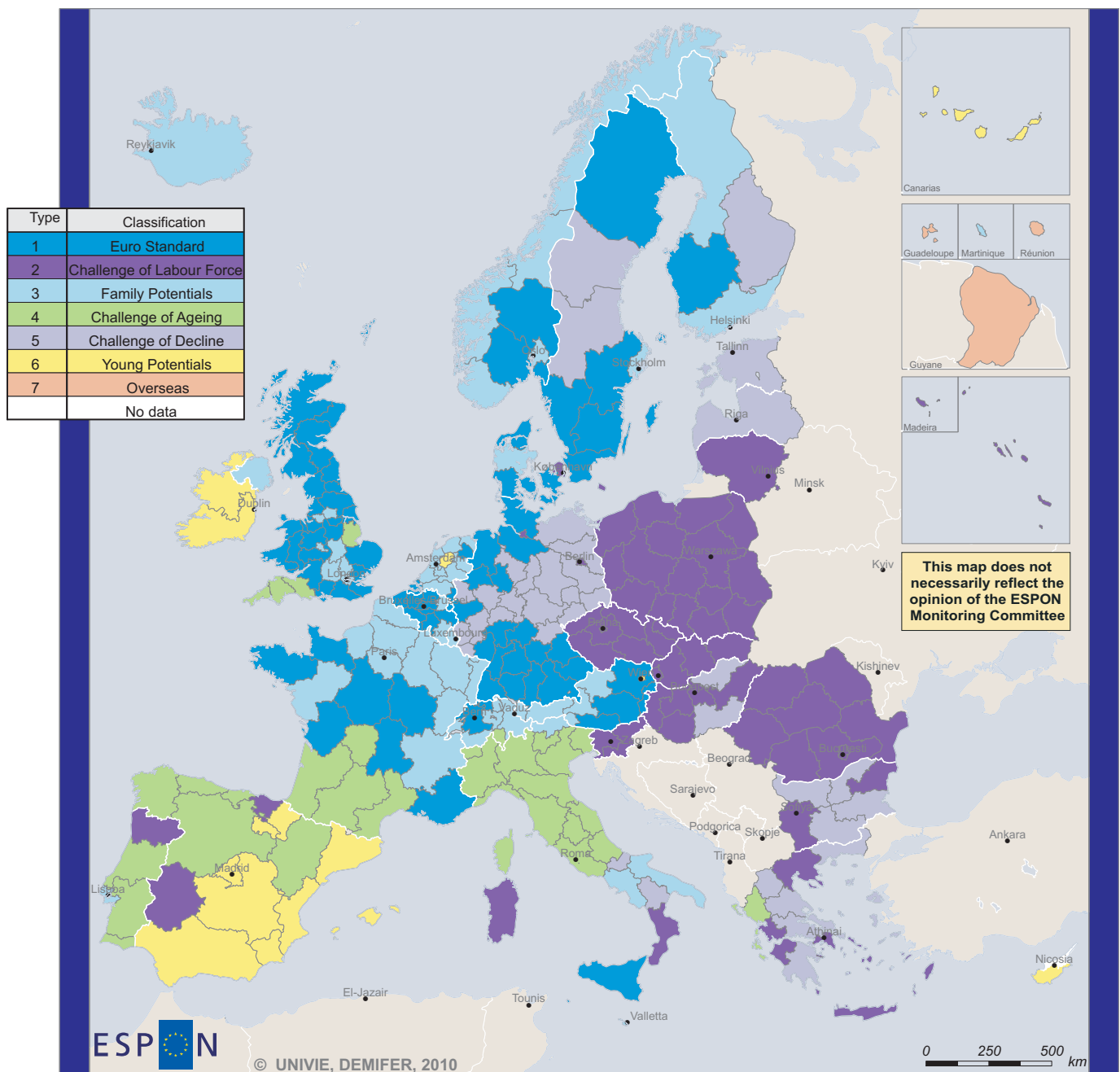# ESPON

DEMOGRAPHIC DIVERSITY OF THE EUROPEAN TERRITORY

Results from the ESPON DEMIFER Project

To highlight the demographic diversity across European regions, the ESPON project DEMIFER (Demographic and Migratory flows Affecting European Regions and Cities) has developed a typology of regions based on demographic and migratory data. This typology of the demographic status, using data from 2005 and recent trends 2001-2005 reveals seven types of regions which can then be used to identify specific challenges and territorial potentials.

Typology of the Demographical Status in 2005 on NUTS2 level

Type	Classification
1	Euro Standard
2	Challenge of Labour Force
3	Family Potentials
4	Challenge of Ageing
5	Challenge of Decline
6	Young Potentials
7	Overseas
	No data

This map does not necessarily reflect the opinion of the ESPON Monitoring Committee

© UNIVIE, DEMIFER, 2010

0   250   500 km

AIM OF THE DEMIFER PROJECT

The aim of the DEMIFER project is to assess future changes in population growth, the size of the labour force and the ageing of the population, and to explore different policy options aiming at regional competitiveness and territorial cohesion. The typology was one of the main tasks in this endeavour, as it reflects the current status and short-term trends in the ESPON space.

DEVELOPING THE TYPOLOGY

The regional typology developed by DEMIFER facilitates the understanding of the demographic and migratory dynamics that characterise European regions. It helps to identify types of regions which share common demographic development opportunities, as well as specific challenges.
On the basis of four demographic key variables listed below, seven types of European regions (NUTS 2) can be identified.

1) the share of young adults (age 20-39) as an indicator of the younger working age population, the population at the prime productive age, as well as the peak age of mobility (2005),
2) the share of the elder population (over 65) as an indicator of ageing (2005),
3) natural population increase (2001-2005), and
4) net migration rate (2001-2005).

The resulting seven types reflect different demographic and migratory regimes, each having its own demographic, economic and policy challenges. These are, as seen in the figure below:
-		Euro Standard
-		Challenge of Labour Force
-		Family Potentials
-		Challenge of Ageing
-		Challenge of Decline
-		Young Potentials
-		Overseas

In a complementary step, additional socioeconomic characteristics such as GDP-PPP per capita, growth rates and extent of the foreign population were added as an illustration of the classification.

MAIN TERRITORIAL TRENDS

Although the typology developed shows the European territorial diversity in terms of demographic and migratory development, it is possible to identify a number of common demographic trends:

-		Migration is the main driver of a predominately positive population development in three-fourths of all European regions. Only a small number of regions are affected by distinct depopulation, mainly located in Bulgaria, Eastern Germany, Poland, Romania, Latvia and Lithuania.
-		Fertility levels are below replacement level of 2.1. More than half of the NUTS2 regions have a total fertility rate of 1.5 or lower, but population is increasing due to moderate to strong influx of international migrants.
-		Population ageing, although varying by extent and rate of increase, prevails across Europe. However, population ageing and growth do not exclude one another and can be observed mainly in the Challenge of Ageing type of regions. Regions of simultaneous ageing and population growth can be found especially in Northern Italy, Southwest England, Southern France, Northwest Spain, Portugal and the western parts of Greece.
-		In general, the potential labour force in Europe (population 20-64 years) is still increasing, but the proportion of the younger workforce (20-39 years) is already declining in two-thirds of the regions. Increases in the younger workforce are mainly located in Ireland, Eastern Spain and large parts of Eastern Europe.

SPECIFIC TRENDS AND POLICY CONSIDERATIONS IN DIFFERENT TYPES OF REGIONS

Each of the regional types identified by the typology is characterised by specific trends. In addition to its descriptive value, the typology can help to suggest and prioritise policy considerations needed to cope with the demographic and migratory challenges and potentials in Europe and to support a more balanced and polycentric development.

Type of the region with average, minimum and maximum value per variable

Type	Classification	Cases	Population		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
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
EU27+4	ESPON Space Average	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

'Euro Standard' and 'Family Potentials': Retaining favourable trends

The Euro Standard type of region is similar to the overall average of the ESPON area, with an average natural population balance of +0.01 per 1 000, and a predominately positive migratory balance (avg. 3.4 per 1 000). The age group 65+ averages 17.5% and the age group 20-39 (avg. 25.7%) is slightly above the overall average. The total fertility rate is above the ESPON average and life expectancy is overall average. These regions are found in Western and Northern Europe, Scandinavia, the UK, the Benelux countries, Southern and Western France, some parts of Germany, Switzerland, Northern Italy and SE Austria.

The Family Potentials type of region has a strong population development with a young age structure. Compared to the ESPON space average the age group 20 to 39 years (avg. 28.2%) is higher and the age group 65+ (avg. 14.8%) is lower. The natural population increase (avg. 3.7 per 1 000) is the highest overall except for the Overseas type. The migratory balance within this type varies, but is still positive in most of the regions (avg. 2.12 per 1 000), resulting in a noticeable increase of the total population in 2001-2005. In addition to a few occurrences in the southern parts of Italy, Malta and the Lisbon region and the island of Martinique, this type shows a similar geographical distribution to the Euro Standard type.

Both of these types of regions have above average GDP-PPP per capita and below average GDP-PPP growth rates. The share of migrants is above average. The education level is high as is labour force participation. Unemployment is below average. These regions are doing well by both socio-economic and demographic standards.

The policy considerations for these regions would then be to retain the favourable trends which are seen as major territorial potentials and that could enhance the competiveness of these regions.

'Challenge of Labour Force' and 'Challenge of Decline': Dealing with population decline

The Challenge of Labour Force type of region is characterised by a relatively young age structure due to higher shares of the population in the 20 to 39 age group (avg. 30.4%), and slightly lower shares of the 65+ age group (avg. 14.5%). Although the annual average migratory balance is just positive (avg. +0.08 per 1 000), the total population is declining on a low level due to a weak natural population decrease (avg. -0.78 per 1 000). This type can be found most notably in the New EU Member States in Central and Eastern Europe, the regions in Western Greece, Southern Italy, on the Iberian Peninsula as well as on the Portuguese islands of Madeira and the Azores. Some distinctly urban regions in Germany (Berlin, Hamburg) and Copenhagen belong to this category.

The Challenge of Decline type of regions has a negative population development, due to a negative natural population balance (avg. -3.39 per 1 000) and a negative migration balance (avg. -1.20 per 1 000). The depopulation regions of the ESPON space are concentrated within this type, which also has the second highest share of elderly people aged 65 and older (avg. 19.5%). Besides Eastern Germany, this type also includes peripheral regions of Scandinavia and some parts of Western Germany, Southern Italy and Greece and is covering Central and Eastern European regions in Bulgaria, Hungary as well as Latvia and Estonia.

In general the GDP-PPP per capita of these two types is below average, and growth rates are above average. The share of migrants as well as labour force participation is also below average. In most of these regions, the share of highly educated people is lower than the ESPON space average. Many of these regions are lagging behind and these are the regions that the Territorial Agenda and the Green Paper on Territorial Cohesion specifically target as challenged for territorial development. Policy considerations for these regions will mainly be focused on retaining population and boosting natural population growth, attracting immigrants (both international and non-EU) and increasing opportunities for the labour force.

'Challenge of Ageing' and 'Young Potentials': Challenging the disparities

The Challenge of Ageing type regions have a high share of elder population (avg. 20.8%). Albeit the high share of 65+, the proportion of the population aged 20 to 39 years (avg. 26.9%) is still relatively high. Despite this reasonable share of young adults in reproductive age, the natural population balance is showing an annual average decrease of -1.74 per 1 000 – a value which is significantly below the ESPON space average. Adding the higher share of elderly people and the resulting higher numbers of deaths, the population in this type of region would be decreasing, if not for a significant positive annual average net migration rate of +9.42 (per 1 000). The Challenge of Ageing regions can be found nearly exclusively in the South of Europe: in Greek regions (along the Albanian border), Northern Italy, in the northern and eastern parts of Spain, in Portugal, the South of France, but also in the south-eastern regions of England (e.g. Cornwall).

The Young Potentials type regions can be characterised by a relatively young age structure and a consistently positive population development of both components: a positive natural population development and a positive net migration balance. The age groups 20 to 39 years (avg. 32.3%) and 65+ (avg. 14. 5%) clearly show higher respectively lower proportions compared to the ESPON space average. The prevailing population increase of this type of region is driven by an above average natural

population increase (avg. 3.61 per 1 000) and the highest positive net migration rates (avg. 17.10 per 1 000) overall. In addition to the Republic of Ireland, Cyprus, Vienna and the Flevoland region, Young Potentials regions can be found on the Spanish mainland and islands (Canaries and Baleares).

These two types of regions constitute demographic growth regions with above average GDP-PPP per capita and average labour force participation (although with great gender and educational disparities). In the Young Potential regions the GDP-PPP growth rates are above average, but in the Challenge of Ageing regions they are below average. The unifying factors for these regions are strong net migration gains and population increases. The labour force in these regions is over-represented (relative to the ESPON space average) by fairly low-qualified, low-wage sectors such as agriculture, tourism (hotel and restaurant) and construction (the Challenge of Ageing regions). Tourism is an important industry in many of these regions and attracts non-EU immigrants and young people into low-qualified, often seasonal work.

The first challenge that these regions face is orienting their economies towards more Lisbon-flavoured goals, such as the knowledge economy and innovation to create not just more, but better jobs in the regions. The second challenge is to ensure sustainable economic and social development in light of the increasing pressure that the growing population exerts on natural and cultural resources. This will include policy considerations to help absorb migrant workers into the labour market and aid their integration into society, as well as family-friendly policies to narrow the gender-gap and reduce disparities.

"Overseas": Strong natural population increases

Compared to the other six types, this category features significantly different and thus hardly comparable demographic characteristics with very low shares of elderly people (avg. 9.0% aged 65 years and over), as well as a very strong annual average natural population increase between 2001 and 2005 (13.56 per 1 000). These types of regions mainly consist of the French Overseas Territories and the Spanish exclaves of Ceuta and Melilla.

SIMILARITIES OR DIVERSITY WITHIN THE LANDSCAPE? A MATTER OF SCALE

The typology of the demographic status in 2005 sheds light on the prevailing demographic pluralism across Europe. This regional classification reveals many territorial similarities as well as territorial diversity. Ongoing demographic changes, in particular the ageing of the population, has been identified by the European Union as one of the main challenges in the context of territorial cohesion. This is a significant challenge considering the diversity of territory and policies in the European regions. In order to obtain a common point of departure for territorial policy considerations, a regional classification in terms of clustering does make sense as it enables the identification of similar challenges and territorial potentials. However scale certainly matters when trying to understand diverse and/or similar trends. This diversity at regional/local level has been further explored within a series of in-depth case studies from "typical" cases of each type of region exemplified in the DEMIFER project. These case studies will be highlighted in a forthcoming Policy Brief.