



DCRN

Demographic Change Regions Network

Position Paper on Demographic Change and Cohesion Policy (2014 – 2020)

Demographic change is an important issue for many European regions. Prompted by ageing societies, an increasing emigration of young people and the depopulation of certain areas many regions will be confronted with serious problems in the medium to long term. To better face this challenge, some of the European regions have come together in the Demographic Change Regions Network to address the problem jointly.

These regions are not, however, an exception. They are merely going through a process that will affect the majority of European regions within the next decade. We want to work together as a network in tackling this problem from the outset so that our experiences and solutions can be used as examples of best practice throughout the EU. But we cannot do it all alone. We need European policy instruments that support our projects and initiatives.

We welcome the proposals of the European Commission for a new cohesion policy that were published in October 2011. These proposals already offer considerable possibilities for projects that help to tackle demographic challenges. The proposals offer for instance an integrated approach of various structural funds and demographic handicaps should be taken into account in strategic documents related to structural funds such as operational programs. Most of all the Demographic Change Regions Network welcomes the content of article 111, paragraph 4 of the proposed Common Provisions Regulation for the Structural Funds¹, in which sparsely populated areas are recognized as regions that deserve special attention. But there are many other demographic handicaps than sparsely populated areas, islands and mountainous areas. Many regions have to cope with **other important demographic handicaps** like:

- A declining or shrinking population.
- An ageing population.
- A dejuvenation of the population.

These demographic handicaps are only examples, so the summary is certainly not exhaustive.

Thus, the Demographic Change Regions Network would like the European Parliament as well as European Council and European Commission to expand the definition for “areas with severe and permanent natural or demographic handicaps” in article 111, paragraph 4 of the proposed Common Provisions Regulation for the Structural Funds, maintaining the low density areas that are already mentioned and adding other demographic handicaps, like the ones that have been mentioned above. Article 111, paragraph 4 of the proposed Common Provisions

¹Article 111, paragraph 4 of the Common Provisions Regulation for the Structural Funds

the coverage of areas with severe and permanent natural or demographic handicaps defined as follows:

- (a) island Member States eligible under the Cohesion Fund, and other islands except those on which the capital of a Member State is situated or which have a fixed link to the mainland;
- (b) mountainous areas as defined by the national legislation of the Member State;
- (c) sparsely (less than 50 inhabitants per square kilometre) and very sparsely (less than 8 inhabitants per square kilometre) populated areas.

Regulation for the Structural Funds should be consistent with article 174 of the Treaty on the functioning of the European Union², which contains a **broader perspective** of regions which suffer from severe and permanent natural or demographic handicaps.

The new Regulations for Cohesion Policy must take into account all these challenges. The Commission's proposals concentrate strongly on European strategies on growth. Regions with a low or a declining population density, however, need a chance to adopt different strategies to restructure their society. There might for example be a need to adapt services of general interest or infrastructure to the changing demand of their declining population. This does not mean that less money needs to be invested; the expenses for the provision of basic services such as education and health in these areas are much higher since demand is falling. The development of the economy and society against a backdrop of a declining population and strong regional disparities are qualitative rather than primarily quantitative issues. This means that policy, which has hitherto been focusing exclusively on growth, now has to take into account contraction and reconstruction as well.

Taking into account the above considerations, the Demographic Change Regions Networks, in the framework of the discussion on the future Regulations for Cohesion Policy **suggests**:

- The possibility to spend structural funds on infrastructure in regions dealing with demographic challenges. In sparsely populated or ageing regions investment in infrastructure, like ICT connections might offer a chance to provide the inhabitants with qualitative basic provisions.
- An allocation of structural funds according to article 84, paragraph 2, of the Common Provisions for the Structural Funds³, that takes better into account demographic change as one of the main criteria.
- The Demographic Change Regions Network welcomes the possibility to increase co-financing-rates, mentioned in article 111 of the General Provisions proposal. This possibility to increase the co-financing rates should be at least of 10 % for regions affected by severe and permanent demographic handicaps.
- An integrated strategy on demographic change like already mentioned in the proposals, combining different aspects and flexibility between the funds.

²Article 174 of the Treaty on the functioning of the European Union

In order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion. In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions.

Among the regions concerned, particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions.

³Article 84, paragraph 2 of the Common Provisions Regulation for the Structural Funds

The following criteria shall be used for the breakdown by Member State:

(a) eligible population, regional prosperity, national prosperity and unemployment rate for less developed regions and transition regions;

(b) eligible population, regional prosperity, unemployment rate, employment rate, educational level and population density for more developed regions;

(c) population, national prosperity and surface area for the Cohesion Fund.