ESPON Policy Brief
on the Future of Rural Areas

25th March 2021
2020-2021 TRIO PRESIDENCY OF GERMANY, PORTUGAL AND SLOVENIA

Priorities under the EU Roadmap for Recovery

German EU Presidency

Structural change in coal phase-out regions

Portuguese EU Presidency

Future of the Rural Areas

Slovenian EU Presidency

Quality of life
THE TERRITORIAL AGENDA 2030 ON RURAL AREAS UNDER THE PORTUGUESE PRESIDENCY OF THE COUNCIL OF EU

Developing the **Long-Term Vision for Rural Areas (2040)** – **ongoing process led by EU institutions**

Contributions to the process – in a joint effort:

- **PTUE** - policy intervention, linking the Long-Term Vision to the framework set out under the Territorial Agenda 2030
- **ESPON** – providing evidence, data and policy recommendations relevant for the Future of Rural Areas
The TA 2030 on Rural Areas under the Portuguese Presidency of the Council of EU

**TA2030**: opportunity to promote synergies under cohesion, environmental, agricultural and rural development policies.

Focus the debate and action on intersectoral articulation of policies, so that European rural areas can reach a new life.

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**the Portuguese Presidency of the Council of EU**

translate TA2030 objectives and priorities in the political debate:

- **ESPON EGTC**
  - Strengthening national, regional programs and local plans by using ESPON EGTC territorial evidence

- **TA2030 pilot actions**
  - Calling to TA2030 pilot actions relevant to rural areas to demonstrate, test and develop practices for new actions

- **Promoting national intersectoral debate**
  - trough NTCCP and DGTC structures

- **Fostering intergovernmental debate**
  - looking at the territorial dimension of policies
ESPON and the Portuguese Presidency of the Council of EU

**Step up**

- Use evidence and data to support TA2030 priorities
- Convert TA2030 priorities into actions through Policy recommendations and Policy responses
- Promote a multi-level governance approach to involve all key players
- Claim opportunities for a smart approach to rural areas’ assets
ESPON brings the territorial dimension into the framework of Territorial Agenda 2030
ESPON contribution to the Long-term Vision on Rural Areas

Building on evidence to produce policy recommendations for the Long-term Vision for Rural Areas

- using the most recent and relevant projects
- identifying the most important:
  - challenges
  - drivers behind processes
  - trends (long-lasting and future)

...under the TA2030 priorities
ESPON contribution to the Long-term Vision on Rural Areas

Linking the ESPON evidence with the priorities of the Territorial Agenda 2030 and of the Portuguese Presidency of the Council of the European Union to ensure a sustainable future of all places and people in Europe’s rural areas.

Territorial Agenda 2030
Just & Green Europe

Demographic challenges
Access to Services of General Interest (Inner Peripheries)
Innovation and technological transformation
Territorial impact of natural disasters
Green infrastructure
Quality of Life
Building a sustainable future looking at all types of rural regions

687 NUTS-3 regions in Europe
658 NUTS-3 regions in the EU

41% of the EU28 predominantly rural and intermediate regions are growing

41% of the EU28 predominantly rural and intermediate regions are shrinking

59% of the EU28 predominantly rural and intermediate regions are growing

59% of the EU28 predominantly rural and intermediate regions are shrinking

40% of EU28 area
30% of EU28 inhabitants

Population development in 1993-2033 by type of region (NUTS 3)
- Shrinking predominantly rural regions
- Shrinking intermediate regions
- Growing predominantly rural regions
- Growing intermediate regions
- Predominantly urban regions
- No data

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Understanding rural shrinkage phenomenon

Total population of shrinking rural regions

- 177,953,968 in 1993
- 171,507,912 in 2013
- 156,826,168 in 2033

Share of European population in shrinking regions (in percent)

- 36% in 1993
- 33% in 2013
- 29% in 2033

Chronology of demographic shrinkage

Demographic change is not a driver and actually is a result of shrinkage

Acknowledge and adapt to the demographic changes and trends

*EU27, UK, Norway, Switzerland, Liechtenstein, and Serbia. Based on Eurostat data.
Understanding different drivers behind rural shrinkage

Prevailing vicious circles attached to the shrinkage phenomenon

1. Affordability / Services of General Interest (SGI)
   - Population decline / rural abandonment
   - Intensified outmigration
   - Shrinking demand for SGI
   - Decreasing range of services

2. Selectivity / Labour
   - Dominating primary (traditional) industries
   - Low absorption capacity of industries with high added value
   - Low demand for educated labour
   - Outflow of educated labour

3. Vitality / Youth
   - Weak social vitality
   - Stigmatisation of shrinking rural areas
   - Youth outmigration
   - Increased ageing
   - Low economic dynamism
   - Lack of liveliness, (leisure, sports, cultural opportunities)
Understanding different drivers behind rural shrinkage

Shrinking: An Old Problem, Many Faces, Different Responses

Active Shrinking, driven by current migration, usually combined with Legacy Shrinking, caused by age structure effects

Four Types of the Shrinking Process:

- Economic Restructuring: loss of agricultural workforce accompanied by other adverse territorial trends
- Locational Disadvantage: “negative” locational characteristics (isolation, sparsity, lack of smart and sustainable use of natural resources, etc.)
- Peripherisation: consequence of macro-scale processes related to economic activity and globalisation
- Disruptive Events: impact of historical events or transitions on regions with weak economic structure
Identifying a **territorial typology** of the complex shrinking

### 19% of shrinking regions
**Agricultural, very low-income regions with severe legacy and active shrinking**
Declining due to economic disadvantage relative to national centres that fuels outmigration; lacking a strong sector to rely on.

### 10% of shrinking regions
**Industrial, mid to low-income regions with severe legacy and active shrinking**
Catching up through economic restructuring which is reducing low-productivity jobs but also damaging an already weak population structure.

### 20% of shrinking regions
**Agro-industrial, low-income regions with moderate, mostly legacy shrinking**
Comparatively weak at national level but more central and relatively stronger than the first cluster.

### 25% of shrinking regions
**Servitised, mid-low-income regions with moderate legacy shrinking**
Geographic specificities and week industrial sector; healthy enough economy to prevent massive outmigration but worsening, and “distorted” population structures.

### 26% of shrinking regions
**Servitised, mid-income regions with moderate, mostly legacy shrinking**
Robust still weaker than national average, with “distorted” population structures and low fertility.
... and assessing how shrinking is impacting the quality of life

Territorial Quality of Life Index

QoL Enablers Index

Life Maintenance Index

Life Flourishing Index

Territorial Quality of Life Index. Rural regions

Territorial Quality of Life Index

Composed by the Good Life Enablers Index, the Life Maintenance Index and the Life Flourishing Index

- 0.61 - 0.65
- 0.58 - 0.6
- 0.55 - 0.57
- 0.51 - 0.54
- 0.45 - 0.5
- 0.28 - 0.44
ESPON advice for place-based policies

Design place-based policies for specific territories depending on:

- new economic power from green opportunities and assets of natural capital of rural areas
- proximity or linkage to a more urban centre(s) and digital connections
- territorial and demographic resilience facing climate change and shrinking of rural areas

Following the next principles:

- Wellbeing of the residents at the heart of any policy, strategy or measure.
- Provide the infrastructure and/or the equal/ comparable access to services necessary to support a good quality of living.
- Capitalise on local opportunities and on local community’s intelligence and resilience.
### ESPON policy recommendations for rural areas and their linkage to the TA priorities

<table>
<thead>
<tr>
<th>Policy recommendations // Territorial Agenda priorities and aims</th>
<th>Balanced Europe</th>
<th>Functional regions</th>
<th>Integration beyond borders</th>
<th>Healthy environment</th>
<th>Circular economy</th>
<th>Sustainable connections</th>
<th>Call on all players</th>
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</thead>
<tbody>
<tr>
<td>Design long-term territorially sensitive policies for the diverse rural shrinking areas</td>
<td>✓</td>
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<td>Change the focus from mitigating the rural shrinkage to smart adaptation, including better digital connections to boost the economy</td>
<td>✓</td>
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<td>Reboot the agricultural sector through sustainable and optimised supply chains, enhancing green infrastructure connectivity and ecosystem services</td>
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<td>Deploy the potential of green infrastructure in strategies, policies and legislation, within a geostrategic climate change approach</td>
<td>✓</td>
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<td>Develop and implement the concept of Functional Rural Areas</td>
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<td>Breathe new life into rural areas by attracting new residents and enabling them to achieve their professional, social and personal goals</td>
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<td>Enable provision and equal access to Services of General Interest (demographic change is about people and their lives)</td>
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<td>Close the gap between EU policy and local strategies</td>
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<td>Simplify EU funding processes and develop long term EU projects</td>
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<td>Harvest the opportunities through territorial governance and empowerment of the civil society</td>
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<td>Enhance economic specialization, diversification and innovation based on local potential and initiatives, but also on knowledge transfer and uptake of sustainable practices</td>
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Addresses it directly

Addresses it indirectly
ESPON brings the territorial dimension in the framework of **Territorial Agenda 2030** and contributes to creating a **Long-term Vision for Rural Areas**

You are kindly invited to further explore the set of policy recommendations derived from the most recent ESPON projects and presented in the **Policy Brief**

- **LINKING THE FUTURE OF RURAL AREAS WITH THE TERRITORIAL AGENDA 2030**
- **CREATING EVIDENCE- BASED POLICY RECOMMENDATIONS AIMED AT BETTER SUPPORTING THE FUTURE OF RURAL AREAS**
THANK YOU
FOR YOUR ATTENTION
PORTUGUESE PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION
ESPON policy recommendations help achieve:

**A JUST EUROPE** that offers future perspectives for all places and people

**A BALANCED EUROPE** // Better balanced territorial development using Europe’s diversity

**DESIGN LONG-TERM TERRITORIALLY SENSITIVE POLICIES FOR THE DIVERSE RURAL SHRINKING AREAS**

*National Convergence* to address increasing territorial disparities. Discover and develop COMPARATIVE ADVANTAGES, capitalizing agglomeration economies and servitisation.

**CHANGE THE FOCUS FROM MITIGATING THE RURAL SHRINKAGE TO SMART ADAPTATION, INCLUDING BETTER DIGITAL CONNECTIONS TO BOOST THE ECONOMY**

Combined MITIGATION AND ADAPTIVE MEASURES, to support the transition of rural regions. Construct a POSITIVE NARRATIVE ABOUT RURAL AREAS with processes of "transition", "transformation", "restructuring" or "smart adaptation".
ESPON policy recommendations help achieve:

**A JUST EUROPE** that offers future perspectives for all places and people

**FUNCTIONAL REGIONS**/ Convergent local and regional development, less inequality between places

**DEVELOP AND IMPLEMENT THE CONCEPT OF FUNCTIONAL RURAL AREAS**

Define the TERM “FUNCTIONAL” TO FIT A RURAL CONTEXT to adopt the ‘FUNCTIONAL RURAL AREAS’ CONCEPT. It can greatly improve the territorial classification system and target funding in a more effective manner.
ESPON policy recommendations help achieve:

A **GREEN EUROPE** that protects common livelihoods and shapes societal transition

**HEALTHY ENVIRONMENT** // Better ecological livelihoods, climate-neutral and resilient towns, cities and regions

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**ENABLE PROVISION AND EQUAL ACCESS TO SERVICES OF GENERAL INTEREST** (**DEMOGRAPHIC CHANGE IS ABOUT PEOPLE AND THEIR LIVES**)

**Elaborate PLACE-SPECIFIC STRATEGIES** to highlight the need for PRIORITY ACTIONS to improve the access to public service provision (including lowering costs of living) despite the demographic changes, searching for SCALE ECONOMIES.

**Incorporate SOCIALLY INNOVATIVE MODELS** using NEW TECHNOLOGY to overcome geographical distance reconfiguring responsibilities (third sector, social enterprise or community) and NEW IT-BASED SOLUTIONS ORGANISED ON THE LOCAL LEVEL.
ESPON policy recommendations help achieve:

**A GREEN EUROPE** that protects common livelihoods and shapes societal transition

**HEALTHY ENVIRONMENT** // Better ecological livelihoods, climate-neutral and resilient towns, cities and regions

**BREATHE NEW LIFE INTO RURAL AREAS** by attracting new residents and enabling them to achieve their professional, social and personal goals

- Build a LONG-STANDING VISION with local strategies to a CITIZEN-CENTRIC APPROACH to new representative and deliberative processes focusing on quality of life.
- IMPROVING SOCIO-ECONOMIC CONDITIONS, create attractive living environments and opportunities for grow, by ACCESSING TO A CONNECTED WORLD.

**DEPLOY THE POTENTIAL OF GREEN INFRASTRUCTURE** in strategies, policies and legislation, within a GEOSTRATEGIC CLIMATE CHANGE APPROACH

- GI APPROACH FOR CONNECTIONS across ecological and political boundaries, across policy sectors and different levels of governance. RURAL AREAS covered by the GI, can work as successful laboratories to improve and utilise their full potential.
ESPON policy recommendations help achieve:

A **GREEN EUROPE** that protects common livelihoods and shapes societal transition

- **CIRCULAR ECONOMY**// Strong and sustainable local economies in a globalised world

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**REBOOT THE AGRICULTURAL SECTOR THROUGH SUSTAINABLE AND OPTIMISED SUPPLY CHAINS, ENHANCING GREEN INFRASTRUCTURE CONNECTIVITY AND ECOSYSTEM SERVICES**

- A **MORE SUSTAINABLE AGRICULTURE** and efficient processes improving productivity indicators and **CREATING NEW HIGH PAID JOBS** and a **possible ECONOMIC DIVERSIFICATION** (linked to post – production, maintenance etc.).
ESPON policy recommendations help achieve:

A GREEN EUROPE that protects common livelihoods and shapes societal transition

SUSTAINABLE CONNECTIONS // Sustainable digital and physical connectivity of places

ENHANCE ECONOMIC SPECIALIZATION, DIVERSIFICATION AND INNOVATION BASED ON LOCAL POTENTIAL AND INITIATIVES, BUT ALSO ON KNOWLEDGE TRANSFER AND UPTAKE OF SUSTAINABLE PRACTICES

TAILORED POLICIES both to needs and to technological transformation, capitalizing, improving and growing of LOCAL ASSETS OR SKILLS, investing in EDUCATION AND TRAINING POLICIES to ensure future supply of Industry 4.0 professionals.
Putting priorities into action

**SIMPLIFY EU FUNDING PROCESSES AND DEVELOP LONG TERM EU PROJECTS**

Long-term EU level rural programmes and strategies dedicated to rural development and to shrinkage, ensuring continuity and long-term sustainability.

**CLOSE THE GAP BETWEEN EU POLICY AND LOCAL STRATEGIES**

Substantial FINANCING FOR THE STRATEGICALLY TARGETED NATIONAL PROGRAMMES giving RURAL AREAS, and the issue of RURAL SHRINKAGE, EXPLICIT RECOGNITION

**HARVEST THE OPPORTUNITIES THROUGH TERRITORIAL GOVERNANCE AND EMPOWERMENT OF THE CIVIL SOCIETY**

TERRITORIAL GOVERNANCE as an effective tool to empowering the local level in policymaking, giving a voice within MULTI-LEVEL GOVERNANCE PROCESSES AND COLLABORATION BETWEEN STAKEHOLDERS

*ESPON calls for multi-level governance approach to involve all key players*