

# Demographic change in Europe: slow in numbers, huge in consequences and options for a sustainable long term

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## Content

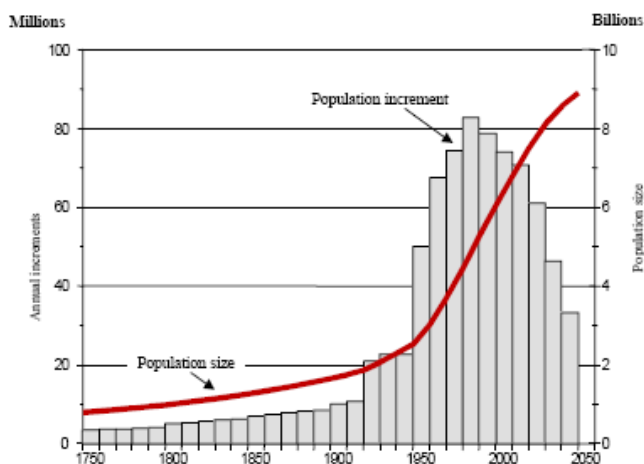
- Winds of demographic change
- In deep transition
- Behind numbers: people's choices
- Choice editing
- Needed: a better understanding of shrinkage patterns
- A triple mismatch
- The missing link: ethics of change
- Responses
  - Vitalizing Europe
  - Tipping
  - How to express ...
  - Changing policies
  - Sources, readings

## Winds of demographic change

With the world demography still pointing towards 8 or 9 billion people, Europe is different. Europe faces rapid changes in the demographic trends – faster than other world regions. The European population will age much faster than that in the US, Canada and Australia notably. But already now, even for China and its emerging economy are somewhat catching up, given that, also in China, demographic change and the challenge of an ageing society is on the agenda with different but similar tendencies of ageing societies. Demographic change is slow, but steady, it is almost creeping, but its consequences for society can be non-linear, abrupt and they may distort what we think are ever continued social bindings.

How to adjust to demographic change is an issue for a growing number of societies when they try to design a sustainable long term. The social protection, pension systems, human resources and education schemes are threatened to fall behind reality, as do also concepts for the quality of life and urban environments. On the other hand, taken seriously and framed by sustainability concepts, the demographic winds of change may also provide chances for a profound modernisation of society, prosperity, new jobs and renewed identity of local communities. However, as of

Figure 1. Long-term world population growth, 1750 to 2050





today, these positive options are not yet discovered, let alone accepted and deliberately elaborated. Thus, the interlinkage to other major transition patterns, such as the end of the oil age and the carbon trap, can not be turned into productive solutions.

Recently, policy awareness for demography issues has increasing across Europe, also thanks to the agenda set by the European Sustainable Strategy. However, the interlinkages and complexity of social consequences are not always fully grasped, nor do we address the implications for infrastructure policies and public services. A grandchildren-proof policy towards sustainability needs to be grounded on a better understanding of what is happening and of how this will affect any future leads into a sustainable development.

## In deep transition

In March 2008, the world's population is believed to have reached over 6.60 billion. In line with population projections, this figure continues to grow at rates that were unprecedented before the 20th century, although the rate of increase has almost halved since its peak, which was reached in 1963. The world's population, on its current growth trajectory, is expected to reach nearly 9 billion by the year 2050.

In the long run, the future population growth of the world is difficult to predict. Birth rates are declining slightly on average, but vary greatly between developed countries, developing countries, and different ethnicities. Death rates can change unexpectedly. The UN itself has issued multiple projections of future world population, based on different assumptions. Over the last 10 years, the UN had consistently revised these projections downward, until the 2006 revision issued March 14, 2007 revised the 2050 mid range estimate upwards by 273 million.

For Europe in 2050, the UN predicts a population 628 millions declining significantly from 729 millions in 1999. Europe's share in world population would then be 7% compared to the almost 22 % in 2050. Slow and declining population growth signals the onset of population decline as an overall outlook for Europe's population. This process already is in full swing and all European countries are undergoing profound demographic change. Each generation of children is quantitatively smaller than that of their parents because numbers of children per woman are declining. The old-age dependency ratio (those aged over 65 years as a percentage of the population aged 15 to 64 years) is increasing. Eurostat projections show that the ratio will double between 2004 and 2050. By the middle of the century, there will be one person aged 65 or over for every two aged between 15 and 64. In the next decades, an ever-smaller working age population will have to support an ever-greater number of pensioners.

Some countries will be confronted earlier and more strongly by ageing than others. Germany is amongst the fastest ageing Member States, followed by Italy and Spain.

The European Commission's Green Paper "Confronting demographic change: a new solidarity between the generations" rightly put emphasis on the fact that by 2030 roughly two active people (15-65) will have to take care of one inactive person (65+) followed, in November 2007, by the Commission's "Social vision for a rapidly changing 21st century Europe". The Commission urges the Member States to invest in a number of areas related to the social dimension of demographic change.

Europe envisages a trend in demographic change that might be significant to all industrialized countries. Obviously, emerging economies in countries formerly known as developing countries are triggering somehow similar trends.

## Behind numbers: people's choices

Demographic change is about more than mere population statistics. The story behind sheer numbers is people's choice how to live.

- Choosing to have children is a long-term, irrevocable decision based on confidence in future life course. "Fear of the future" on the one side and the priority on instant consumption and instant mobility on the other side are bad preconditions to address profound challenges to meet the need of the present by not compromising the ability of future generations to meet their needs.
- On the individual level a long life is perceived as something desirable. Ever growing life expectancy is seen as progress. A long life is a gift. Contrary to this individual view, an ageing society is predominantly perceived as threatening all sorts of vested rights. This split in individual and public notions is a significant cultural pattern. If unresolved this divide regarding the "how long is long" – issue is something to worry about.
- Attitudes towards family and partnership may open new perspective of women and men regarding reconciliation of family, household and work. The changing attitudes towards the elderly people in society and economy may create unforeseen public options.
- With a proactive attitude towards consumption, tourism, social volunteering, and nature people in the "third stage of life" (time of retirement from formal jobs) may create new forms of social activities. They constitute what is already perceived as a "the silver generation". The silver generation is already a key consumer group; it can also develop into a key group for biomedicine ethics and social cohesion, the labour market and the education system.
- Individual choices are summing up into society pattern, and they are clearly influenced by cultural norms and mainstream thinking, vice-versa.
- The growing fragmentation of families, asymmetric population balance, low-income migration and integration, fewer earners to non-earners, fast shrinking cities and growing urban sprawl, non-linear infrastructure transition, and individual life courses: all this translates into a threat, or a challenge, or some new options for our wellbeing – the assessment depending on how we are facing these issues.

Many areas of our society are affected by this: the social security systems, financial policies, the social infrastructure including education, health, medical care, housing and water supply, product design and urban planning. Mainstream political thinking does not yet understand and accept to what extent economies and individuals have to adjust to demographic change.

## Choice editing

Deep roots have deep impact. Demographic change challenges our way to think "future" and our policies dealing with society perspectives towards a Europe in social cohesion and sound environmental quality. Risks, threats, and burden for future generations can be detected, as can opportunities, solid benefits and the opening of new options.

Our societies are only now starting the reasoning about the social and cultural background of ageing populations. The impacts on ecology and economy and on the "way of life" are longer term. Those are not yet addressed adequately.

Whether a society turns one way or the other is a question of choice, and of deliberate "choice editing" which might turn out as a new form of culturally coined social communication. The precondition of choice is an informed debate including civil society, the private sector and politics. Information needs sound data. But data alone – and demographic data in particular – are difficult to understand and do not always lead to sound and informed debate. Choice editing is what sustainability strategies are about.

Answers throughout Europe to the question what governments and civil society need to address are divergent. The State is considered to be responsible for providing health and work for young



people. But then, among people there is also a growing desire for more flexibility in individual life “planning” and for enduring an efficient use of financial and natural resources.

## Needed: a better understanding of shrinkage patterns

We do not yet understand the complicated and interconnected challenges at hand, and we do not yet translate them properly into benefits for all, a vision for the safeguarding the commodities. The link between demography and sustainable development is still unreflected. With this deficit this perception is an example of how inadequate and misleading linear thinking can be.

Long before the term “ecology” was coined, there were concerns about earth’s capacity to provide food for the growing number of human beings. An ever-growing human population may at some point exceed the earth’s carrying capacity. It is often assumed that with fewer humans in a given territory the environmental burden will vanish, in turn. But this is not true. A decreasing population figure does not promise ecologic benefits. Both assumptions suggest a linear relation between population and ecological footprint. Judged from experiences in shrinking regions one can say that there is no easy “collateral benefit” for the environment when populations are decreasing. Basically, there is no automatic ecological pay-off. Worse than that, examples from Germany show that per-capita-costs for waste water treatment or electricity supply may even increase.

Our regional and local governance is tuned to the distribution of growth, and our technical approach to public utilities is tuned to scaling up effects. Now, we have to come up some bright ideas on scaling down in size and transforming in style. How could we take account of food and water security, energy availability and meet the needs of people? How can we adapt to fragmented housing patterns? How can adapt to a sustainable, low carbon economy? What are the consequences for our cultural values? How can we allocate “fair ecological pricing” in scaled-down public infrastructure? And, very basically, how can we turn these economic and social bottlenecks into something that triggers social and technical innovation?

### ***Facts and figures for Germany***

Since 1980 Germany had constantly an average of 1.4 children per woman. However, an average of 2.1 per woman is needed for a long-term stability of the population (or 1.8 with a certain level of immigration). In the long-term, Germany’s overall population is shrinking. With less children being born today, and a significant increase in life expectancy since the early 1970s, the gap between the numbers of the young vs. the old is thus widening. Prognoses for the period up to 2020 and beyond based on migration (immigration as well as internal migration), birth rates, and life expectancy anticipate that in German regions the population will decline significantly.

In absolute terms, Germany has the largest non-national population of any EU country, accounting for 8 percent of the total. In addition, Germany took up large numbers of immigrants of German ethnic descent from Eastern Europe. The 2005 census found that almost 20 percent of residents in Germany have some form of migrant background. Geographical distribution varies strongly between regions, especially between the East and the West whereas geographic concentration is mainly to be found in urban areas.

The development in Eastern Germany after the fall of the Wall in 1989 led to more than a million empty apartments and to the abandoning of countless industrial parks and social and cultural facilities. Further more, population decline in many regions in Germany shook the basic political consensus of the German post war history to build equal living conditions in all parts of the country with the instrument of public infrastructure services, among others.

In short, demographic change is strongly varying and causes regional disparities between the East and the West. Disparities can also be observed between urban and rural areas and from city to city. In addition, increasing social and ethnic disparities pose challenges to the so-called social capital that refers to norms of generalized reciprocity, trust, and networks of civic engagement, and social interaction.

Shrinking cities contradict the image, familiar since the Industrial Revolution, of the “boomtown”, a big city characterized by constant economic and demographic growth. This calls for rethinking future urban development. Shrinking cities are asking for new concepts for urbanity. The drastic changes in cities caused by shrinking thus present not only an economic and social, but also a cultural challenge.

## A triple mismatch

It is still too often the case that the demographic discussion centres on aggregate figures, such as the effects of a decline in total population and the change in the age structure of the population as a whole. However, spatial migrations and distribution patterns of the population are as relevant, as any compilation of demographic change and social divide between the rich and the poor would be.

The relation between ageing and society is promising – in theory. In reality, there is a triple mismatch:

- **Welfare mismatch:** It is questioned whether Member States could keep up the social welfare schemes by just replacing population decline through integrating and absorbing migrants.
- **Labour market mismatch:** Labour supply from migrants will not offset the decline in labour supply on a quantity basis. It will further differ from labour demand (mostly high-skilled). Europe is heading into a severe shortage of skilled engineers. Education schemes are beginning to be put in place that train the next generation of young engineers for sustainability. These early experiments, notably in Portugal, need to be monitored and expanded across Europe.
- **Geographic mismatch:** Ageing and a shrinking population are strongest in rural and peripheral regions, while internal and external migrants are attracted by larger cities mostly – which have a relatively young population already. So, the necessary adaptation of regional infrastructure layout is much slower than population dynamic. Rural depopulation is becoming a serious issue for the maintenance of both social capital and effective sustaining use of natural resources.

Competition in the migration skill market rises globally. Qualification bottlenecks on national labour markets are increasing. Demographic change significantly adds to this trend.

It is often thought that immigration of highly skilled people from outside the EU could possibly compensate for the decrease in natural population growth and growing labour mobility in Europe. However, it should not. Hunting for the brightest minds (the war for talents) will generate trade offs as the highly skilled are urgently needed for the transition towards sustainable development in their respective mother countries. Brain-drain migration is counterproductive, in more than one way.

In Europe, 10 to 15% of the skills which are required each year change and are redefined. A decreasing workforce potential needs to cover an increasing demand for skilled workers. In order to meet the demand of skilled labour, qualification and re-qualification is already necessary, and will be even more in the future.

Migrants are seen as potentially contributing to socio-economic development and therefore to sustainable development. This potential, however, is not always released. In Germany, unemployment rates amongst migrants and 2nd or 3rd generation people with migration background are often systematically higher than amongst nationals. Youth poverty coincides with numbers of early school dropout and the number of unemployed people remaining constantly out of the regular labour market. Poverty provides a burden for social security systems. Of course, there is no much room for action at the EU level – despite all talk about the battle for talent and the European knowledge society. Policy options with regard to immigration, social security, and education will need to be taken forward at the level of national governments.

### ***Education and Labour Market: a case study from Limburg***

Managing the change to a knowledge driven economy sufficient supply of highly skilled labour force is crucial in a province like Limburg. The region is changing from traditional industrial to an innovating region. In the Netherlands, Limburg is a frontrunner in the process of demographic ageing and dejuvenation. In internationally situated regions like Limburg, increasing demand for highly skilled labour force must be regarded in relation to a flexible system of labour migration and cross border freedom of movement. As demographic ageing affects all European countries to varying extent a flexible system of labour migration and cross border freedom of movement will only partly be a solution. Though a solution could be found in immigration of highly skilled people from outside the EU. Therefore, flexicurity and social innovation could become the centre of focus as does workability index and a good work-life balance. People over the age of fifty can be an increasing source of labour supply if their needs in further education to maintain their productivity and innovative energy are fulfilled. The workability index might play a role in establishing this position: elderly people must be facilitated to participate in the labour market as long as possible. On the other hand investing in young people is crucial. The young generation has to be prepared with an optimised integration of education and professional training. Life long learning has become an important aspect in the policy for the future.

Position Paper Province of Limburg

The ageing of Europe's population in combination with the changing family patterns challenges our welfare system. The challenges strike particularly those countries that maintain an extensive public welfare service system as the Nordic countries. How can we ensure the services and income transfer that are essential to a welfare society as the population ages and the need for expenditure grows? In addition, international tax competition makes it difficult to increase the tax rate. Ensuring high employment rate is crucial for the financing of the welfare services also in the long term. Good employment, educational, health and social policies, as well as a healthy environment lay the foundation for both the wellbeing of the citizens and the prosperity of the national economies. Adding to this is the agenda of climate change and how to escape from the carbon trap and the downsides of oil peak.

Trust is an enduring value that seems to be significant in maintaining welfare and facing the sustainability challenge. Social trust is linked to a variety of social, economic, and political circumstances. Trust levels are particularly high in Scandinavian countries. From the perspective of individuals this applies to their fellow citizens as well as to the social and political institutions that in turn facilitate trustworthy behaviour.

Trust is a central core of social capital and is closely associated with reciprocity, respect, and solidarity. As a societal resource it enables citizens to link up to each other, fosters cooperation, and enables them to pursue their common objectives more effectively.

Unequal income distribution patterns and growing social, ethnic or religious fragmentation may reduce generalized social trust in citizens.

There is need to rethinking social security. It will be less State oriented but will reemphasize neighbourly responsibility in civil society. Practical experience with civil engagement show that new social services do not simply replace what was once a domain of the state. Of course, there are examples where state administration is actively retreating from former municipal services often following financial constraints. They may feel tempted to bring in volunteers from civil society, and hope for a swift transformation. However, civil organisation and social volunteering are often re-inventing and re-designing what they think is a necessary and suited social functionality. So, there taking-over is often a modernisation in meeting the needs of the people rather than a mere "doing-the-same, but less costly". Thus, bringing in the engagement of people often turns out (not easily, not always smoothly) to be a modernisation of public services. Service is a consequence of demand; demand is a consequence of design and communication.

Nevertheless, in areas that are characterized by impoverishment and (internal) emigration social networks, memberships or local identities break. Although self help and mutual



assistance may persist society can hardly come in and fill the gap if the provision of general public services and utilities is at risk. Formal organisation of voluntary engagement for the broader society builds on specific skills and qualifications. Economic decline, shrinking, conditions of precarity, and emigration has negative effects on the potential to develop stable and operational self-help initiatives.

### ***Demographic change and the Nordic welfare society (FNCSD)***

It is a hallmark of the Nordic welfare model that it offers both an elaborate social safety net as well as public services such as education and care. The key characteristic of the model is that the right to these provisions is universal and they are available to all citizens without being preconditioned on prior payments or contributions. These arrangements are financed by various forms of taxation. It is noteworthy and interesting from the sustainable development point of view that three Nordic countries with high tax wedges, a generous social security system and an egalitarian distribution of income have been ranked in top 10 also in the latest Global Competitiveness Report (2007-2008). Welfare society can thus be considered as a Nordic innovation succeeding in combining economic efficiency and growth with peaceful labour market, a relatively fair distribution of income and social cohesion.

The welfare state is based on a "social contract" between the generations where trust is essential: those currently active in working life agree to pay taxes because they trust that future active generations will do the same. The system is also based on social cohesion and an understanding that the whole population is in the same boat.

Historically, the welfare state expanded when the working age population was increasing relative to the number of children and old. However, the age composition of the population is going to change dramatically already in the near future. For instance, according to the latest forecast from Statistics Finland, the proportion of persons older than 65 years will increase from current 16 to 26 per cent by 2030 in Finland. At the same time, the percentage of the working-age population will decrease from 66,5 to 57,5 per cent by 2040. This means that the old-age dependency ratio is almost going to double. However, the population change - healthy and active elderly citizens - can also be considered as a social achievement of the welfare state.

Ageing itself is not a problem. Rather, the challenges are early retirement, disability and poor health status. Healthier means wealthier. It is believed in the Nordic countries that health and social wellbeing are valuable assets to the economy. Prevention and promotion of health and social wellbeing will reduce pressures towards high-cost care and disability. Health and safety at work will assist in staying at work longer. Revised pension laws and regulations have encouraged for longer working years, for instance in Finland, higher pensions for working longer have raised the average age of leaving working life.

There is a broad understanding in the Nordic countries that a sustainable societal development is made up of wellbeing of the population. However, the welfare model needs to be flexible in order to develop and meet the new challenges. It has been agreed in Finland that a high rate of labour force participation is an indispensable ingredient of the Nordic welfare model. Good productivity development requires that employee well-being at work and the incentives for the growth of human resources and innovation activities are sufficient. Social capital based on solidarity and social cohesion and human capital built up on investments in wellbeing, education and lifelong learning are essential for future welfare society. Taxation needs to be developed so that it supports doing work and commissioning work but also in a way to promote sustainable use of natural resources.

<http://www.ymparisto.fi/default.asp?node=9364&lan=en>

<http://www.environment.fi>

Infrastructure has to be adapted for both the regional areas that are growing and the ones that are shrinking. Internal migration fragments social bindings (often family ties), so that typical routines, such as grandparents caring for their grandchildren or children caring for the aged, is increasingly becoming more difficult. This has an impact on the financing of public services and the social security systems.

As more people leave a particular municipality, the prices for water and water sewage services get correspondingly higher for those who stay. The fixed costs of maintaining infrastructures will remain unchanged. Financing the services might indeed get highly problematic on a per capita basis if the number of users decreases significantly. As a consequence, there will be fewer people paying more for the same service.

In addition, technical problems might arise because water pipe systems, for hygienical reasons, need to maintain a certain amount of water flow and would need to be rinsed regularly if the number of users decreases. Technical problems may also affect electrical grids which require continuity between generation, transmission and distribution of electricity, and reliability regarding the number of users. Remarkably, cost distribution has a social bias. People who would stay in their hometowns are likely to be less solvent than those who move, and will suffer if required to pay higher charges.

Geographic imbalances relate to the market value of houses in shrinking areas. People who may have invested into own homes in these areas, expecting to get pension revenues when they retire do probably have to face economic pressure. In Germany, the number of households is actually increasing faster than the population as a whole, as families shrink and the number of one-person households grows. As a result, mobility demand is increasing alike.

The carbon economy, the environmental management, and the ability to provide transport and mobility are clearly strongly affected by demographic change. A shrinking population does neither automatically lead to energy savings, nor does it enhance environmental protection through reduced settlement density or less traffic.

This mismatch challenges ethics and cultural values. But, again, it is open to be approached as option to rethink and realign the understanding of public wellbeing and to find creative ways to decentralise public services, to find new ways of demand-orientated infrastructure, or to kind of rewire the functioning of society.

In short, for both metropolitan areas and villages in rural areas there is the need to work out how the community will function on the basis of 2 tons carbon dioxide per capita / per year and with the chance that they face a non-linear change in population.

## The missing link: ethics of change

Changes caused by an aging society require adjustments in individual life courses, social interaction, and the employment structure. There is a need to re-evaluate the role of older people, to do away with negative stereotypes, images and self-images about aging in western societies. Strengthening ties between generations in terms of mutual learning processes may contribute to positive social connotations of aging.

Future scenarios often attest declines in economic and social capital; they also address the future of demographic change as a “Methuselah complot” in the sense of the elderly generation complotting against those younger one’s who pay for their living. These “cry-wolf” – stories may be suitable to catch the headlines, but there is much evidence for being more curious towards our future and for seeing it more positively. At least, there is enough room for being more creative in designing visionary concepts for tomorrow’s society.

The concept of growth as “ever more of the same” will in all likelihood get outdated by demographic changes. The growth paradigm is still the predominant mainstream feature in economical thinking. Growth in production is still closely linked with increased consumption of energy and resources and more pollution. But there are already many examples of a 'decoupling' of economy and environment. In the future there may also be examples for decoupling traditional growth and welfare / wellbeing, and to replace it by a renewed concept of growth that relies on quality rather than on quantities. This may contribute to the building of an open and just society.

## Responses

### ***Vitalizing Europe***

The theme is vital for Europe's future. Recent years have brought a growing realisation that social cohesion is an essential condition for democratic security and sustainable development. Imbalanced, mismatched, and unequal societies are not only unjust but also cannot guarantee stability in the long term. However, political responses to demographic change are still fragmented and diverse beyond the necessary extent of well-understood diversity throughout Europe. The cross-cutting character of the challenge of a sustainable answer to demography is



seriously misunderstood or even neglected.

Demographic change need to be transferred into a paradigm shift towards sustainability as less people doesn't automatically lead to more sustainability. There is considerable scope for strengthening the EU SDS. The main challenge in the area is to ensure and increase the quality of life, in light of the changing demography. Most attention has to go to the long term infrastructure issues, the reduction of poverty and the introduction of better and broader education schemes. Also other domains of EU action are affected, e.g. transport, housing, labour markets, education, health, rural and regional development.

### ***Tipping***

It is necessary to be aware of the urgency of the tipping point from quantitative to qualitative growth / decline. The reaction to demographic change does neither mean denial or rejection of consequences, nor all too simple adaptation. It rather asks to come up with strategies to anticipate and redirect transition towards a more sustainable development.

### ***Laboratories on Demographic Change – a private sector initiative***

In Europe, demographic change is not a scenario with an unknown probability of actually occurring, but a forecastable trend. What are the effects on business locations in regions across Europe? In Germany, some leading enterprises are paying increasing attention to these issues because the demographic change will affect their business case in the (not so) long run.

The Laboratory Demographic Change discusses answers and approaches to this and other questions. Its online tool "Demographic Risk Map" is being elaborated by the German enterprises BASF, Evonik and SAP working together with econsense and other cooperation partners.

They established the Laboratory to face the demographic challenges from a business perspective. The multilevel working process of the Laboratory is embedded in the European Alliance for CSR, an alliance of politics and business for promoting CSR in Europe. On behalf of the Laboratory, the Rostock Centre for the Study of Demographic Change analysed the impact of demographic change in 264 regions across Europe on the basis of selected location factors. The study is the first to provide a direct comparison between time frames, regions and countries. With its Risk Map the Laboratory opens a so far unique perspective for company and stakeholder motivation.

[http://www.econsense.de/\\_LAB\\_DEMOGRAPHIC\\_CHANGE/index.asp](http://www.econsense.de/_LAB_DEMOGRAPHIC_CHANGE/index.asp)

Seen from the long term approach there is no room for passively tolerating what is happening anyway. A sustainable approach to demographic change will work with a positive attitude towards ageing, individual benefits and the momentum any social transition can provide. It will look for market opportunities and social innovations, for instance in areas such as the 'silver economy', sustainable patterns of consumption, or the increase in the demand for flexible housing facilities and even in the number of commuters.

### ***How to express ...***

Rethinking how we are positioning ourselves in the winds of change is essential. The problem in the conventional understanding of "change" is that the concept of future is still dominated by present-bound notions. It is the present that we call the future even though it is the past.

When talking about the past we know how to express appraisal, e.g. by using the terms heritage, patrimony, landscape, in the more negative connotation also burden, mortgage, and load. On the contrary, when addressing the future we do not seem to have equivalent terms at hand. Instead, experts debating future use technical terms such as scenario writing, computer models, discount rates. Predictions and forecasts have long lost both their aura and higher forms of responsibility as, today they are mere calculations, and often number wrenching. This is a shortcoming in language and in social skills that needs to be addressed.

### ***New perspective on spatial planning – a case study on knowledge development and decentralisation by RMNO***

In the Netherlands, the Spatial Policy Document (2004) and the new government philosophy of 'decentral where possible, central where not' reflects a shift in responsibility for the use of space away from national government to decentral level, with the role of national government being to determine the principles to be applied. This is a clear indication that spatial planning has become a dynamic process whereby national government is not (or is no longer) the only player. There are greater opportunities for development and for social initiatives.

The decentralisation of responsibilities in spatial policy also leads to the decentralisation of the relevant knowledge and has consequences for knowledge development, knowledge exchange and knowledge infrastructure. Sustainability considerations, such as integrated development, and incorporating a balance between social, ecological and economic perspectives has to be applied to regional development and as the key theme in formulating questions relevant for knowledge development.

The knowledge agenda developed by RMNO is intended for policy-makers, project developers, researchers and advisers who are involved with regional development. It aims to facilitate the development of knowledge networks and new arrangements for a more effective application of knowledge in policy and practice, and to the improved development and accessibility of such knowledge. Setting up this agenda, RMNO carried out an investigation in three regions in the Netherlands, where the issue of shrinking population was popping up. Summing up, research findings call for a new approach, for a new vision within these regions. Each region is characterised by a pattern of 'hot' spots, places that are chosen to live, work and recreate in, besides those that are seen as unattractive for often unknown reason. By exploring the unique hot spots in a region, the regional and local governments could develop strategic plans together instead of conquering each other for individual benefit.

As for example in the province of Limburg, the most south-eastern province of the Netherlands that shares two-third of its borders with Belgium and Germany. The region is changing from traditional industrial to an innovating region, thus putting efforts into improving and deepening cross border cooperation and establishing European relationships. There, development could aim to accommodate older people (retired but wealthy), a family friendly environment, but also the home of the world-class chemical industry sector with high quality jobs, creating a network of cross border network of universities and more.

Developing adequate strategies for responding to shrinking populations calls for an investigation that identifies the knowledge which is needed to ensure the success of the policy and the practice of integrated regional development, particularly with a view to the question of how to handle the future of town and country given that they are becoming increasingly interwoven. Therefore, understanding developments that indicate how differentiation comes about between regions and within regions, in towns and surrounding areas, and within towns in neighbourhoods (and groups of residents) including sustainability criteria besides economic development build a fundament upon strategies for a sustainable future can be build.

### **Changing policies**

A narrow minded migration policy that is only looking for the fast brain drain from outside towards Europe will not bring the solution to growing skill demands of European industries and public services. Investing in education and human qualification of members of all groups of society as well as reducing institutional and career barriers will develop long term perspectives for people. For building trust and more credibility the European social model needs a "push and pull" that bridges the (still existing) gap to the sustainability agenda. In turn, in sustainability policies population issues play still underestimated role that needs to be adjusted.

The majority of the private sector still fails to elaborate long term concepts actively displaying sustainability management, be it referring to (not yet existing) sustainability labels for urban environments and housing construction, be it for human resources and life-long learning schemes. The spatial or urban dimension could provide powerful solutions, e.g. in the area of decentralised public services, decentralised energy supply, demand-oriented policies, or the decoupling of economic growth from transport demand.

On the regional and local level decision-makers have to get their demographic data sorted out



to find ways and means for adapted sustainability concepts. Regions are different, so have sustainability strategies to be. To transform the concept of “choice editing” into real decision making it needs more attention through providing information and good analysis, information exchange and through transformation of knowledge into new practices.

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