cooperation may be a solution to improving access to SGIs**, especially in regions with limited accessibility.

The **Pyrenees area**, like many mountainous European regions, suffers from remoteness and lack of basic services and infrastructures. However, it has a long tradition of cross-border cooperation. Seven European Groupings of Territorial Cooperation (EGTC) have been created over the years to address the specific issue of isolation, including the EGTC Hospital de la Cerdanya. The hospital, which opened in September 2014, is a successful example of the joint management of a health facility by two public health systems in neighbouring countries. Despite being located in Spain, the hospital now provides access to specialised healthcare for the French population (14,500) of the Cerdanya plateau. Previously, local inhabitants had to travel 105 km to Perpignan to access specialised care. The existence of the cross-border hospital has, thus, brought major improvements at a local level in research and innovation, employment and mobility, and social inclusion.

Ageing regions can also offer a catalyst for what is now known as the “silver economy”, whereby **the rise in demand for services targeted at older generations (adapted housing, for instance) can become a stimulus for innovation and entrepreneurship**. The needs of older people should not be viewed as a burden; they can represent an opportunity for strategic investments which attract economically active groups and create professional opportunities for young workers in depopulating areas.

## 2.2. Smart specialisation to enhance economic attractiveness

**Challenges linked to depopulating territories can be overcome through smart specialisation strategies capitalising on their unique resources**. The main objective of this approach should be to identify opportunities based on the specific resources of depopulating areas, instead of trying to make them function in the same way as “mainstream regions”. Cultivating “uniqueness” generally offers more promising development opportunities (for instance, through the branding of high-added value niche products) and may be easier to translate into policy actions.

Notably, rural regions offer a natural “green” advantage due to the lower pressure on the environment and limited pollution. They consequently present **enhanced opportunities for promoting the transition towards a low-carbon economy** and for new solutions to environmental concerns in areas such as the application of circular economy principles to recycling agricultural water, online advertising of local products, clean energy, biomass, environmental tourism and the exploitation of natural and cultural heritage. Rural population shrinkage can then be viewed as an opportunity for fundamental societal reorientation.



A very original example of a strategy to regenerate a remote depopulating area is the creation of the Gran Sasso Science Institute (GSSI) in the **Abruzzo region**, a declining area that lost 60,000 people in the 15-34 age group (17.5%) between 2000 and 2015. Abruzzo has been the target of various development policies designed to strengthen the local knowledge-based economy. After the earthquake which struck the city of L'Aquila in 2009, the Italian state undertook to “build a magnet”, attracting resources and highly skilled workers by exploiting some “unique” resources of the territory. Thus, the GSSI was created, a publicly funded institution, leveraged on the experience of the territory in hard sciences and on the existence of one of the world’s top laboratories for particle physics, to create a centre of excellence attracting students and teachers from Italy and abroad. The Institute is now thriving and the flow of PhD students has increased the human capital and economic activities of the territory. A second expected outcome is the creation of new start-ups and spin-off enterprises.

### 2.3. Strengthening strategic spatial planning and territorial governance

Rural depopulation can only be addressed through strategies which are multi-scalar, holistic and far-seeing. Indeed, efforts made at the local municipality level alone are not sufficient; more consolidated and collective efforts at the national/regional levels are essential. The alignment of development policies and spatial planning strategies can, for instance, be improved by the creation of a specialised cross-sectoral agency or expert authority that steers regeneration policies on a higher spatial scale. Similarly, the coordination of the spatial strategies of neighbouring villages or towns can improve SGI provision and achieve a more efficient use of public resources and infrastructure in the context of tightened fiscal conditions.

**Strategies to address population shrinkage also need to address, longer term, all of the economic, social and environmental issues associated with depopulation.** There is often a tendency to prioritise economic development and solutions to the detriment of other objectives, which may weaken local resilience to exogenous forces and create uncontrolled cycles of expansion and contraction. Avoiding such cycles points to the need to focus on other values in addition to the economic ones, such as offering sustainable environments for housing, fostering well-being and promoting nature tourism. Mainstreaming foresight methods and scenario planning may be useful in that regard.

Depopulating regions often have restricted budgets due to the growing needs of an ageing society and a reduced tax base, making them extremely reliant on external funding sources. This produces a perverse effect, since it often promotes a dependence culture and an aversion to policy innovation. **It is important to maintain the competences of rural regions and to stabilise established governance networks** in order to make sure that they do not lose their decision-making autonomy. In circumstances where public budgets are retrenched, it is understandable that there is an urge to privatise services. However, it is essential to maintain, expand and strengthen local government assets to promote local entrepreneurship.

It is also important to improve communication with stakeholders and partnerships, which is essential to increase the awareness of demographic trends and ownership of regional development strategies. **A focus on citizens' involvement can partially compensate for a lack of public resources**, as active communities contribute to the quality of life and well-being of local people through voluntary work and joint action.





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