



Understanding depopulation in rural areas

Workshop 2: Addressing the challenge of depopulation in rural areas

Sarajevo, 23 May 2023

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JRC Directorate B – Growth and Innovation

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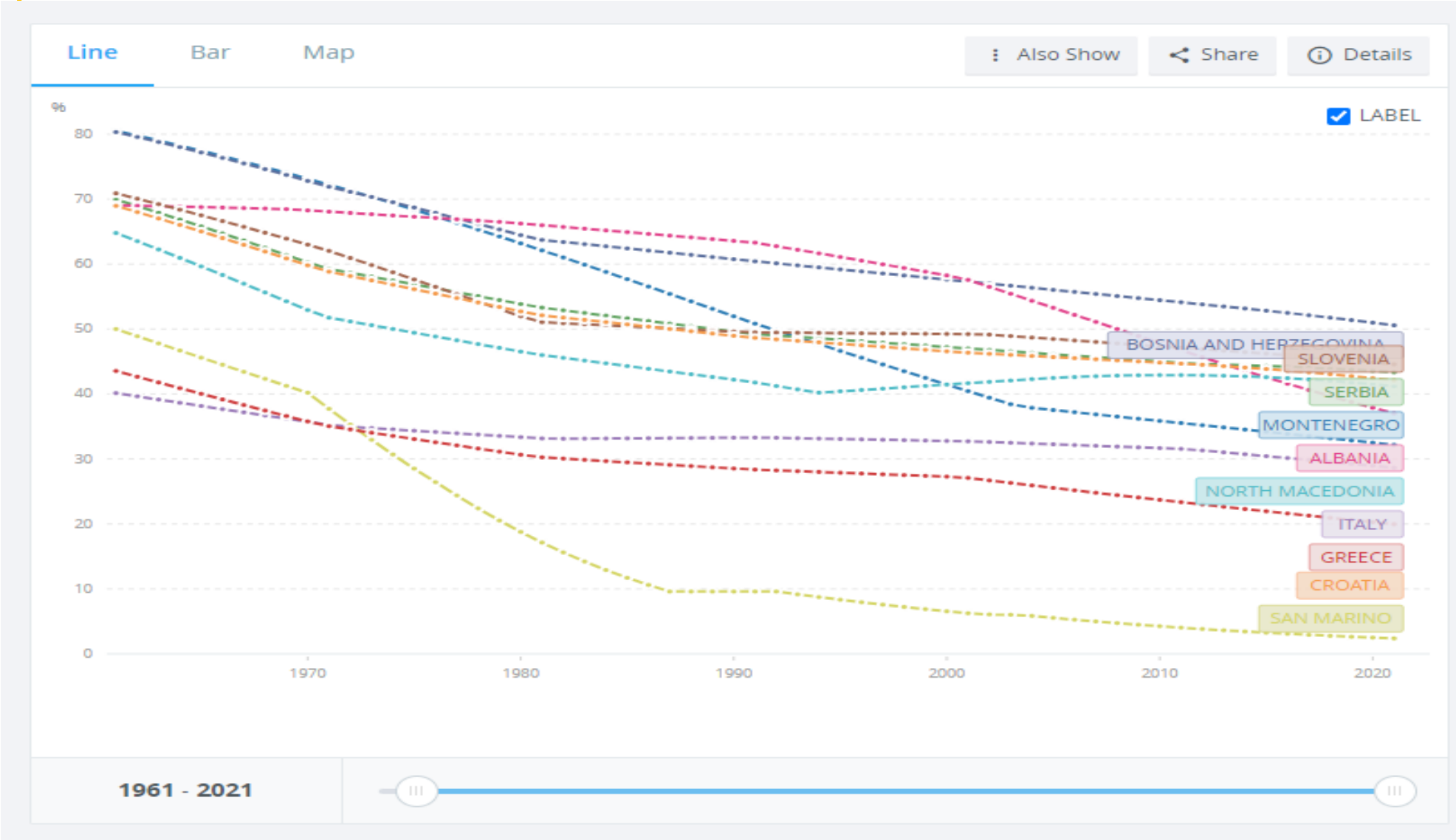
Depopulation in rural areas

- **Rural decline** is an inevitable process as human society transforms **from the old economic regime based in agrarian to the new urban-industrial** economy and further on to the knowledge economy.
- Migration from the countryside to cities is a **natural component of industrialization** and urbanization.
- It have been **massively experienced trough the XX century**, but it already started with the First Industrial revolution. The effects and chronology varies from one country to another and from one territory to another, but the dynamics are similar.
- The growth of large urban centres contributes to the **decline** of small rural centres **in a cumulative manner**.

Depopulation in rural areas

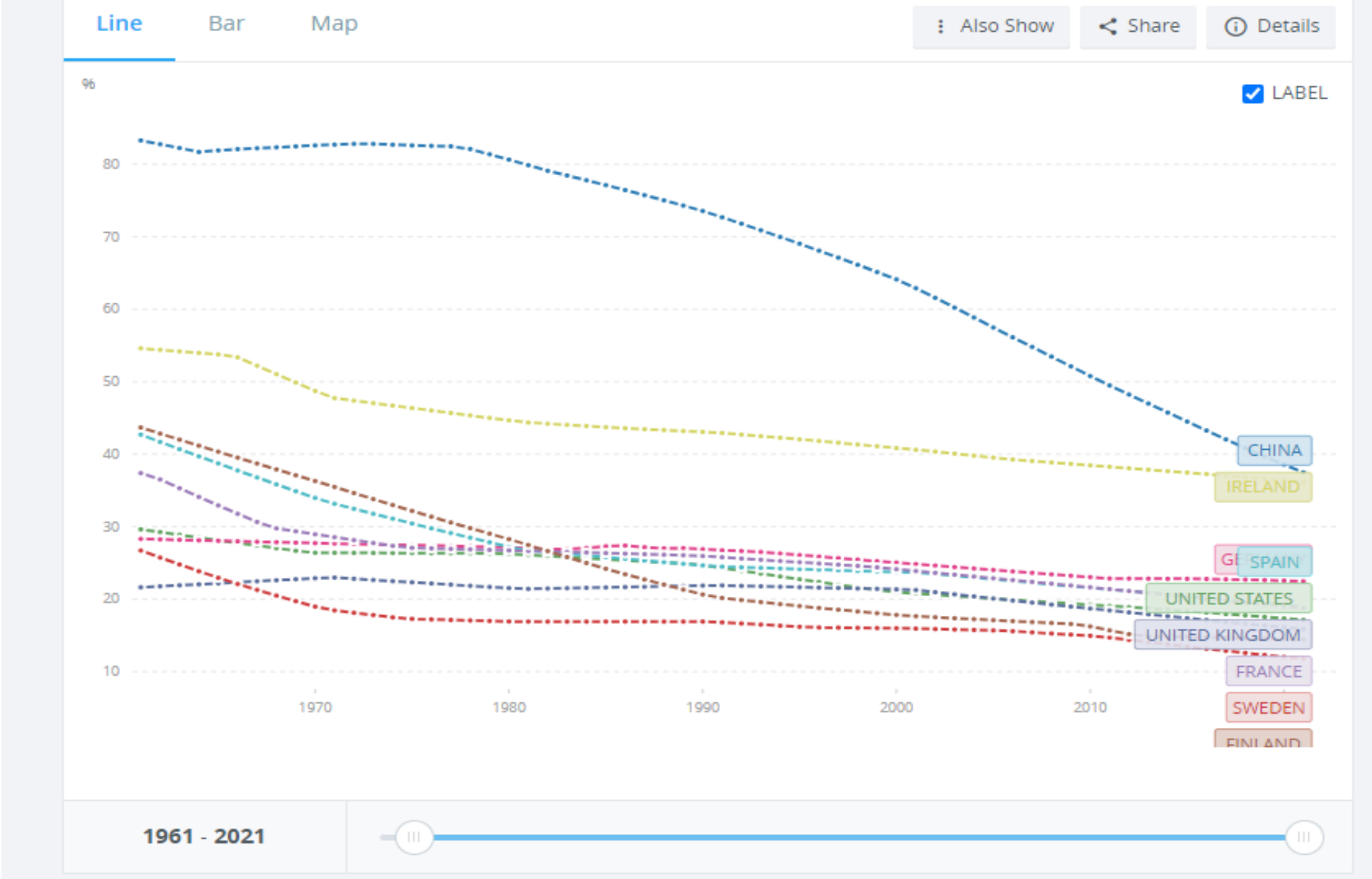
- **Depopulation, is the most evident effect** of the shrinkage of rural communities and local economies, with its impact in **brain drain and lost of talent**.
- As a direct result of this loss of inhabitants, rural territories experience a **reduction of services**, both public (health, education, transport), and private (businesses, banks..)
- Coupled with this outflow, **aging** of the remaining residents also leads to a significant **decline in community-based autonomy** and the social capital associated.
- As a final consequence, the institutional capacity of the municipality is weakened, the political competences diminish, the resources available shrink, and the place face the **risk of marginalization**.
- These processes bring economic benefits (and, maybe, wellbeing) but also **induce a range of social (and environmental) problems** through a trade-off with increasing urban-rural inequality.

Rural demographic evolution: a snapshot

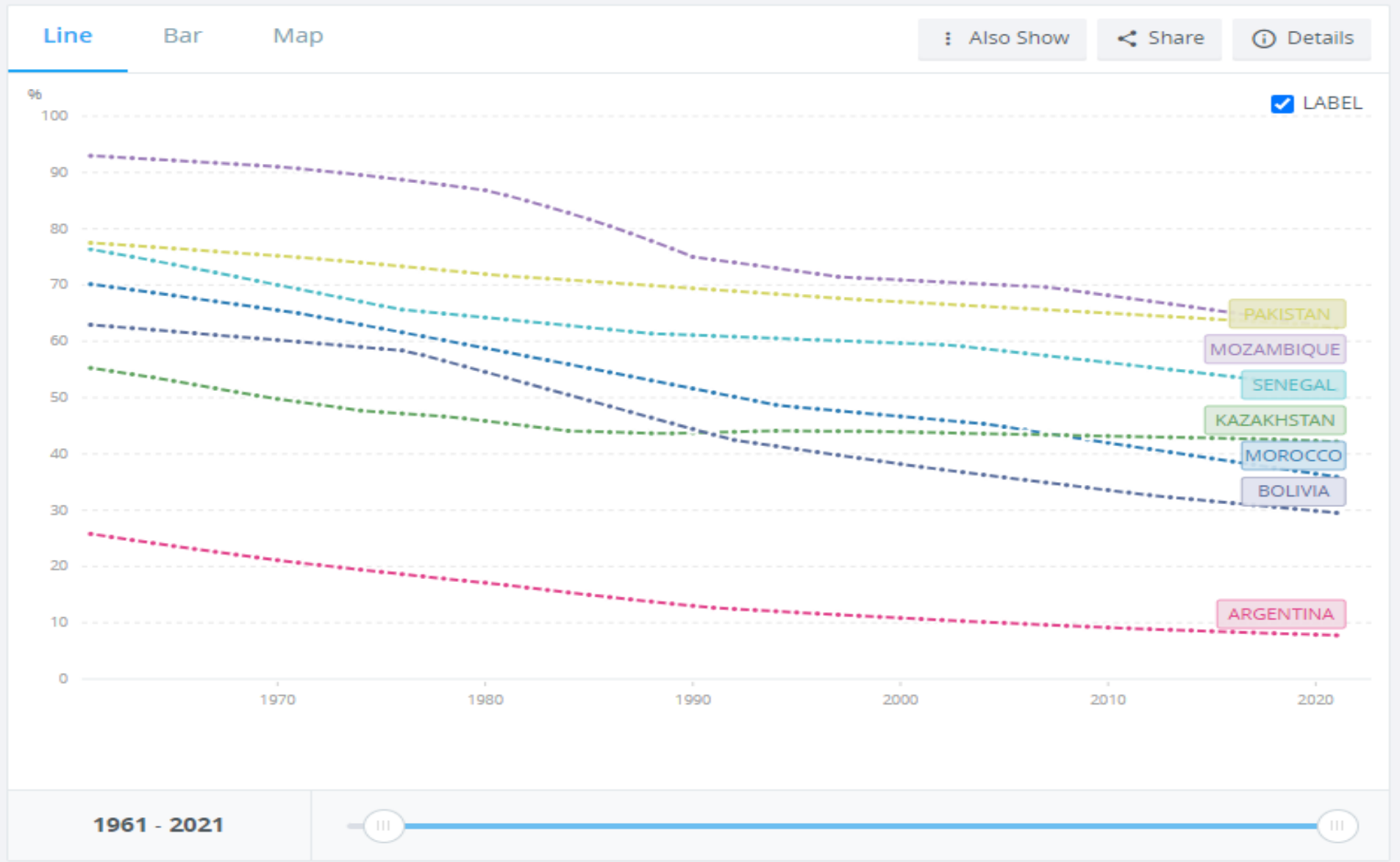


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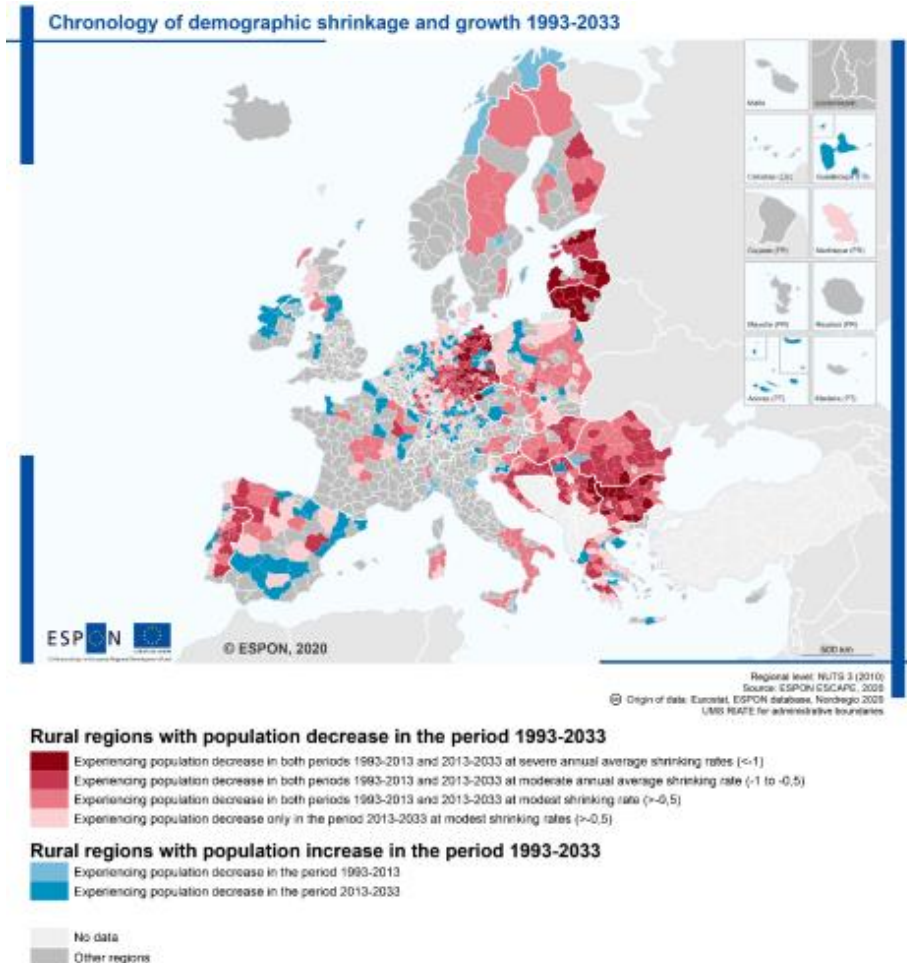
Rural demographic evolution: a snapshot



Rural demographic evolution: a snapshot



Rural demographic evolution: a snapshot



- Declining rural areas are widely distributed throughout the EU. **Almost 60% of the regions NUTS 3 predominantly rural or intermediate meet the criteria.**
- These regions represent **almost 40% of the area of the EU** and are home to **almost a third of its population.**
- A very **clear contrast is observed between the center and the periphery.** The **most striking concentration** of declining rural regions is found along the eastern edge of the EU, stretching from **Finland, through the Baltic States, the East European countries to Greece.** The "belt" of declining rural areas continues along the Mediterranean through **Italy mainland, Sardinia, to Spain and Portugal.**
- In these areas the "active" decline predominates, due to emigration.

Different types of (complex) rural shrinking processes

- **Economic Restructuring:** The phenomenon of shrinkage is commonly linked to the **decrease of the agricultural workforce**. Most European rural regions have, at some time, witnessed a **dramatic change of agricultural structures** with severe socio-economic consequences, and the effects are still observed in many Southern and Eastern European rural regions. In some contexts, the process has, more recently been exacerbated by the **decline of traditional extractive or manufacturing activities**.
- **Locational Disadvantage:** Rural shrinkage is also often associated with “**negative**” **locational characteristics** (isolation, sparsity, lack of natural resources, poor quality agricultural land etc), which are perceived as hampering pathways to economic growth. These are **often associated with proximity to borders**.
- **Peripherization:** Peripherization is distinguished by being the consequence of macro-scale processes of **spatial reorganisation of economic activity and globalisation**. Peripherization occurs at different spatial scales, often compounding the effects of pre-existing locational disadvantage
- **Disruptive Events and Political/Systematic Transitions:** The final type of rural shrinking process involves the impact of **historical events or transitions**, Such changes can bring severe repercussions in regions with weak economic structures, triggering shrinkage at both national and rural levels.

How to tackle rural depopulation?

- EU policy has responded, in various ways, and with **different degrees of effectiveness** (i.e. Common Agricultural Policy, Cohesion Policy, Lisbon Strategy), with the explicit objective of population retention:
 - CAP payments to support farmers in the Less Favoured Areas (LFA), village renewal, basic services, interventions to improve infrastructure, and nurture the economy of settlements, etc.
- Besides, **EU policy objectives and regulations have not triggered Member States** to consider rural depopulation as a key focus of their operational programmes
- **Need of coherence and common strategy.**

How to tackle rural depopulation?

- Interventions to mitigate or adapt to rural shrinking need to reflect a **coherent appreciation of the processes** around the issue.

➡ Systems thinking: a holistic approach to analysis that focuses on the way that a system's constituent parts interrelate and how systems work over time and within the context of larger systems.

- Otherwise actions **risk reflecting misjudgments or anachronistic assumptions**, and this will, at best, result in sub-optimal outcomes



- **Vision and goals:** Recognizing the complex needs of rural decline, using existing strengths, and considering new goals, **beyond economic growth** (inclusion, spatial justice, **wellbeing**) and opportunities (new economic and industrial)
- **Policy Rationale:** rationales explicitly derived from evidence and an **understanding** of the local processes of **demographic change (place based but not place bound)**
- **Implementation:** need for systemic, **integrated and coherent approaches**, at all levels, (EU, National, Regional, Local).
- **Governance:** shrinking presents challenges in terms of **capacity** for territorial adjustment and development

Conclusions

- The **decline** of rural areas has become a highly visible phenomenon that **fuels popular discontent**.
- Underlying socio-economic and spatial processes point to the need for a wider **recalibration of rural development concepts**; an increasing **emphasis upon well-being**, and a shift away from purely economic indicators
- There is a need to **re-evaluate the logic**, the application and the effectiveness of the European, national, regional and local policies
- Increased awareness of **new opportunities associated with changing** socioeconomic and technological **contexts**. The COVID-19 crisis also has contributed to stimulate the debate.
- The repopulation of declining rural areas, or at least a **better adjustment of the demographic status quo**, is now **in a better position than in the past decades**.
- **The change need a systemic approach**

Thank you



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Startup Village Forum

The smart specialisation strategies in the Mediterranean
Sarajevo, 23 May 2023



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SVF Strategic Framework

- **Long-Term Vision for the EU's Rural Areas 2040 (LTVRA).** The vision identifies several areas of action towards stronger, connected, resilient and prosperous rural areas by 2040.
- **The LTVRA's flagship action on Research and Innovation for rural communities** acknowledges the enabling role of innovation ecosystems as a driver empowering these areas, their citizens and capabilities.
- The **annual Startup Village Forum (SVF)** is part of this flagship action.
- The **New European Innovation Agenda (NEIA)** reinforces European leadership in disruptive technological innovations to accelerate the green and digital transitions. The agenda brings together policies, investments and instruments in a coherent joined-up approach to drive systemic change and impact.
- The **NEIA** support to the Startup Villages is aimed to **harness the opportunities offered by rural areas**, as part of the efforts aimed at reinforcing and connecting industrial and regional innovation ecosystems

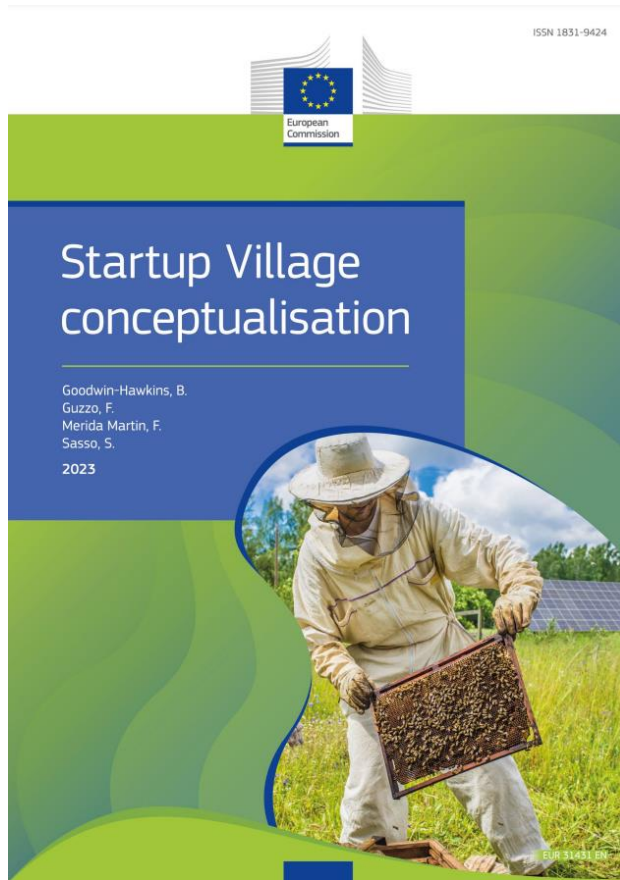
Startup Village Forum



The **SVF** is intended

- to be an **open and inclusive** space for rural stakeholders for sharing and learning from each other
- to better **understand the dynamics** that operate in rural areas in terms of **entrepreneurship and innovation**
- to strengthen territorial ecosystems and contribute to **accelerate the spread and adoption of innovation** in rural areas

What is a Startup Village?



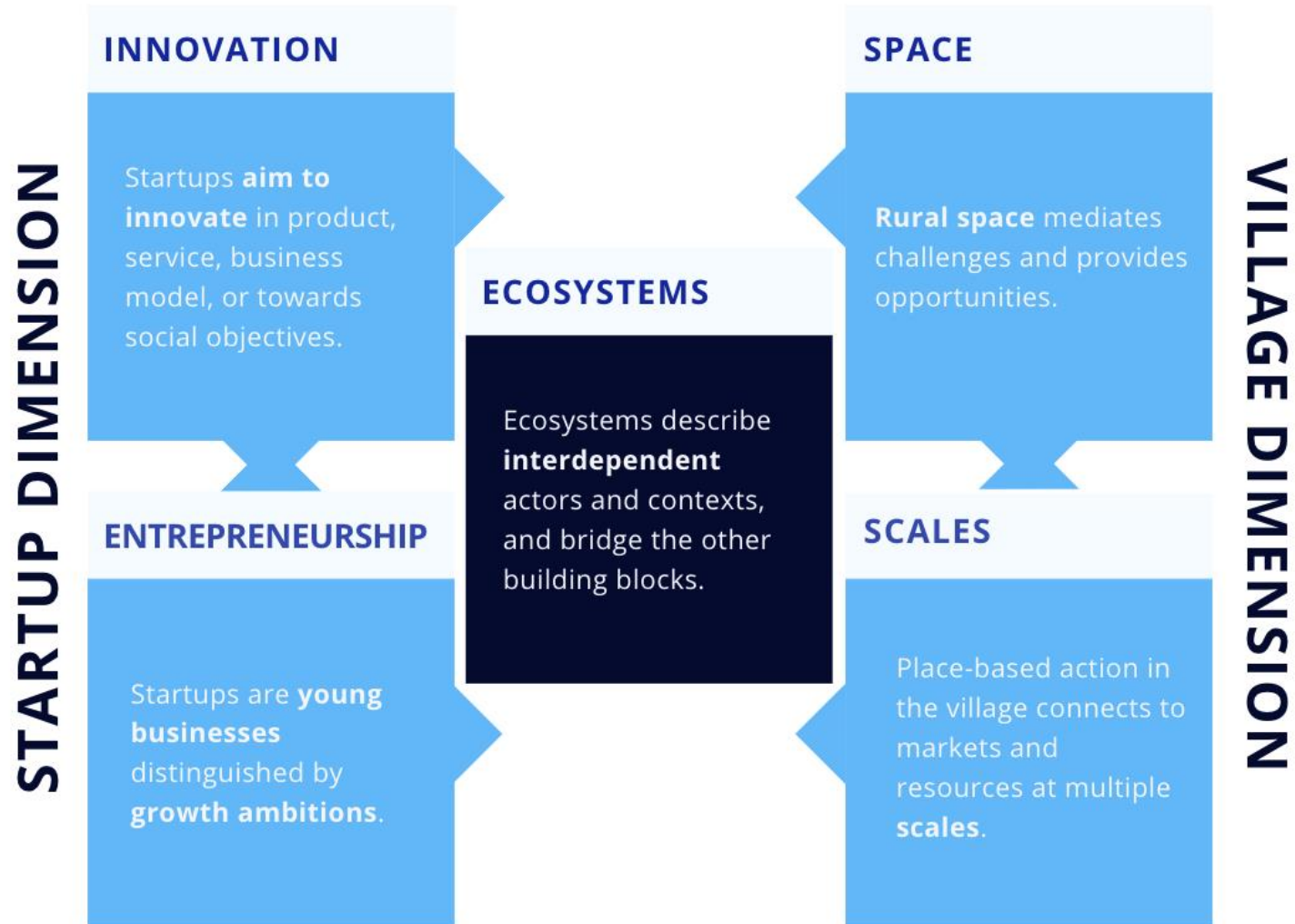
*A place (or a network of small places) that embraces **innovation** and **ambitious entrepreneurship** as a way to unlock development potential and support wellbeing in rural areas.*

*By combining local **place**, **people**, and **purpose** with external **knowledge**, **resources**, and **markets**, a Startup Village strives to provide favourable conditions for entrepreneurial and innovative **ecosystems** to flourish.*

Three misconceptions



CONCEPTUAL BUILDING BLOCKS



Startup Village Forum

Innovation

- Rural areas are **diverse**
- Rural space presents business **challenges**, like size and distance
- Opportunities should not be reserved for just those areas that are best positioned to benefit
- Startup Villages **tailor support** to activate rural potential

Space

- Innovation emerges through new **combinations** of knowledge and resources
- Innovation is **transversal**
- Startup Villages embrace the **diverse opportunities** for rural entrepreneurs to participate in transforming sectors and markets

Entrepreneurship

- A startup is **not simply any new business** or *any* small business
- The EU Startup Monitor characterises startups by business **age**, innovation **activity** and aim to **scale**
- Startup Villages foster, attract, support, and retain **ambitious** entrepreneurs

Ecosystems

Scales

- The **village is a scale** for local action and capacity-building
- Resources, knowledge, and market opportunities exist at **multiple scales** *beyond* the village
- Startup Villages are place-based but not place-bound

JRC Research Activity on Rural Innovation Ecosystems

- **Startup Village Mapping Tool** to develop a better understanding on the functioning of Startup Villages and their degree of readiness
- Analysis of **good practices and initiatives** to support entrepreneurship and innovation in European rural areas
- Exploratory study on the geographical distribution of startups in European rural areas and the relationship between **regional specialisation and startup emergence**.
- Development of a limited number of **indicators to measure rural innovation** and entrepreneurship, taking into account their specific features
- Analytical **deep-dives on the enabling conditions** to develop innovation ecosystems and innovative entrepreneurship in rural areas

Startup Village Mapping Tool

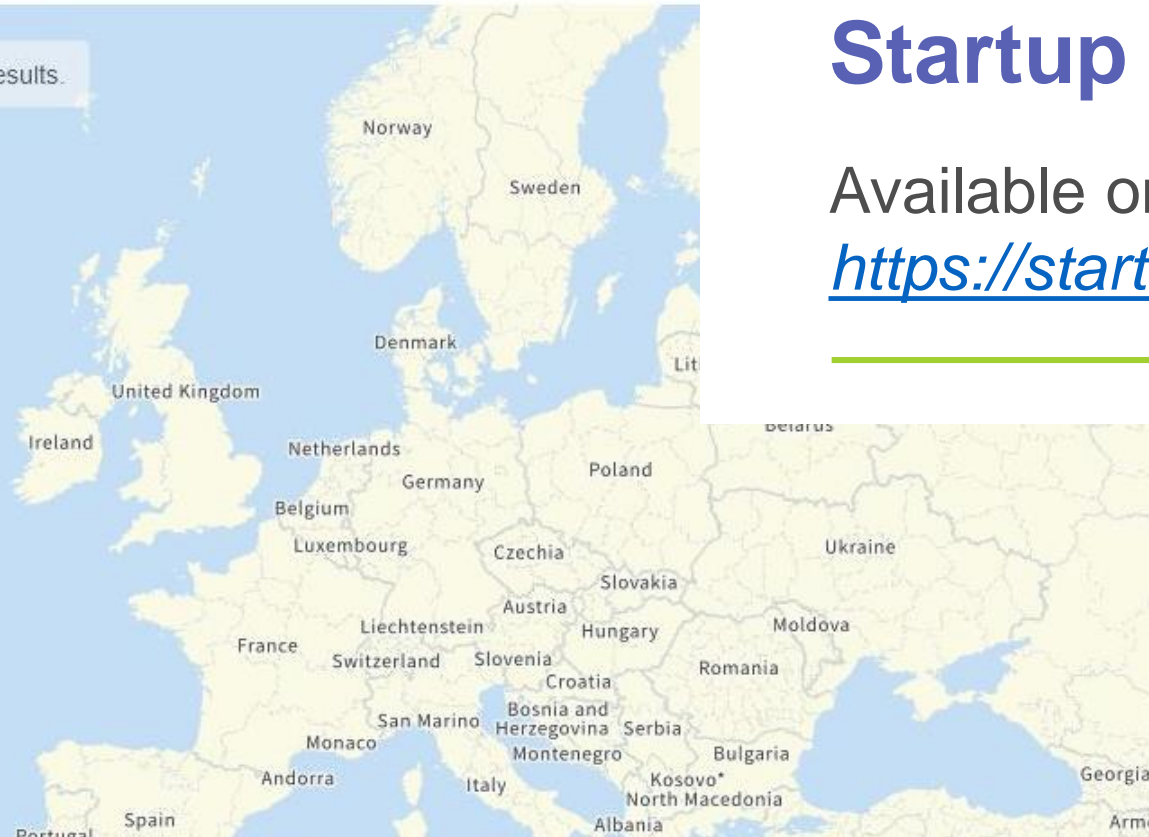
Understanding how innovation functions in rural areas is central for effective public and private sector's initiatives aimed at strengthening these territories. In February 2023, a rolling call for expression of interest was launched for all those European villages that intend to be Startup Villages. The map below will show the villages that have identified themselves as Startup Villages, and the information they provided. As the call remains open, the map will continue evolving.

If you represent a local authority and you think your village could qualify as a Startup Village, fill in the questionnaire!

[Go to survey ↗](#)



The map will show the existing results.



Startup Village Mapping Tool

Available on

<https://startup-forum.rural-vision.europa.eu>

EU VILLAGE

Close

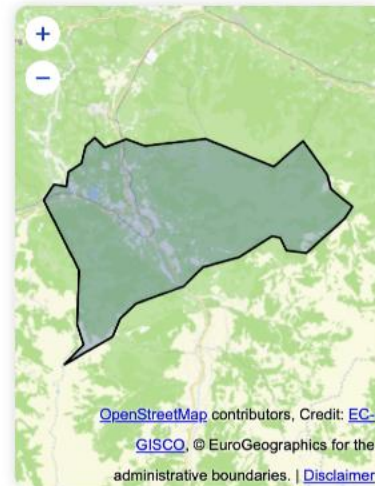
About this village

Country:
in the European Union

Size:
less than 15 000 inhabitants

Distance from the nearest main city:
less than 20 minutes' drive

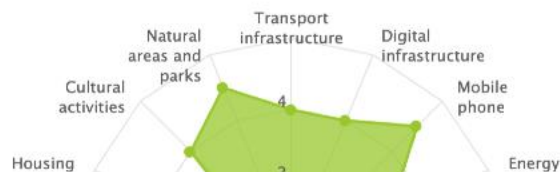
Institution providing information for this factsheet:
EU Village's Municipality



Why can EU Village be considered a Startup Village?

Our town has invested in developing mentoring schemes for startups, as well as functional co-working and networking spaces and regular events with established universities. These elements, in addition to available high-speed connection, have attracted a number founders and digital nomads.

Factors facilitating local innovation and entrepreneurship



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This initiative is part
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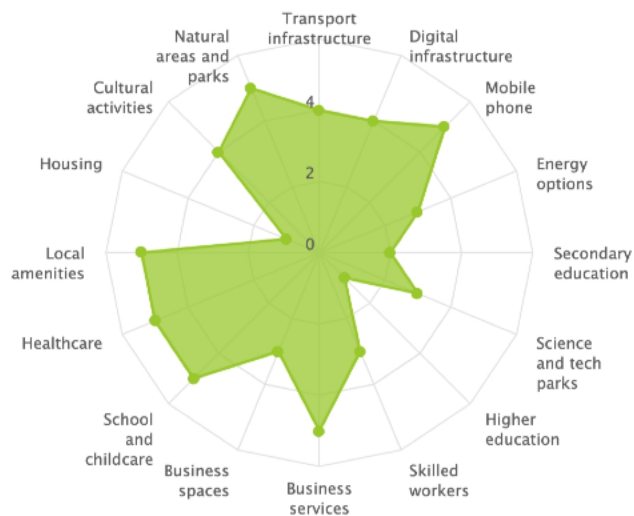


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Factors facilitating local innovation and entrepreneurship



Co-working facilities

Fablab facilities

Business incubation/acceleration



The three main economic sectors of EU Village

Research and innovation and growth in rural territories

The European Startup Village initiative aims to promote startup-driven growth in rural territories

This initiative is part of the European Startup Village initiative, which includes a specific focus on rural territories

What is a startup village?

What are the main factors facilitating local innovation and entrepreneurship?

Startup Village

Understanding how the startup sector's initiatives aim at the expression of interest in rural territories. The map below provides the information they need

If you represent a local authority, please complete the questionnaire!

[Go to survey](#)

The map will show the existing

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Co-working facilities

Fablab facilities

Business incubation/acceleration



The three main economic sectors of EU Village

Manufacture of furniture

Accommodation

Food and beverage service activities



Existing programmes for innovation and entrepreneurship

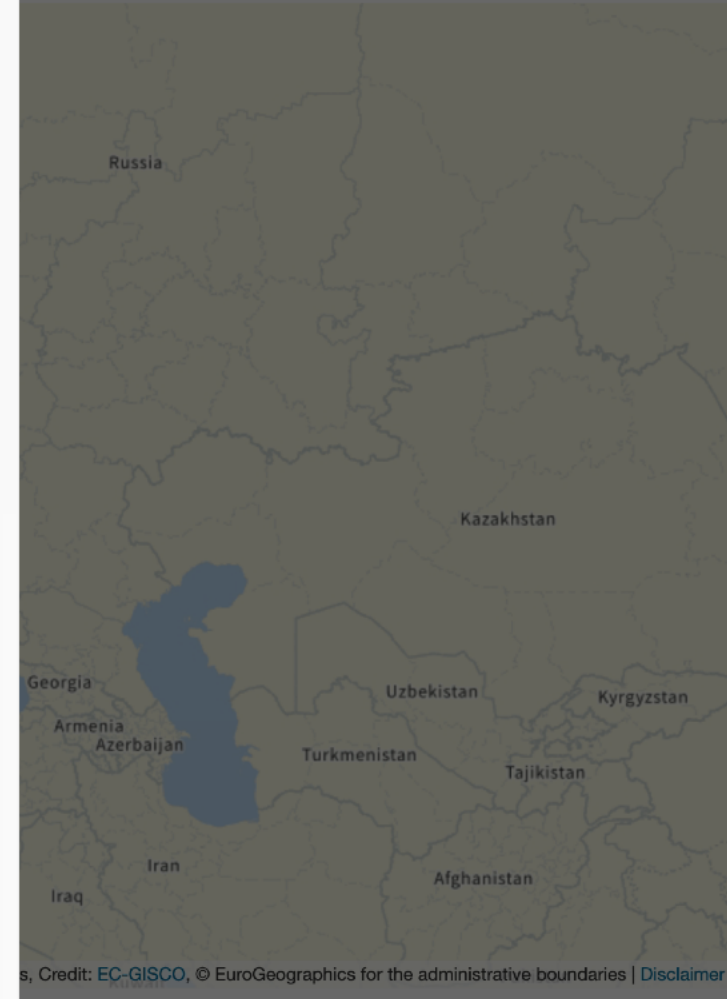
Implemented startup strategy/programme

www.innovatingeuvillage.eu



How well do local innovation actors connect with each other?

Startups and SMEs	Very good	Good	Good	Rather weak	Good	Very weak
Public authorities	Good	Rather weak	Fair	Fair	Fair	Good
Investors	Rather weak	Good	Rather weak	Fair	Rather weak	Good
Industry and corporates	Rather weak	Very weak	Very good	Rather weak	Very good	Rather weak
Universities and research institutions	Fair	Good	Fair	Good	Good	Very good



Accommodation

Food and beverage service activities



Existing programmes for innovation and entrepreneurship

Implemented startup strategy/programme

www.innovatingevillage.eu



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Industry and corporates	Rather weak	Very weak	Very good	Rather weak	Very good	Rather weak
Universities and research institutions	Fair	Good	Fair	Good	Good	Very good
Civil society	Fair	Fair	Very good	Good	Very good	Rather weak

Upcoming e

28

FEB

2023

Publications

Startup Village
conceptualisation



Access to funding

European Regional Development Fund (ERDF)

European Social Fund (ESF)

Cohesion Fund (CF)

European Agricultural Fund for Rural Development (EAFRD)

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