

# Deployment of cohesion policy instruments by regions to address demographic change

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The Committee on Regional Development adopted the own-initiative report by Iratxe GARCÍA PÉREZ (S&D, ES) on the deployment of cohesion policy instruments by regions to address demographic change.

Demographic change entails major economic, social, fiscal and environmental pressures on Member State governments and regional and local authorities. These pressures will be exacerbated by a declining active population and a higher dependency ratio.

According to Members, this issue should be tackled in a **coordinated manner** through the action of all European, national, regional and local authorities with the involvement of civil society representatives.

Account should be taken of the specific challenges posed by the outermost regions, northernmost regions with very low population density and islands, cross-border and mountain regions. The importance of **smart specialisation strategies** should be stressed to support regions and local territories in identifying high value-added activities and for building attractive innovation ecosystems that incorporate the circular economy into regional planning.

**Characteristics of demographic change in the EU:** stressing the disruption of the age pyramid, Members stated that one of the main objectives of an EU demographic policy should be to take into account all territories having to contend with demographic imbalances and the specificities of those territories, factors which cohesion policy has long been seeking to adapt to, and will have to do much more to adapt to after 2020.

There is a steady increase in the number of elderly people – around 2 million people every year reach the age of 60 – which impacts on spatial, housing and transport planning and on other types of infrastructure and services. Regions have to adapt service provision, infrastructures and policy-making to those demographic patterns and trends.

**Coordination of EU policies:** the report called for a **greater coordination of EU instruments**, in particular the common agricultural policy (CAP), ESI Funds, including the Cohesion Fund, European Territorial Cooperation, the European Fund for Strategic Investments (EFSI) and the Connecting Europe Facility, so as to ensure a more comprehensive approach to demographic change.

Members highlighted the importance of the EU incorporating demographic considerations throughout the policy spectrum, including in its **budget headings**, in order to enable the development of these policies, particularly in cohesion, employment, agriculture, environment, the information society, RDI (research, development and innovation), employment, education, social policy, and transport.

The EU demographic policy should aim to be more complete and more coordinated with Member States and horizontally. The report called for the creation, at a **pan-European level, of networks for the exchange of good practices** and experiences through which local and regional authorities, as well as civil society stakeholders, can educate each other on addressing issues created by demographic change.

**Enhancing the effectiveness of European funds:** Members stressed that ESI Funds must address demographic change more effectively in the next programming period and that the European Regional Development Fund (ERDF) should make a greater contribution to and provide more support towards

helping areas with high aging, rurality and population outflow indices to improve their transport and telecommunications infrastructure, bridge the digital divide (including between generations), and enjoy better public services.

The European Social Fund (ESF) should step up its work in **training and educating young people**, and should promote employability and help people strike a better work-life balance and combat the social and digital exclusion of elderly persons. The Commission is called upon to consider setting up a **specific envelope**, within the scope of existing funds, dedicated to addressing areas experiencing severe and permanent demographic disadvantages.

Members expressed regret that the **EU Youth Guarantee has made limited progress**.

In order to avoid territorial divides, Members considered that the EFSI should benefit regions with the most unfavourable demographic dynamics by means of greater investment in EU priority areas such as energy, transport, education, business, innovation research, SMEs, education or social infrastructure. They take the view that consideration of a **special status for demographically disadvantaged regions** should be discussed in the development of post-2020 cohesion policy.

**The future of cohesion policy to address demographic change:** although cohesion policy provides the right tools with which to address demographic change, it should **play a more prominent role** to support regions and provide flexibility in adapting to demographic change.

Regions should **use ESI Funds more proactively** in order to tackle youth unemployment and give young people the opportunity to start a proper career. Cohesion policy should also promote the employability and inclusion of women.

The Commission is called on to:

- consider defining new criteria with which to distinguish territories facing demographic challenges;
- conduct studies on potential socio-economic and environmental indicators;
- incorporate into cohesion policy new, dynamic indicators, such as a demographic indicator, and in particular the EU Regional Social Progress Index, so as to provide a more complete picture of the specific challenges facing these regions;
- incorporate a flagship initiative on demographics into the Europe 2020 strategy, financed by existing ESI funds.

Lastly, Members underlined the added value of the single community-led local development (CLLD) methodology across all ESI Funds for developing and implementing integrated and tailor-made bottom-up solutions. However, they regretted the fact that CLLD is only mandatory for the EAFRD and that local and participatory approaches are declining in the ERDF, ESF and European Maritime and Fisheries Fund (EMFF). They called on the Commission to make **the use of CLLD obligatory** across all ESI Funds.