



DEMIFER: Demographic and migratory flows affecting European regions and cities

**VASAB Expert and Stakeholder meeting on Demographic Trends and Labour Market Development,
NIDI (co-ordinator) (The Hague, Netherlands)**

Kaunas, Lithuania

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Lisa van Well

Nordregio



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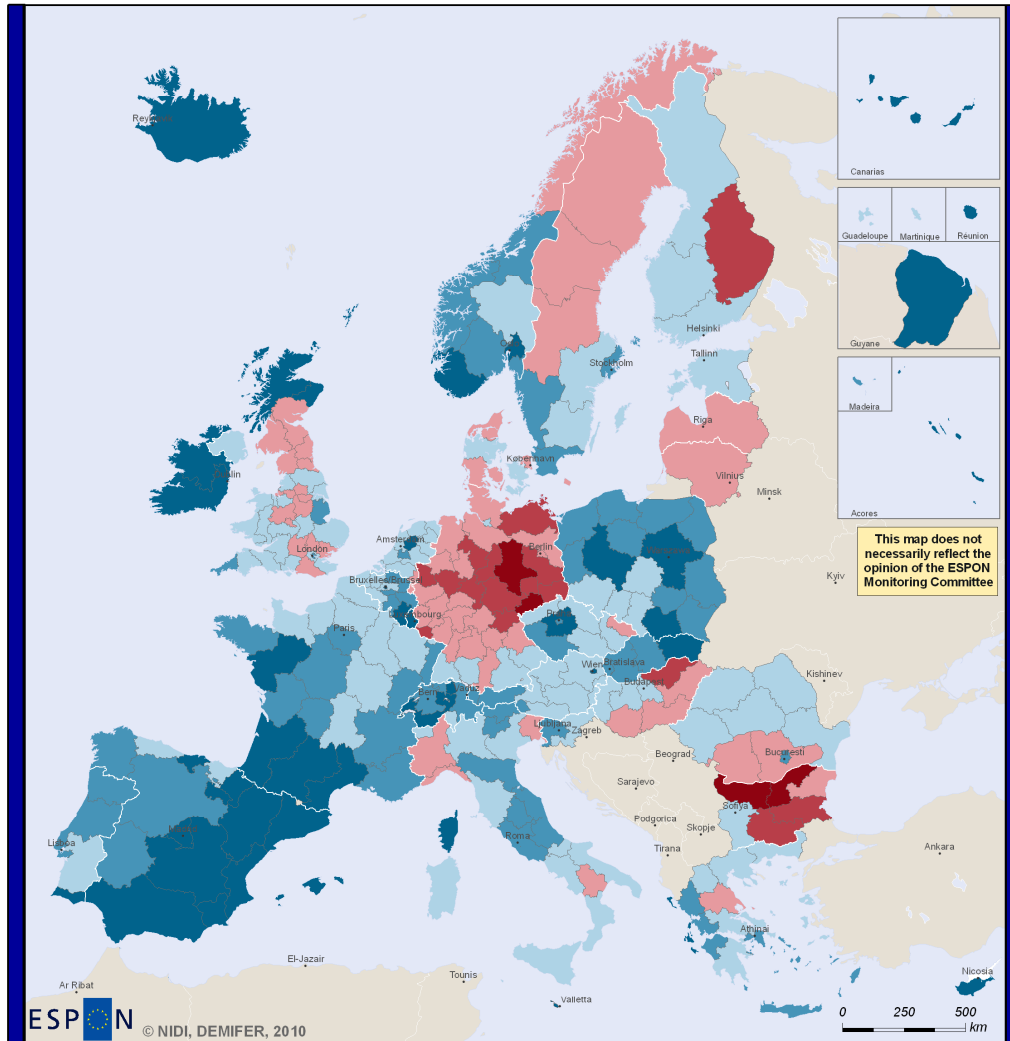
Demographic Challenges

The main demographic changes in Europe:

- slowing of population growth,
- ageing
- the decline in the growth rate of working age population
- migration as main driver of population growth

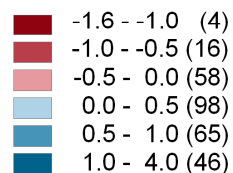
No one unambiguous effect of migration and demography on the competitiveness of European regions

Change in Working Age Population 2000-2007



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Annual Average Change in Population Aged 20-64, in %



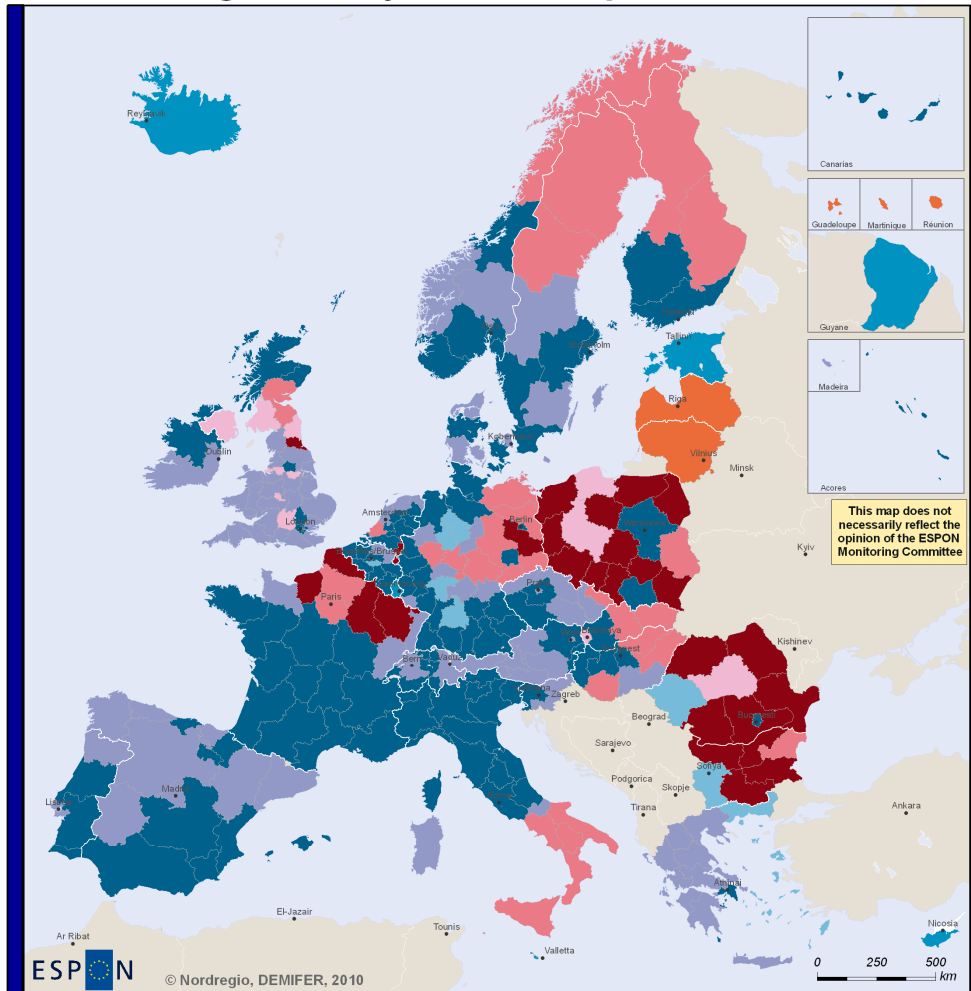
(x) = number of regions per category

Regional level: NUTS 2
Source: ESPON Database 2010
Origin of data: Eurostat, NSIs 2010
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Demographic State

- 1/4 regions experience **population decline**
- Migration **not sufficient** to compensate the decline in the potential labour force
- The impact of migration may lead to an **increase in regional disparities**
- Size of **working age population** declined in 20 % of all NUTS2 regions

Net Migration by Main Components 2000-07



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Internal and international migration balance
in the NUTS2 Regions in 2000-2007*

Positive Net Migration

Dark Blue	Positive Internal and International Migration	(112)
Light Blue	Positive Internal and Negative International Migration	(10)
Purple	Negative Internal and Positive International Migration	(82)
Red	No Differentiation	(7)

Negative Net Migration

Light Pink	Positive Internal and Negative International Migration	(12)
Dark Pink	Negative Internal and Positive International Migration	(31)
Dark Red	Negative Internal and International Migration	(28)
Orange	No Differentiation	(5)

Regional level: NUTS 2
Source: ESPON 2013 Database 2010
Origin of data: Eurostat 2009, NSIs 2009, University of Leeds 2009
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Total migration: FR 2000-2006; Domestic- & international
migration: CH 01-04, DE 02-07, DK 06-07, FR 06, GR &
PT 01, IE 02-06, IT 00-05

No differentiation between internal- and
international migration (Countries with only
one NUTS2 region & French overseas regions)

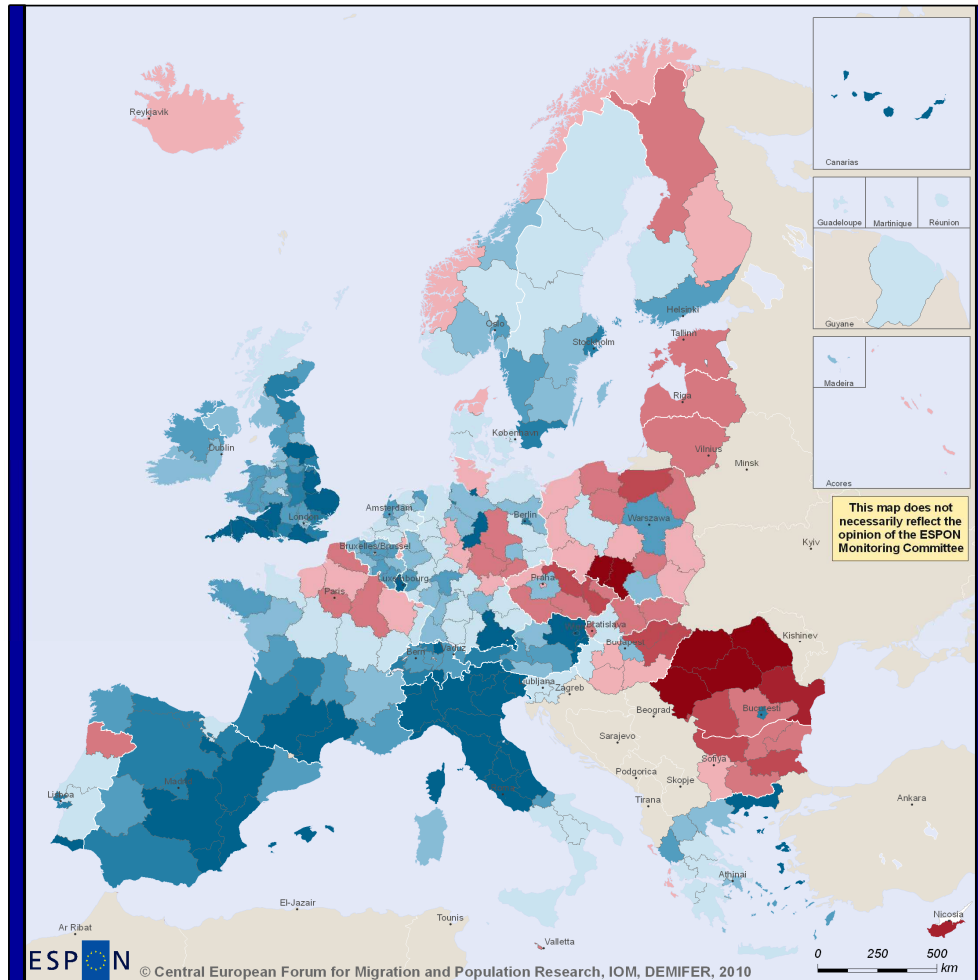
(x) - number of regions per category

N

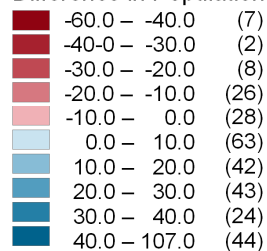
Components of Migration

- Migration will have a significant impact on **demographic and labour force development** of regions.
- Migration will be a strong factor increasing **regional disparities**.
- Population decrease in most regions due to **natural change**.
- Most regions gaining population do so mainly due to **extra-Europe migration**.

Impact of Migration on Population in 2050



Impact of Migration on Population in 2050,
Difference in Population in %

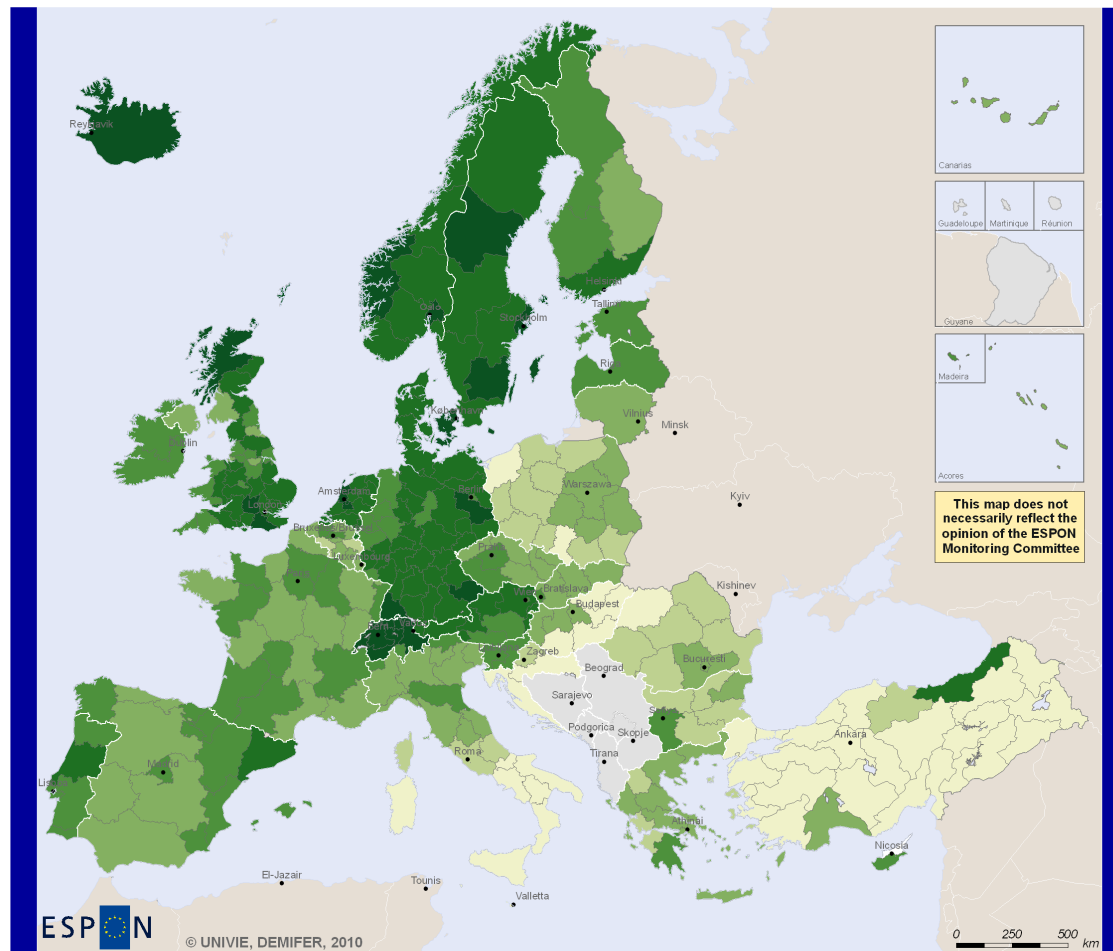


no data

Regional level: NUTS 2
Source: ESPON 2013 Database, 2010
Origin of data: Eurostat, NSIs, Estimations, 2010
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Impact of migration on population in 2050,
calculated as the difference in population
in the Status Quo and No Migration
scenarios in % of the population in the
No Migration scenario

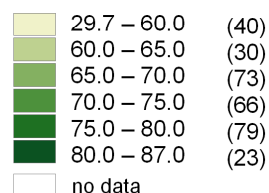
- Under the Status Quo scenario the population **declines** in 2050 (500m to 460m)
- Migration a significant impact on **demographic and labour force development** and **age structure** of regions.
- Over 75% of the regions are **gainers** of migration, **losers** of migration mainly in EU-12 and Northern/eastern peripheries.
- Without changes in demographic and migratory flows, **migration will worsen existing disparities**

Labour Force Participation in 2007



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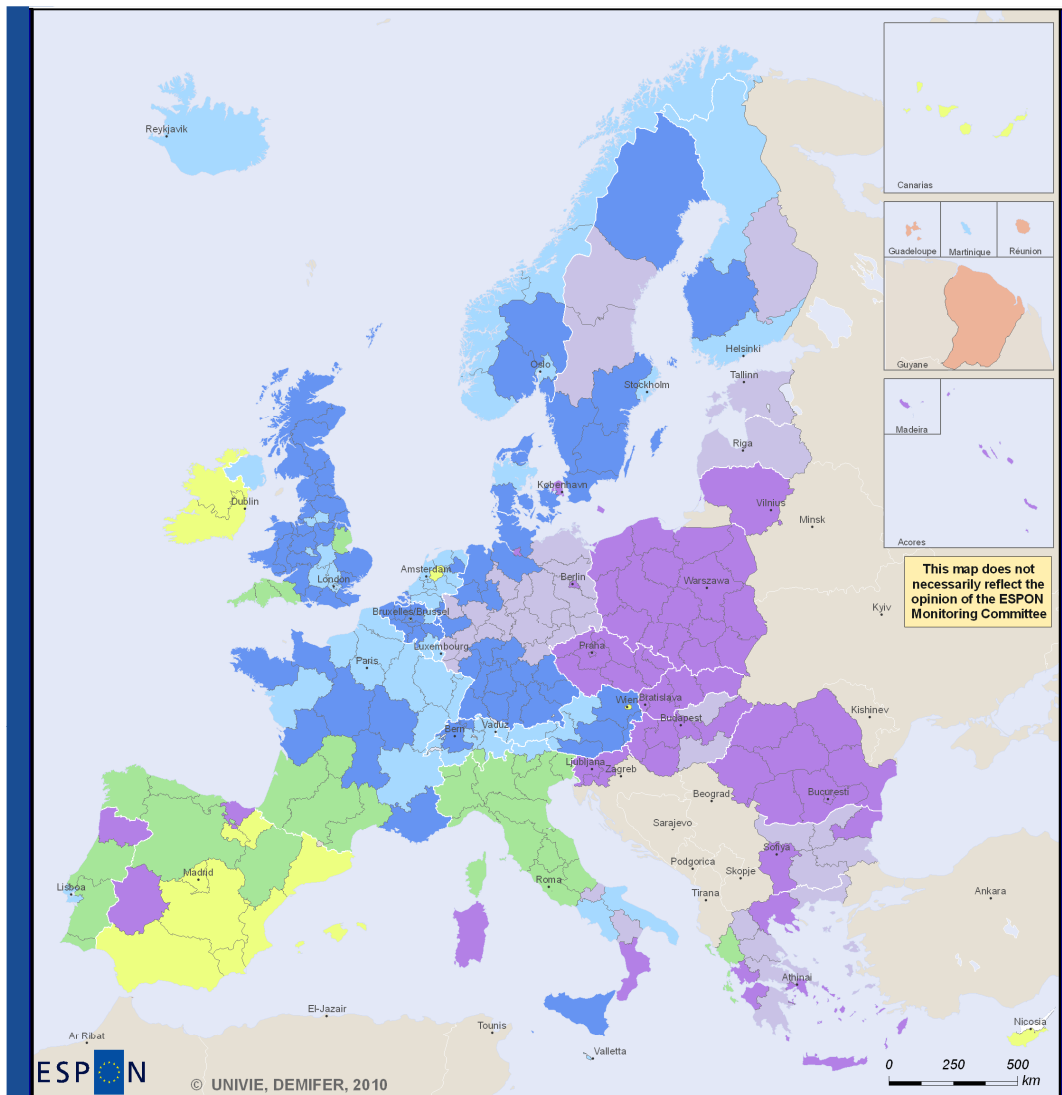
Labour Force Participation Rate,
Persons Aged 15-64 years, in % in 2007



Regional level: NUTS 2
Source: ESPON 2013 Database 2010
Origin of data: EU-Labour Force Survey 2007, Eurostat, NSIs 2008-10
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(X) = number of regions per category

- The growth of the labour force does not just depend on the size of the working age population - also **level of labour force participation rates**
- The age pattern of **female labour force participation** differs considerably across types of regions
- In 90% of the European regions the labour force would be smaller without **extra- European migration.**



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Regional level: NUTS 2, except UKI NUTS1
Source: ESPON 2013 Database 2010
Origin of data: Eurostat, NSIs 2008/09
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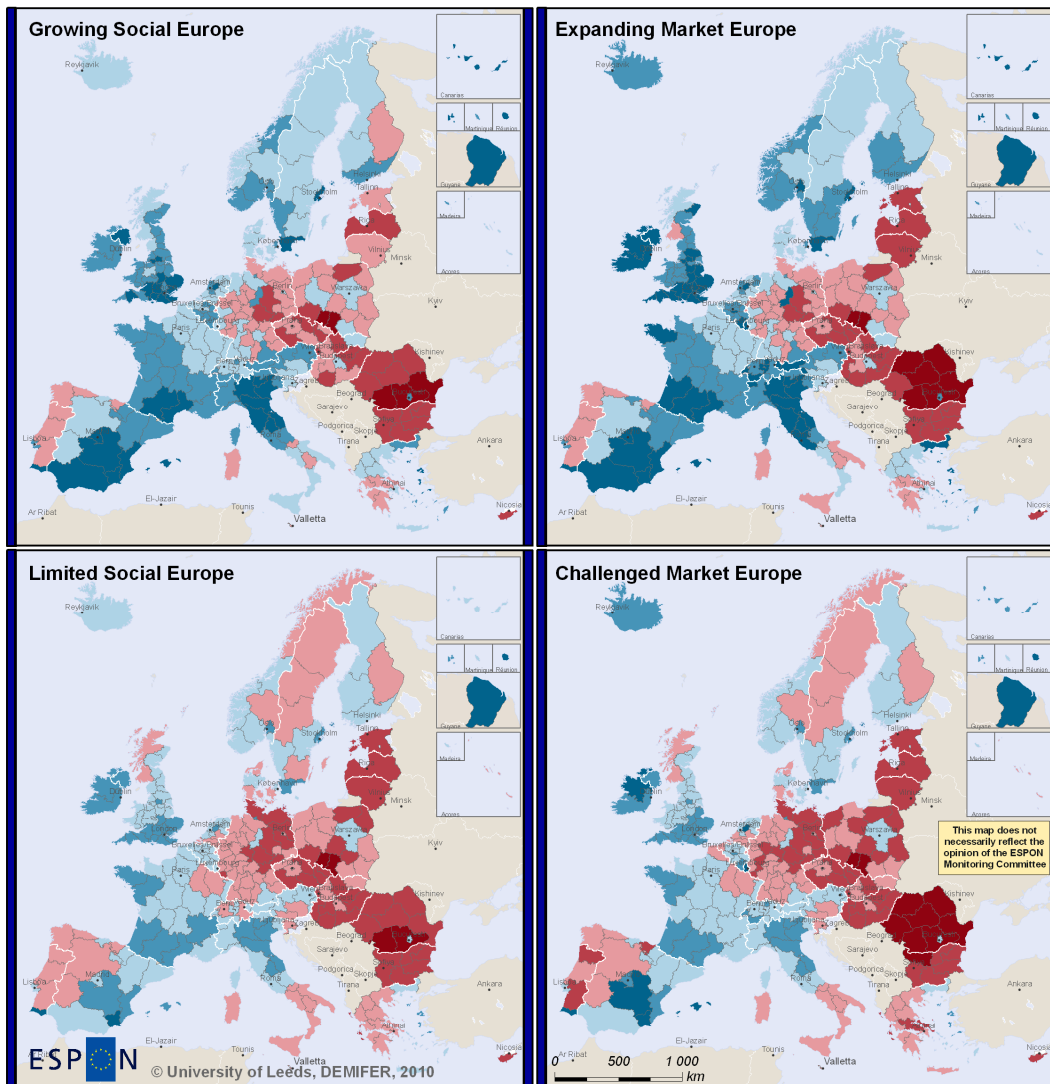
				Age Group 20-39 (%)			Age Group 65+ (%)			Natural Population Increase (per 1000)			Net Migration (per 1000)			
				2005						average per annum 2001-2005						
				avg	min	max	avg	min	max	avg	min	max	avg	min	max	
Type	Classification	Cases	Population													
1	Euro Standard	79	127 915 217	25.41%	25.68	22.57	28.72	17.46	15.33	20.30	0.01	-2.67	2.47	3.43	-2.11	9.36
2	Challenge of Labour Force	61	116 767 795	23.20%	30.43	28.33	33.84	14.51	10.60	18.96	-0.78	-4.76	2.89	0.08	-7.35	9.19
3	Family Potentials	55	104 556 600	20.77%	28.15	24.80	36.32	14.57	11.13	16.96	3.72	1.06	9.00	2.12	-3.51	9.59
4	Challenge of Ageing	33	63 838 208	12.68%	26.87	21.52	31.19	20.83	18.51	26.51	-1.74	-6.19	1.43	9.42	4.14	16.99
5	Challenge of Decline	38	50 166 688	9.97%	26.32	21.47	30.04	19.49	15.89	22.55	-3.39	-10.35	-0.59	-1.20	-11.25	3.70
6	Young Potentials	15	38 542 821	7.66%	32.26	29.36	35.86	14.45	8.70	19.03	3.61	-0.15	9.78	17.10	9.96	26.30
7	Overseas	5	1 555 069	0.31%	30.40	27.02	32.55	9.04	3.71	11.81	13.56	8.40	25.28	-1.78	-8.18	9.07
27+4	ESPON Space	286	503 342 399	100%	27.82	21.47	36.32	16.63	3.71	26.51	0.33	-10.35	25.28	3.16	-11.25	26.30

Demographic Typology

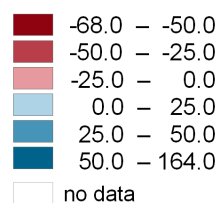
- **Retaining favourable trends: *Euro Standard and Family Potentials***
 - Lisbon goals and "smart growth",
 - greater social inclusion (immigrants, youth women in labour markets)
- **Dealing with population decline: *Challenge of Labour Force and Challenge of Decline***
 - Boost natural population growth, attract immigrants and increase opportunities for the labour force.
 - Accessibility, energy efficiency initiatives and business support
- **Challenging disparities: *Challenge of Ageing and Young Potentials***
 - Not just more, but better jobs for growing/changing population
 - Smart growth, sustainable development and integration & family-friendly policies

Policy scenarios

- Explore the **linkages between economic and social policies and demographic and migratory developments**
- Scenario dimensions based on **Sustainable vs Non-sustainable growth and Individual vs Collective goals**
- Policy scenario implications for:
 - Mortality: decline but not in all regions to the same degree
 - Fertility: increase or to be maintained at the current level -> vital to pursue family-friendly social welfare policies
 - Migration: constant internal migration; international migration is assumed to increase
- Population ageing remains the most important demographic challenge in all scenarios
 - Old-age dependency ratios and the very old-age dependency ratios rise steadily, but slightly more in the social scenarios than in the market scenarios.



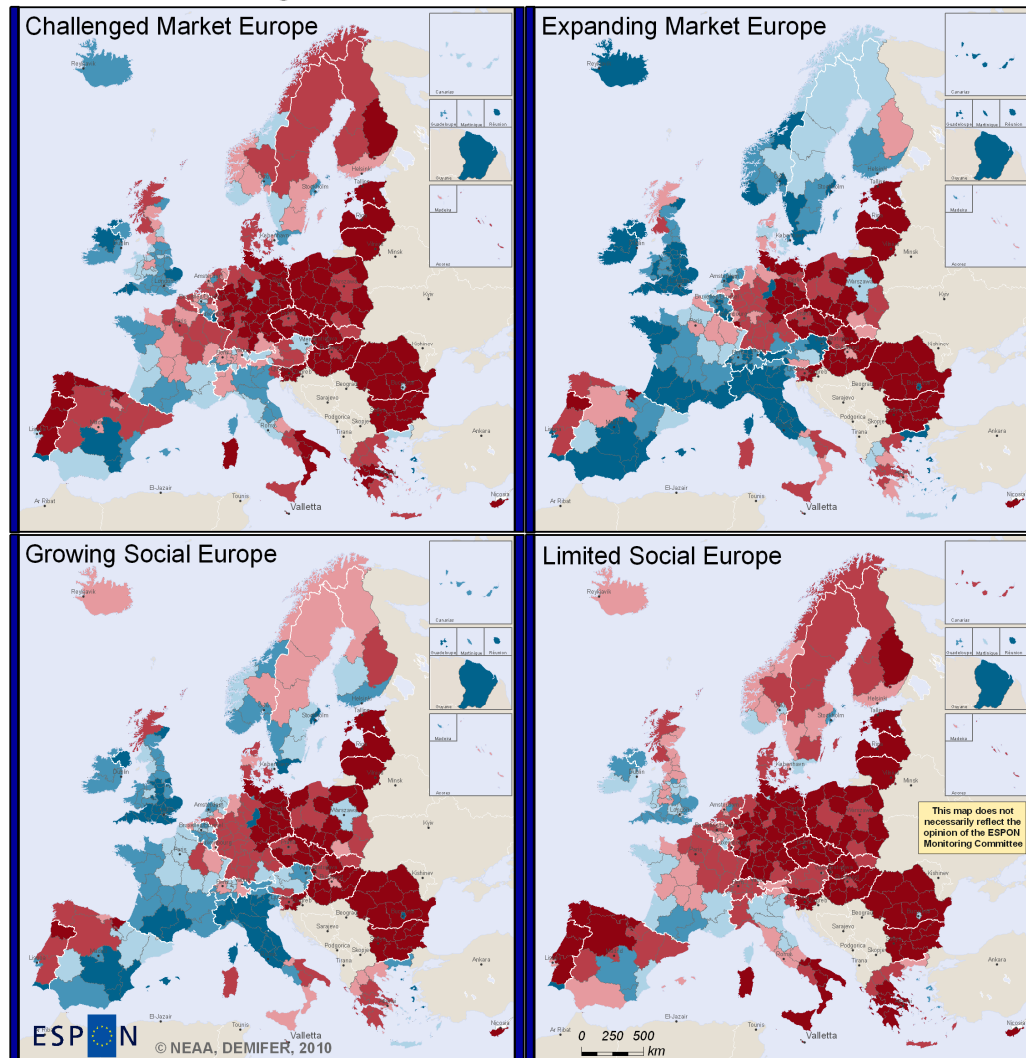
Change in population in 2005-2050, in %
after DEMIFER Policy Scenarios



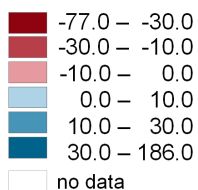
Pop. Change 2005- 2050

- **GROWING SOCIAL EUROPE:** Large decreases in mortality, large increases in fertility. Migration levels increase. Increasing regional inequalities.
- **EXPANDING MARKET EUROPE:** Less favorable developments in mortality and fertility, large increases in migration
- **LIMITED SOCIAL EUROPE:** smaller decreases in mortality, constant fertility patterns, declining migration levels.
- **CHALLENGED MARKET EUROPE:** Decreasing mortality & fertility, constant migration levels. Least favorable scenario

Change in Labour Force 2005-2050



Change in number of Persons in Labour Force in 2005-2050, in % after Different DEMIFER Scenarios



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Regional level: NUTS 2
Source: ESPON 2013 Database, 2010
Origin of data: Eurostat, NSIs, Estimations, 2010
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Labour force change

- 2005-2050
- GROWING SOCIAL EUROPE and EXPANDING MARKET EUROPE scenarios: increasing trend in labour force participation rates.
- LIMITED SOCIAL EUROPE scenario: to falling activity rates everywhere
- CHALLENGED MARKET EUROPE scenario: activity rates are falling. Disparities are growing

Policy Bundles/Combinations - Migration

- **Immigration**
 - may be an answer in many regions and help narrow the gap between Eastern/Southern regions and Northern Central Europe. But these policies must be complemented by policies to help the integration of newcomers (language, capacity)
- **Inter-regional migration**
 - Policies aimed at increasing mobility between European regions may reduce cohesion, not increase it. Thus policies aimed to stimulate migration are only effective as part of policy bundles to improve living conditions in poor regions (jobs, housing, schools).
- **Extra-European migration**
 - Immigration policies to facilitate economic migration must be coupled with successful integration policies to attract higher skilled migrants

Policy Bundles/Combinations – Labour Markets and economy

- **Increasing number of persons and years on labour market**
 - Policies aimed at increasing the age of retirement should be combined with policies stimulating healthy behaviour
 - Raising labour force participation results in decreasing disparities only if the labour market performs well. Thus policies to reduce gender equalities and improve work/child care balance and integration of immigrants are needed for this.
- **Economic growth/labour supply**
 - Growth in labour productivity can be raised by technology, capacity building and investments in education and training, but to be effective these measures need to be complemented by measures to compensate the effects of ageing

In conclusion...

- Policies aimed at affecting **demographic and migratory flows** should not be considered in isolation from other policies, such as housing, labor market, integration of migrants, education, innovation and environmental quality
- Implications for the BSR?
 - Existing disparities in BSR regions may worsen
 - Need for both extra-European economic migration AND social inclusion/integration policies
 - Need for closer look at inter-regional and intra-regional (urban-rural-suburban) migration patterns
 - Raise retirement age, but also change attitudes towards hiring of older workers
 - Family-friendly policies important but not enough in themselves to attract working age migrants to regions...good jobs needed....quality of life.