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## COMMISSION STAFF WORKING DOCUMENT

[...]

### *Accompanying the document*

**Communication from the Commission to the European Parliament, the Council, the  
European Economic and Social Committee and the Committee of the Regions**

**on the 9th Cohesion Report**

{COM(2024) 149 final}

# THE DEMOGRAPHIC TRANSITION

Population growth in the EU has been slowing for decades and the population is projected to decline in the coming years and decades. In 2021 and 2022, the EU recorded, for the first time, a reduction in population, although the COVID- 19 pandemic played a role in this and a (temporary) recovery is expected.

The slowdown in growth has been driven by a natural decline in population since 2012 and inward migration has not been sufficient to compensate for this. Already 40 % of people in the EU live in a region that lost population over the preceding decade and this is projected to increase. In rural regions the share is higher than in urban regions.

In the EU, a process of urbanisation and suburbanisation has been going on since at least 1960, resulting in an increasing concentration of the population in fewer cities and large towns, and a diminishing proportion in rural areas. This tendency is not expected to go into reverse, though the pace of urbanisation is likely to moderate, especially in countries with already high levels of urbanisation.

Because of increased life expectancy and the ageing of the baby- boom generation, the population aged 65 and over has increased in virtually all regions, while the number of working- age and young people has declined. These trends are projected to continue, posing policy challenges in terms of labour market shortages, fiscal sustainability, infrastructure provision, and access to essential and social services.

These challenges are most acute in remote, predominantly rural regions – i.e. those a long way from the nearest city – where depopulation, ageing and a shrinking workforce are most prevalent.

Some regions, in addition to the workforce shrinking, are affected by a small and stagnant share of the population with tertiary education, making it difficult to compensate for the loss of labour through higher labour productivity. These regions, which can be thought of as being in a ‘talent development trap’, are found in various parts of the EU, with some concentration in eastern Member States.

Such regions tend to have relatively low GDP per head and employment, to be rural in nature with a large agricultural sector, and to have poor access to services and the internet. Targeted policy responses, such as the Harnessing Talent Initiative and the Talent Booster Mechanism, are needed to increase their resilience and attractiveness.

## Chapter 6

# The demographic transition

### 1. Demographic change in EU regions

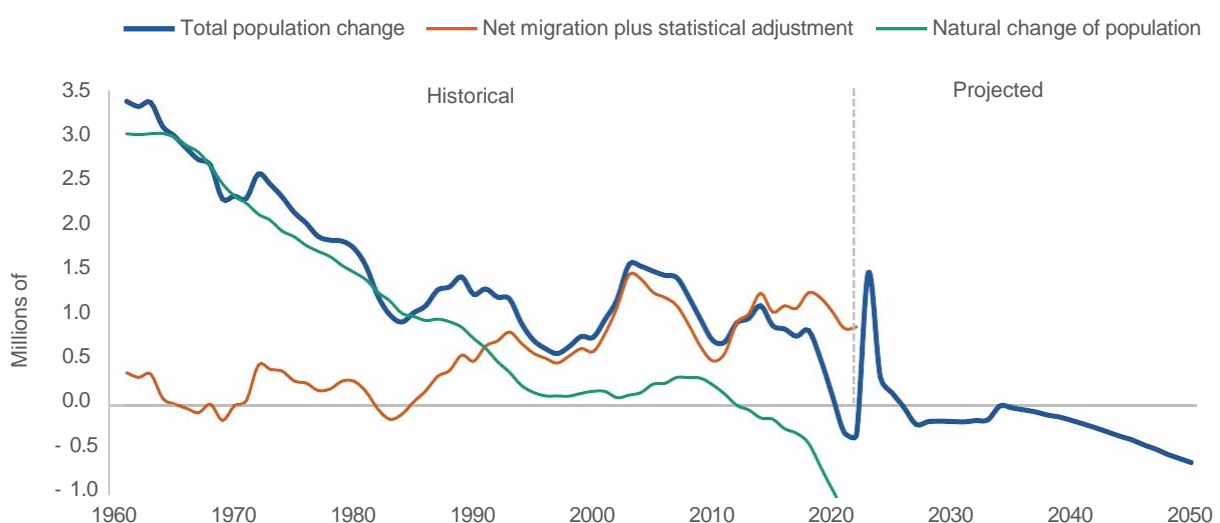
#### 1.1 After decades of growth, the EU population has started shrinking, due to natural decline

The total population in the 27 present EU Member States has been growing since at least 1960. Up until the early 1990s, there was natural population growth in the EU, with births exceeding deaths. On average, between 1960 and 1992, natural growth added 1.8 million people a year to the population. However, natural growth was steadily declining over this period (Figure 6.1). Net inward migration (immigration less emigration) was small, adding only about 200 000 people a year on average to the total, and in some years more people moved out of the EU than moved in.

Since 1992, net inward migration has contributed more than natural growth to the population. In the 1990s and 2000s, natural growth added only 250 000 people a year to the population as against 800 000 a year from inward migration. From 2012, there was a natural reduction in the population of almost 500 000 a year, but this was more than offset by net migration. During 2020 a sudden surge in the mortality rate, because of the COVID-19 pandemic, led for the first time to a reduction in population despite the positive contribution of migration.

Population projections<sup>1</sup> show that, following a rebound in 2023, the total population is expected to decline from 2026 on.

Figure 6.1 Change in total population, natural change and net migration in the EU, 1961–2022



Source: Eurostat [demo\_gind, proj\_23\_n].

<sup>1</sup> Eurostat's population projections (Eurostat[proj\_23\_n]) used here result from the application of a set of assumptions on future developments of fertility, mortality and migration to the official statistics provided by national statistical institutes. The projections should not be considered as forecasts but as 'what-if' scenarios that indicate how the population will change in future on these assumptions.

## 1.2 Drivers of population change vary between urban and rural regions

Since 2010, the EU population has increased on average by 1.5 per 1 000 each year (Table 6.1). This is much slower than in the 2000s, when the rate was 2.9 per 1 000. A natural reduction (of 0.7 per 1 000 a year) was offset by net inward migration (of 2.2 per 1 000 a year). Over this period, the highest growth was in the north- western EU<sup>2</sup> (4.2 per 1 000 a year) with both a natural increase in population and net inward migration<sup>3</sup> (Map 6.1). Population growth in the southern EU was lower because of a natural reduction in population, but still positive because of net inward migration, which was similar in scale to that in the north- western Member States. The population in the eastern EU declined (by 2.6 per 1 000 a year) because of a significant natural reduction and net outmigration.

At the EU level, as well as in all three broad areas, natural change and net migration followed the same pattern over the 2010–2021 period as regards relative developments in urban and rural regions<sup>4</sup>. They were highest on average in the former and lowest (often negative) in the latter (Table 6.2). This reflects the smaller share of women of child- bearing age in rural regions than in urban ones, meaning that, despite having a higher fertility rate, they have a lower birth rate. This, in combination with higher mortality rates

because of an older population, contributes to lower natural population growth and in many cases a decline.

The differences in the structure of the population led to substantial differences in demographic trends, with relatively high total population growth in urban regions in the north- western EU (6 per 1 000 a year) and significant decline in rural regions in the southern and eastern EU (of 4–5 per 1 000 a year). There is a natural reduction, on average, in all types of regions in the EU – urban, intermediate and rural except for urban regions in the north- western EU.

There was net inward migration, on average, into all three types of regions at EU level, but much more so for urban than rural regions (3.1 per 1 000 a year, as against 0.9). Net inward migration outweighed a natural reduction in population in north- western rural and intermediate regions, southern urban regions and eastern urban regions. Only in eastern rural regions was there, on average, net outward migration, so adding to the natural reduction and contributing to a significant outflow in regions in countries such as Latvia, Lithuania and Croatia. The averages, however, conceal the fact that there was also net outward migration in some regions in the southern EU (mainly in Spain, Portugal and southern Italy) and in the north- western EU (mainly in northern France and Finland).

Table 6.1 Natural population change, net migration and total population change, 2010–2021

	Total population change	Natural population change	Net migration
<i>Average annual change per 1 000 residents</i>			
EU-27	1.5	- 0.7	2.2
North- western	4.2	0.6	3.6
Southern	0.4	- 1.6	2.0
Eastern	- 2.6	- 2.2	- 0.4

Source: Eurostat [demo\_r\_gind], DG REGIO calculations.

2 See the glossary for definitions of north- western EU, eastern EU and southern EU.

3 Note that once the analysis focuses on different parts of the EU, migration figures also include movements between Member States and, in the case of regional population change, movements between regions. The data used do not enable the different flows to be distinguished. Hence, we use the term '(net) migration' to refer to the sum of these flows. This corresponds to the operating definition used by Eurostat, i.e. the part of population changes not attributable to births and deaths.

4 See Box 3.1 for a detailed explanation of the urban- rural typology based on population density. If data is available at a granular level, the analysis looks at rural or urban areas; otherwise, the level of analysis is higher and based on predominantly rural or urban regions. The urban- rural typology is particularly useful for studying population dynamics over time, as it is based on



Table 6.2 Natural population change, net migration and total population change by urban- rural regional typology, 2010–2021

	Total population change	Natural population change	Net migration
<i>Average annual change per 1 000 residents</i>			
EU-27			
Urban	3.9	0.8	3.1
Intermediate	0.9	- 1.3	2.3
Rural	- 1.6	- 2.5	0.9
North- western			
Urban	6.0	2.3	3.7
Intermediate	3.8	- 0.2	3.9
Rural	1.3	- 1.6	2.9
Southern			
Urban	2.1	- 0.5	2.6
Intermediate	- 0.5	- 2.2	1.7
Rural	- 4.7	- 5.2	0.4
Eastern			
Urban	1.5	- 0.9	2.4
Intermediate	- 2.5	- 2.5	- 0.1
Rural	- 4.1	- 2.5	- 1.6

Source: Eurostat [demo\_r\_gind], DG REGIO calculations.

In the case of rural and intermediate regions, their proximity to a city matters for demographic change (Table 6.3)<sup>5</sup>. In remote rural regions, the population shrank by 3.6 per 1 000 a year between 2010 and 2021, around 4 times more than in rural regions

close to a city, where the natural decline in population was partly offset by net inward migration. By contrast, there was very little net inward migration into remote rural regions, where the natural decline was greater.

Table 6.3 Natural population change, net migration and total population change by urban- rural regional typology including closeness to a city, 2010–2021

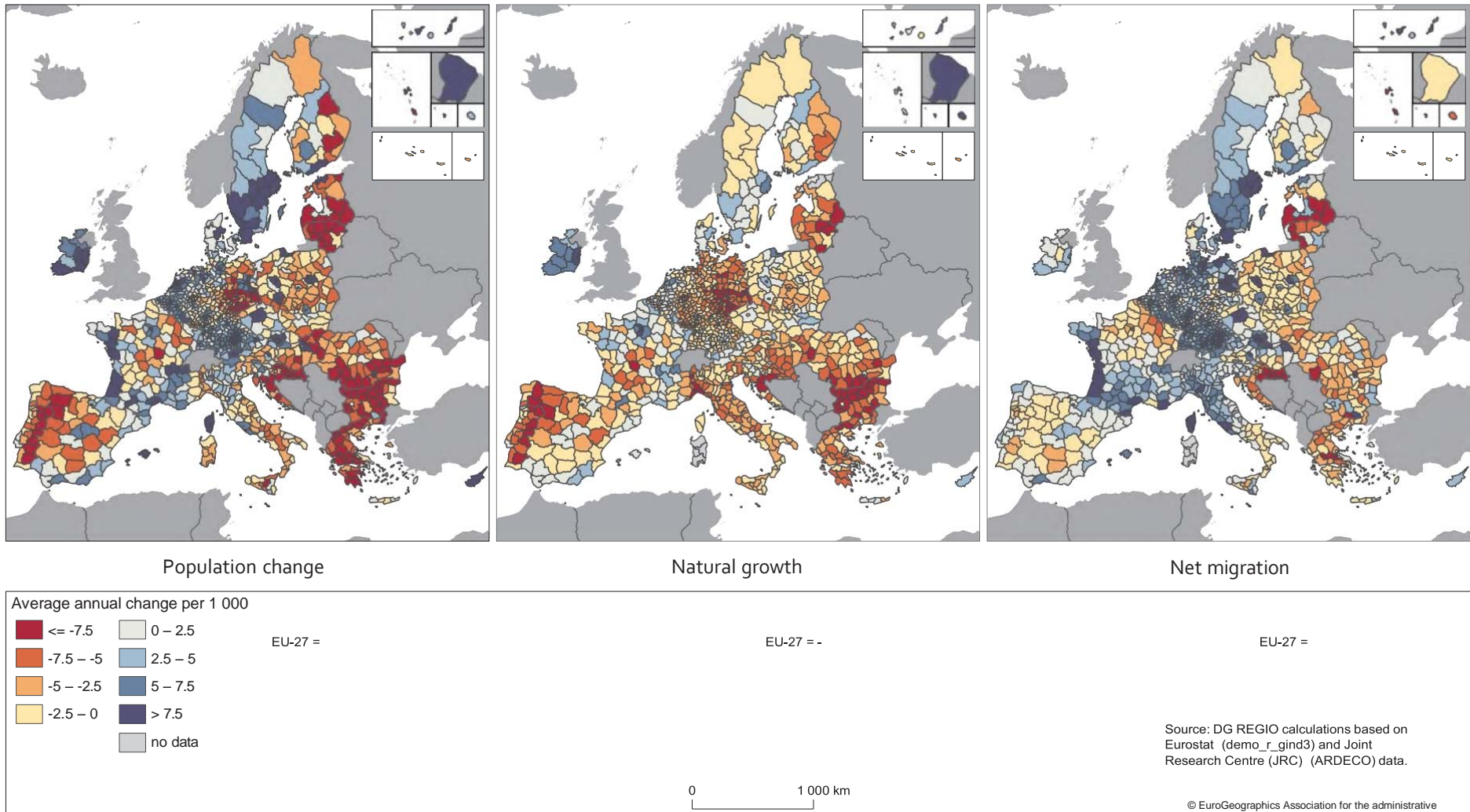
	Total population change	Natural population change	Net migration
<i>Average annual change per 1 000 residents</i>			
Urban	3.9	0.8	3.1
Intermediate	0.9	- 1.3	2.3
Close to city	1.2	- 1.3	2.4
Remote	- 2.6	- 2.1	- 1.5
Rural	- 1.6	- 2.5	0.9
Close to city	- 0.8	- 2.1	1.3
Remote	- 3.6	- 3.5	- 0.1

Source: Eurostat [demo\_r\_gind], DG REGIO calculations.

<sup>5</sup> The analysis here is based on a more detailed version of the urban- rural typology that further classifies intermediate and rural regions as either being 'close to a city' or remote. 'Close to a city' means that at least 50 % of the population is located inside areas within 45 minutes travel time to the centroid of a city of at least 50 000 inhabitants. 'Remote' means 50 % of the population is located outside such areas.



Map 6.1 Total population change, natural growth and net migration by NUTS 3, 2010–2021





### Box 6.1 Long-term urbanisation trends in Europe

Urbanisation is associated with innovation and economies of scale, leading to higher productivity and socio-economic development. Because of the density of urban areas, they can also offer environmental advantages such as reduced use of land, energy and raw materials. On the other hand, the increasing population density and diversity of urban areas pose challenges of pollution, housing cost, congestion, crime and lack of social cohesion, potentially affecting the well-being of residents.

The concentration of population in urban areas is not a recent phenomenon. The urbanisation process in Europe, as elsewhere, was fuelled by industrialisation from the late 18th century on, with a shift from agrarian-based to industrial-based economies and, more recently, to services. This led to the movement of people from rural to urban areas and to the construction of infrastructure there.

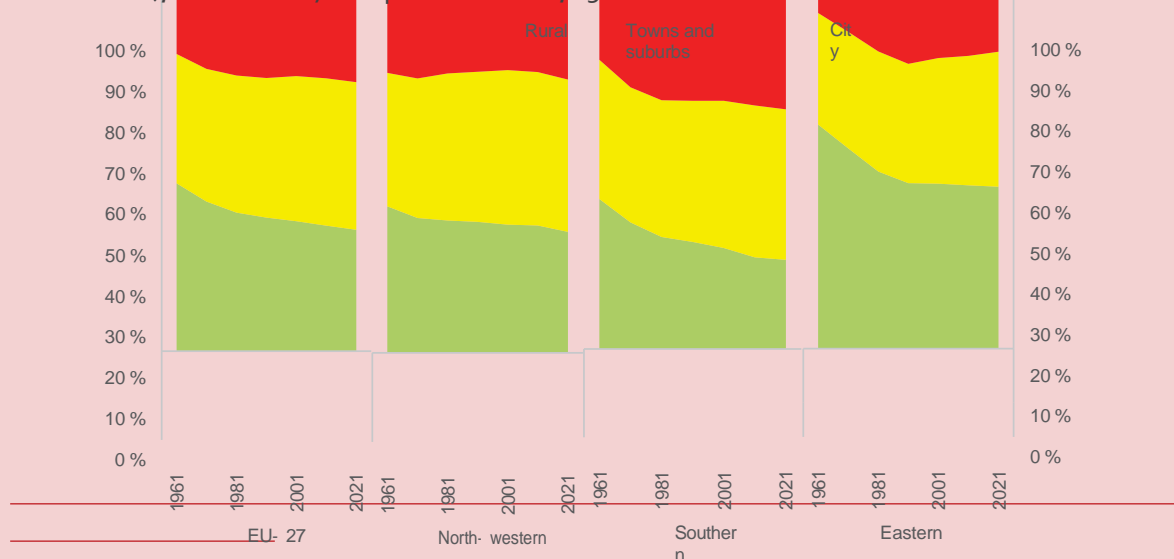
Between 1961 and 2021, the EU population increased from 359 to 456 million. This was accompanied by a steady process of urbanisation, with the population living in urban areas increasing from 59 % to 71 % of the total, and consequently the share in rural areas

falling to 29 % by 2021 (Figure 6.2)<sup>1</sup>. The increase in the urban population was split between cities (7 pp) and towns and suburbs (5 pp).

However, current levels of urbanisation and trends over the 1961–2021 period differ between broad areas of the EU. Contrary to the population growth in the north-western and southern areas, in the eastern EU the population has declined steadily since 1991, with even the share in cities declining from 31 % to 28 %. In 2021, the eastern Member States remained the least urbanised, with 61 % of the population living in urban areas (cities plus towns and suburbs) as against 71 % in the north-western and 78 % in the southern EU.

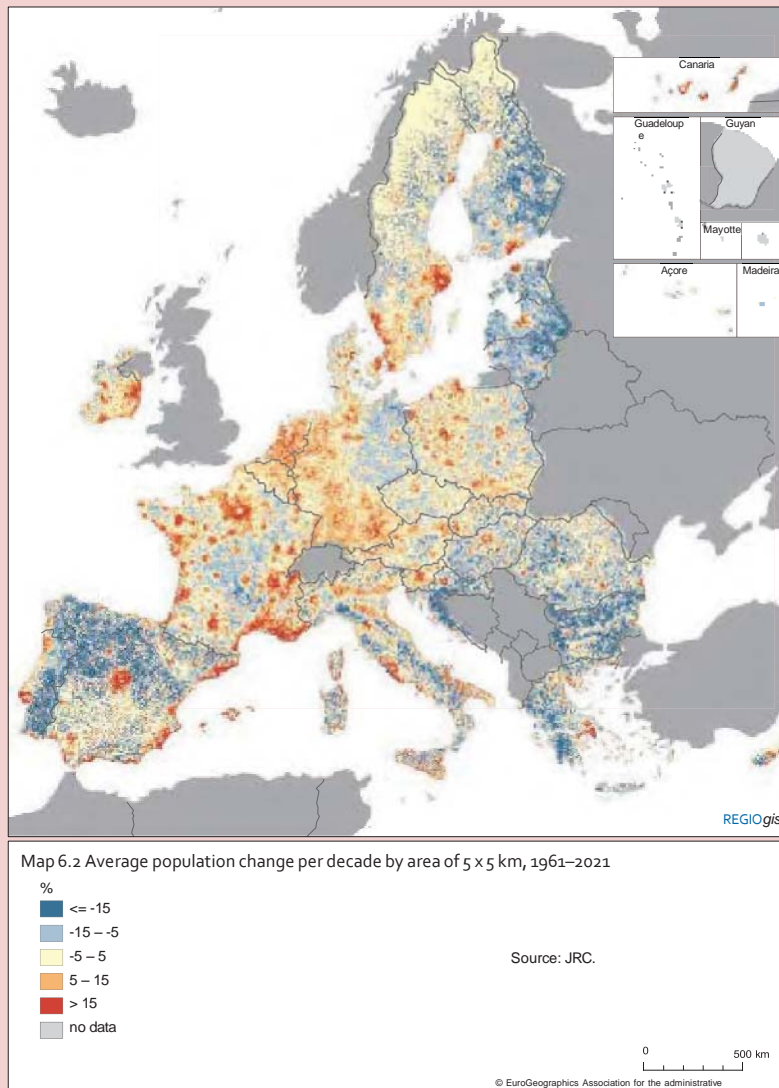
The decline in the rural population was particularly marked in the southern EU (from 36 % in 1961 to 22 %). The increase in the share of the population in cities was largest in the southern EU (12 pp), followed by the eastern EU (9 pp), while it barely increased at all in the north-western EU (1 pp). The population share in towns and suburbs increased most in the eastern (6 pp) and north-western EU (5 pp), while it increased much less in the southern EU (2 pp).

Figure 6.2 Share of population by degree of urbanisation (cities, towns and suburbs, and rural areas), in the EU-27 and per broad area, 1961 to 2021



Source: Batista e Silva and Dijkstra (2024) and DG REGIO calculations.

<sup>1</sup> The degree of urbanisation from 1961 to 2021 is calculated using the degree of urbanisation grid tool developed by the JRC (global human settlement layer tools: <https://ghsl.jrc.ec.europa.eu/tools.php>). This produces a grid-level classification of settlements based on population grids at 1 square kilometre (km<sup>2</sup>) resolution, and according to the degree of urbanisation definitions (see Box 3.2). As input, a consistent time-series of population grids at this level of resolution, constructed for this period by the JRC, was used, with 10-year intervals in line with the census years.



The change in population between 1961 and 2021 differs between countries and is affected by geography (Map 6.2). Population growth and decline both tend to cluster in particular areas. In addition, there is a marked urban-rural divide across the EU. The population increased substantially over the period in or around the main cities, as well as coastal areas, especially in the southern EU. Rural areas lost population overall, but especially in the southern and eastern EU, with large, mainly rural, parts of Portugal, Spain, Croatia, Bulgaria, Romania and the Baltic countries.

This illustrates an ever increasing concentration of the EU population in cities and large towns, and an ever diminishing population in rural areas. There is no expectation that this trend will go into reverse, though on average the speed of

In the case of intermediate regions, the effect of proximity to a city is even more pronounced. In those close to a city, the population increased by 1.2 per 1 000 a year over the period, whereas in remote regions, it shrank by 2.6 per 1 000. Much of this can be attributed to differences in net migration, which was positive in regions close to a city and negative in remote regions, so reinforcing a larger natural population reduction in the latter.

The net outward migration from remote regions (e.g. some outermost regions such as Guadeloupe or Açores) results in part from a lack of economic and employment opportunities there, which together with a lack of access to essential services, such as education and training, childcare and healthcare facilities, makes them less attractive places to live,

both for migrants and the resident population (see also Chapter 3). In some outermost regions, however, the problem is rather the reverse: a sizeable inwards migration pressure from outside the EU. Mayotte, Guyane and Canarias are among the 10 EU regions with the highest share of non-EU-born migrants; in Mayotte more than 50 % of the population was born outside of the EU.

In 2022, 42 % of people in the EU lived in a region that lost population between 2010 and 2021. This was the case for only 26 % in urban regions, but for 47 % in intermediate regions and for 62 % in rural ones (Figure 6.3). The share of people living in a shrinking region was particularly large (around 75 %) in remote intermediate and rural regions. Rapid population decline (by at least 7.5 per 1 000