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COMMISSION STAFF WORKING DOCUMENT

Cohesion in Europe towards 2050

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 8th Cohesion Report: Cohesion in Europe towards 2050

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CHAPTER 6 A EUROPE CLOSER TO ITS CITIZENS

- Since 2010, there has been a natural reduction in population as the number of deaths have increasingly outnumbered births. Net inward migration has meant that the total population of the EU has not yet started to shrink, but already one in three people live in a region that lost population over the past decade.
- Because of a declining number of women of a child-bearing age and a fertility rate that has been below replacement level for four decades, population projections show that the EU population will start to shrink in the coming decades. The share of population living in a shrinking region is projected to reach 50% by 2040.
- Life expectancy has been increasing and converging with the EU over the past decade, but gaps remain substantial. Life expectancy is particularly low in eastern rural regions, while in the north-western EU Member States, rural life expectancy is much the same or higher than in urban regions.
- Thanks to a high and increasing life expectancy and the ageing of the baby boom generation, the population of 65 and over is projected to grow in virtually all regions, while the number of people of working age, teenagers and children is projected to decline. Reductions are projected to be more than double the EU average in many southern and eastern regions.
- In the EU, people in rural areas are, on average, equally satisfied with life as those in cities. Whereas more city dwellers are satisfied with life than rural residents in eastern Member States, the reverse is the case in north-western ones.
- Household incomes are higher on average in cities than in rural areas in almost all Member States. In the north-western EU, however, more rural households are satisfied with their financial situation than households in cities. This may be due to the high and growing cost of housing in the latter compared to the former.
- Rural residents have to travel further than their urban counterparts to reach many public and private services. Although some local services are situated within walking or cycling distance, rural residents tend to have to rely on cars or buses to reach most services.
- Regional centres offer more services to people living in the surrounding area. These villages, towns and smaller cities that are the largest settlement within a 45 minute drive are more likely to have shops, primary and secondary schools, banks, doctors, pharmacies, hospitals and a university, meaning that they can function as an economic and social anchor-point for the wider region.
- Compared to city dwellers, rural residents are less likely to trust the EU, say that their voice counts in the EU or feel attached to the EU. This urban-rural divide can contribute to political polarisation. Rural residents are more likely to trust regional and local governments, highlighting the importance of involving the latter in regional and local development strategies.

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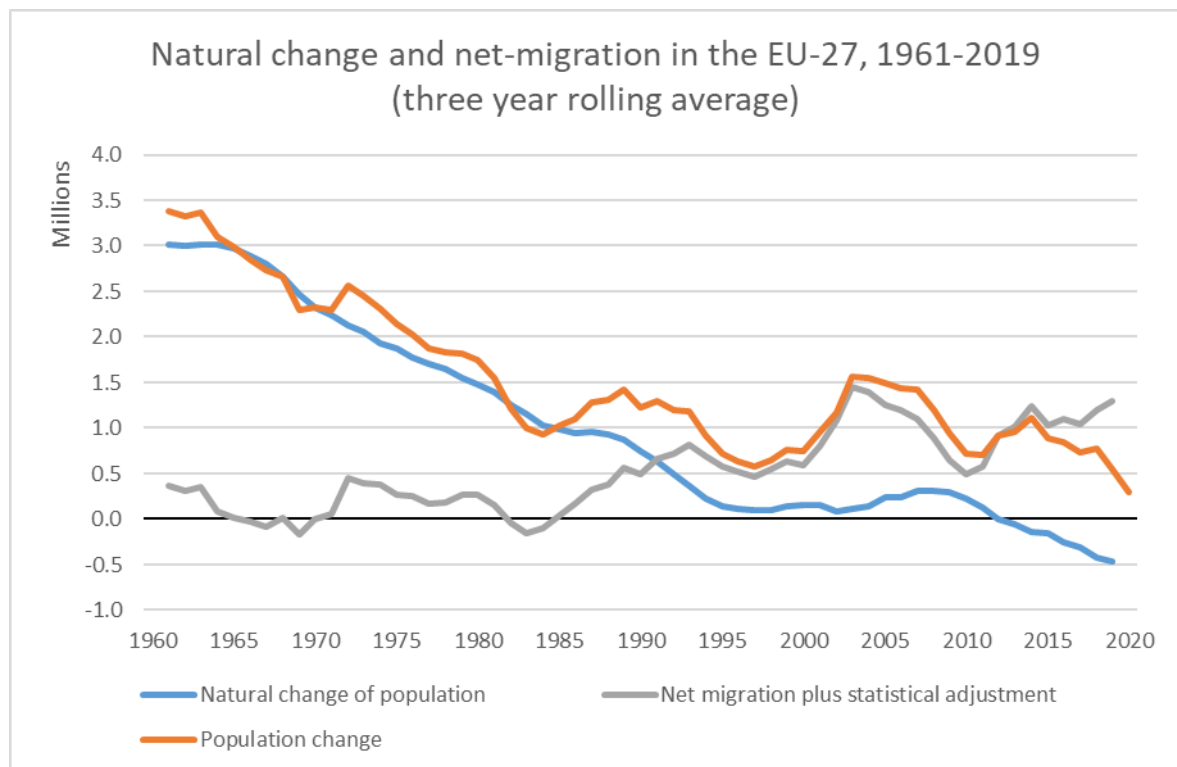
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6.1 Demographic change

Throughout the 1960s, 1970s and 1980s, natural population growth was the main source of population growth in the EU. Every year, more babies were born than people passed away. On average, natural growth added 2 million people a year to the EU population over this period. Natural growth, however, steadily declined over these three decades (Figure 6.1). Over this period, migration had a relative small impact, adding only 150,000 people a year to total population, and in some years, more people moved out of the EU than moved in.

Since 1992, migration has contributed more than the natural change to population growth in the EU. During the 1990s and 2000s, natural growth was low, adding only 250,000 people a year to population compared to 800,000 from migration. In the 2010s, natural growth became negative, leading to a natural reduction in population of 150,000 a year, while migration added one million a year.

Figure 6.1 Total change in population, natural change and net migration in the EU, 1961-2019



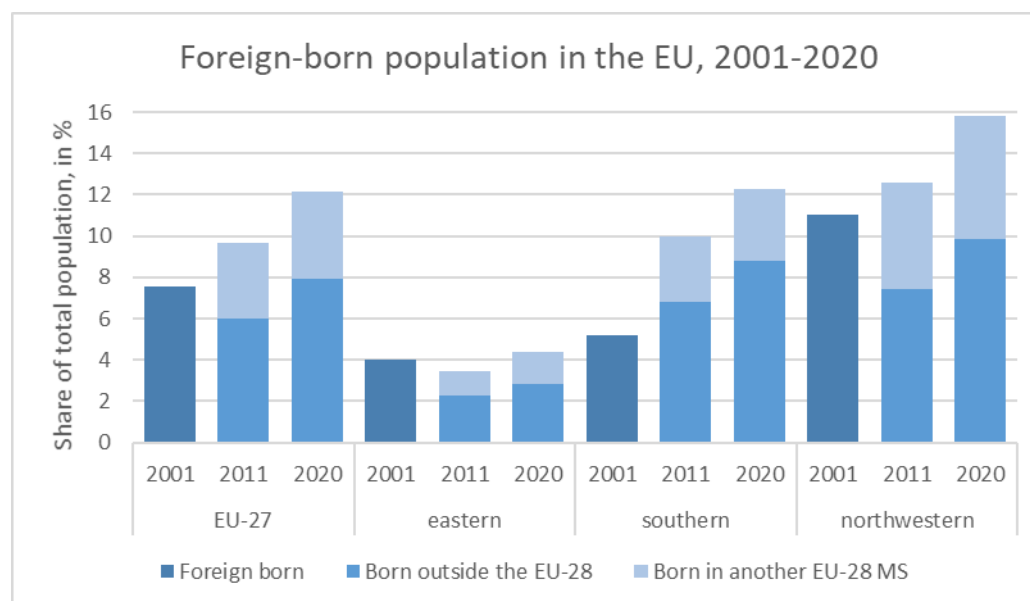
Source: Eurostat [demo_gind]

The higher levels of net inward migration since 2000 have led to an increase in the population born outside the EU. In 2020, the share of population born outside the EU reached 8%, up from 6% in 2011. The total foreign-born population, including those born in other EU Member States, reached 12% in 2020, compared to 10% in 2011 and 8% in 2001.

The increase in foreign-born population was mainly concentrated in the southern and north-western Member States, where it increased from 5% of the total to 12% and from 11% to 16%, respectively (Figure 6.2). This puts north-western EU slightly ahead of the

USA, which had a foreign-born population share of 14% in 2019¹. In the eastern EU, the share of foreign-born is much smaller (4% compared to 12% in the EU). It has also not changed much over the past two decades.

Figure 6.2 Foreign-born population in the EU, 2001-2020



Source: Eurostat tables: 2001: cens_01nscbirth, 2011: cens_11cob_n, 2020: migr_pop3ctb.

6.1.1 During the 2010s deaths outnumbered births

During the 2010s, the EU population grew by 1.9 per 1000 inhabitants a year (Table 6.1). This was considerably slower than in the 2000s, when the rate was 2.9 per 1000. In the 2010s, the natural change was negative (-0.3 per 1000), but this was offset by net inward migration (of 2.2 per 1000). Over this period, the highest population growth rate was in the north-western EU (4 per 1000 inhabitants a year) through a combination of a positive natural change and net inward migration. Population growth in southern EU was lower, as a result of a larger natural reduction and a similar net-migration rate. The population in eastern EU declined (by 2 per 1000) because of net outward migration and a significant natural reduction (Table 6.1).

¹ Movement within the EU is considerably easier than moving to the USA from abroad, but harder than moving within the USA. As a result, neither the share of foreign-born nor the share of those born outside the EU is the exact equivalent to the foreign born in the USA. The share of non-EU born in north-western EU is 10% which is lower than the share of foreign-born in the USA.

Table 6.1 Natural population change, net migration and total population change, during the years 2010-2019

| Average annual change per 1000 residents | Natural population change | Net migration | Total population change |
|--|---------------------------|---------------|-------------------------|
| EU | -0.3 | 2.2 | 1.9 |
| North-Western | 0.8 | 3.6 | 4.4 |
| Southern | -1.1 | 2.1 | 1.0 |
| Eastern | -1.6 | -0.4 | -2.1 |

Source: DG REGIO calculations based on Eurostat [demo_r_gind].

In all three geographic regions, the natural change and net-migration follow the same pattern: highest in urban regions and lowest (and often negative) in rural ones (Table 6.2). This leads to substantial differences in demographic trends, with relatively high population growth in urban regions in the north-western EU (7 per 1000 residents) and significant decline in rural regions in the eastern and southern EU (4 per 1000 residents). The natural change is negative or close to zero in urban, intermediate and rural regions in three geographic regions of the EU, with only one exception: north-western urban regions. This underlines the importance of migration for total population change. Net migration is positive for all three types of region at the EU level, but much more so for urban than rural regions (3.3 per 1000 as against 0.4). Net inward migration offset a negative natural change in north-western rural regions, southern intermediate regions and eastern urban regions. Only eastern intermediate and rural regions had net outward migration, which further added to the natural reduction in population.

Examining the changes by metro region shows that the fastest total population growth occurred in the capital metro regions, while in the non-metro regions, it grew more slowly or declined. In the north-western EU, all three types of region experienced population growth. In the southern EU, only the metro regions grew, while in the eastern EU only the capital metro regions grew. The high population growth rates in the capital metro regions is likely to lead to pressure on the housing market and more demand for public and private services.

Table 6.2 Natural population change, net migration and total population change by urban-rural regional typology and by type of metro region, during the years 2010-2019

| Average annual change per 1000 residents | Natural population change | Net migration | Total population change | | Average annual change per 1000 residents | Natural population change | Net migration | Total population change |
|--|---------------------------|---------------|-------------------------|--|--|---------------------------|---------------|-------------------------|
| North-Western | | | | | North-Western | | | |
| Urban | 2.5 | 4.1 | 6.6 | | capital metro | 5.1 | 3.3 | 8.4 |
| Intermediate | 0.1 | 3.8 | 3.9 | | other metro | 0.5 | 4.5 | 5.0 |
| Rural | -1.3 | 2.5 | 1.2 | | non-metro | -0.8 | 2.7 | 1.8 |
| Southern | | | | | Southern | | | |
| Urban | 0.0 | 2.5 | 2.6 | | capital metro | 1.0 | 2.7 | 3.7 |
| Intermediate | -1.7 | 1.9 | 0.2 | | other metro | -0.5 | 2.5 | 2.0 |
| Rural | -4.7 | 1.0 | -3.7 | | non-metro | -2.5 | 1.5 | -1.0 |
| Eastern | | | | | Eastern | | | |
| Urban | -0.5 | 2.7 | 2.2 | | capital metro | -0.3 | 4.7 | 4.5 |
| Intermediate | -1.9 | -0.4 | -2.3 | | other metro | -1.0 | 0.2 | -0.7 |
| Rural | -1.9 | -2.3 | -4.2 | | non-metro | -2.4 | -2.3 | -4.7 |
| EU | | | | | EU | | | |
| Urban | 1.2 | 3.3 | 4.5 | | capital metro | 2.7 | 3.5 | 6.2 |
| Intermediate | -0.9 | 2.1 | 1.2 | | other metro | 0.0 | 3.2 | 3.2 |
| Rural | -2.0 | 0.4 | -1.6 | | non-metro | -1.8 | 0.8 | -1.0 |

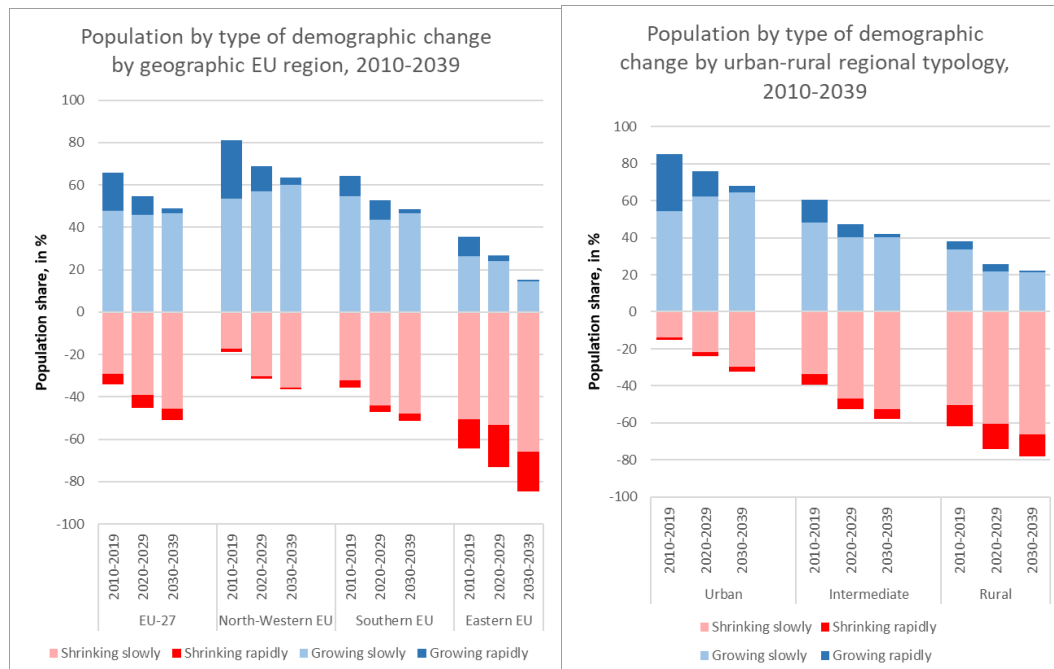
6.1.2 More and more regions will need to adjust to a shrinking population

The population reductions in the eastern EU mean that two out of three people there lived in a region that lost population over the past decade. This was the case for only one out of five people in the north-western EU and one out of three in the southern EU (3). Projections indicate that the share of people in the EU living in a shrinking region will increase from 34% in 2020 to 45% in 2030 and 51% in 2040. This will affect all three geographic regions, with the share of population living in a shrinking region increasing by around 18 pp between 2020 and 2040, with urban, intermediate and rural regions being affected equally.

Taking account of the speed of change, the people living in rapidly growing regions is likely to shrink over time (from 18% of the EU total in 2020 to 2% in 2040), while the share living in rapidly declining (or depopulating) regions is likely to remain stable (at about 5%). Rapid reduction primarily affects people living in eastern regions (14% in 2020 and 30% in 2030). Southern regions have a smaller share of people living in a rapidly shrinking region (4% and projected to remain stable), while in the north-western EU, rapidly shrinking regions are almost entirely absent.

Rapid reductions in population are more likely to occur in rural regions than in urban ones (11% as against 1%) and this gap is likely to remain in the future (14% as against 3% in 2030).

Figure 6.3 Population by type of demographic change by geographic EU region and by urban-rural typology, during the years 2010-2039

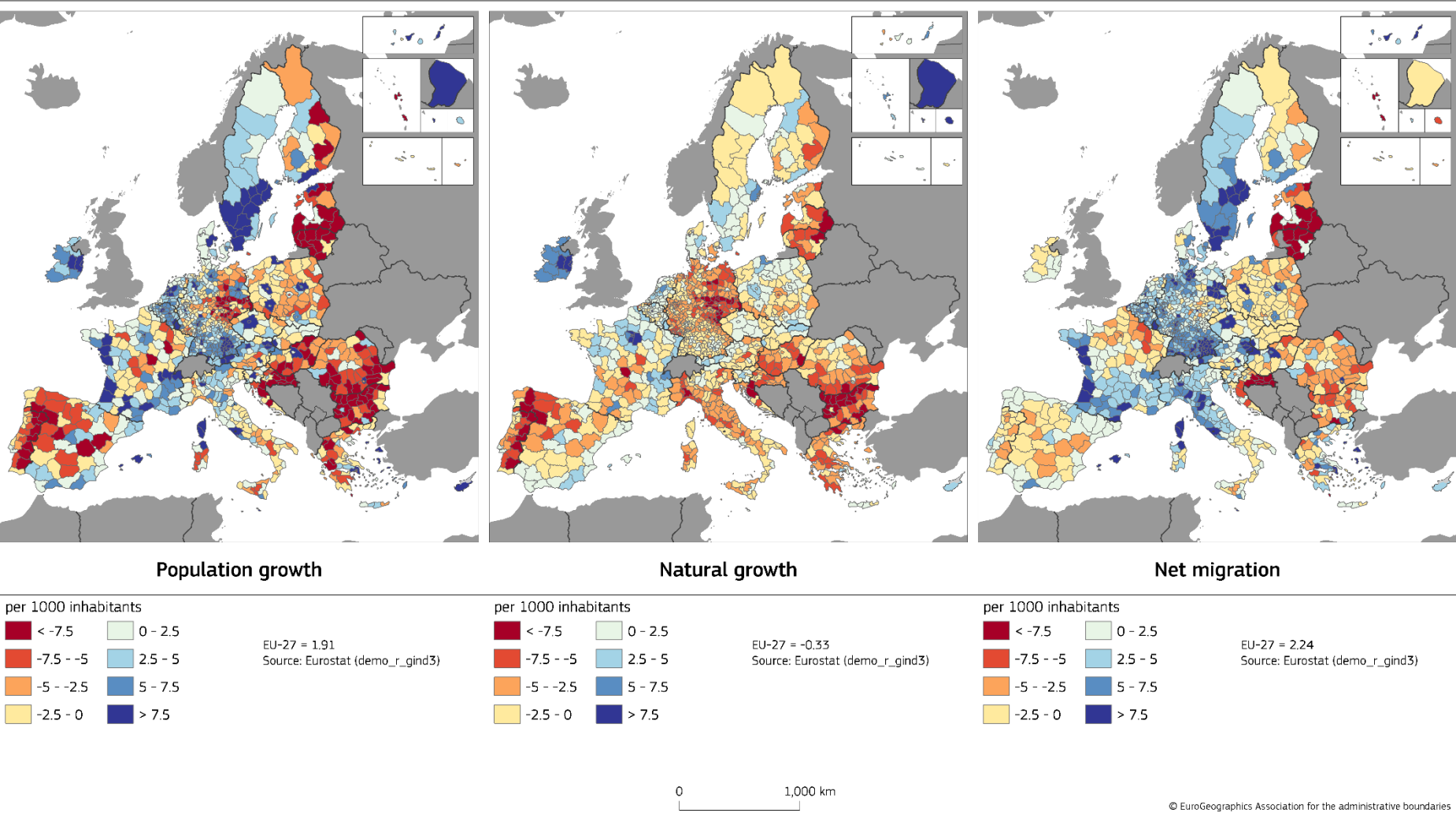


Source: Eurostat [demo_r_pjangrp3] for the years 2010-2019 and [proj_19rp3] for the years 2020-2029 and 2030-2039. Share of population refers to the population at the end of the period, i.e. 1/1/2020, 1/1/2030 and 1/1/2040 respectively. For some regions, a slightly shorter time period was used.

Note: Rapid growth is defined as at least 7.5 per 1000 inhabitants a year. Rapid shrinking is -7.5 per 1000 inhabitants a year.

Map 6.1 Total population growth, natural growth and net migration, during the years 2010-2019

Total population growth, natural growth and net migration, during the years 2010-2019



6.1.3 Life expectancy is high and converging

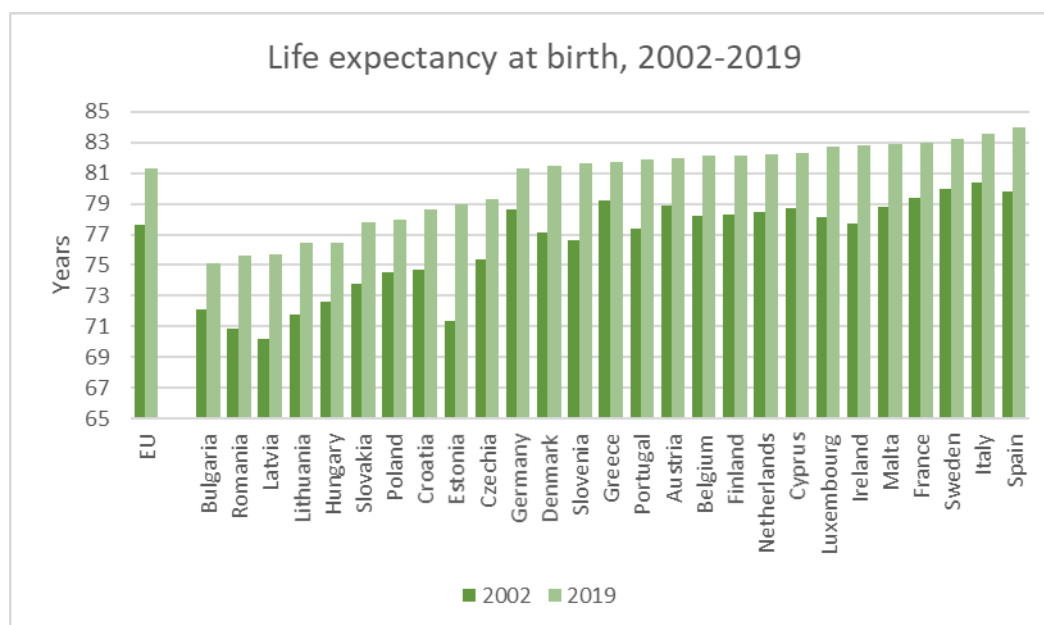
Natural population change is calculated by subtracting deaths from births. The number of births depends on the fertility rate and the age structure of the population. A higher fertility rate means more births, as does a larger share of women of child-bearing age. The number of deaths depends on both life expectancy and the age structure. A higher life expectancy means fewer deaths as does having a lower proportion of older people. Whereas fertility rates and life expectancy are widely known, the impact of the age structure is less prominently reported. This, however, is substantial and difficult to change. It is called 'population momentum' to underline this point.

The EU has three key demographic characteristics: 1) a high life expectancy, 2) a stable and relatively low total fertility rate and, as a consequence, 3) an old and ageing population.

The EU has one of the highest life expectancies at birth in the world, 81.3 years in 2019 (Figure 6.4). Outside Europe, only eight countries have a higher life expectancy (source UN WPP 2019²). People living in Spain and Italy have the highest expectancy in the EU (84.0 and 83.6 years at birth, respectively), while the lowest is in Romania and Bulgaria (75.6 and 75.1, respectively).

Life expectancy at birth has increased in all Member States between 2002 and 2019³. At the EU level, it increased from 77.6 in 2002 to 81.3 in 2019. Over this period, life expectancy also converged at the national and regional level because the increase in life expectancy was faster in the countries and regions with a lower life expectancy.

Figure 6.4 Life expectancy at birth, 2002-2019



Source: Eurostat table [demo_mlexpec]

Life expectancy at birth is below 76 in many parts of Bulgaria and Romania and the eastern regions of Hungary, as well as in Latvia (Map 6.2). In a number of regions,

² United Nations World Population Prospects, 2019. <https://population.un.org/wpp/>

³ It dropped in 2020 due to the COVID pandemic. See specific COVID section for more detailed analysis.

mainly located in France, Italy and Spain but also in southern Sweden, life expectancy is over 83. Infant mortality has a major impact on life expectancy. In the EU, infant mortality is generally low. In 2019, an average of 3.4 children per 1000 born alive died before reaching one year of age. Infant mortality, however, was above 6 per 1000 in 18 NUTS-2 regions, mainly in Romania Bulgaria, all the French overseas regions, and the two Spanish regions in North Africa of Ceuta and Melilla (Map 6.3).

On average, life expectancy is four years lower in less developed regions (78.3) than in more developed ones (82.7). The gap, however, has been shrinking with larger increases in less developed regions than in more developed ones (Table 6.3)

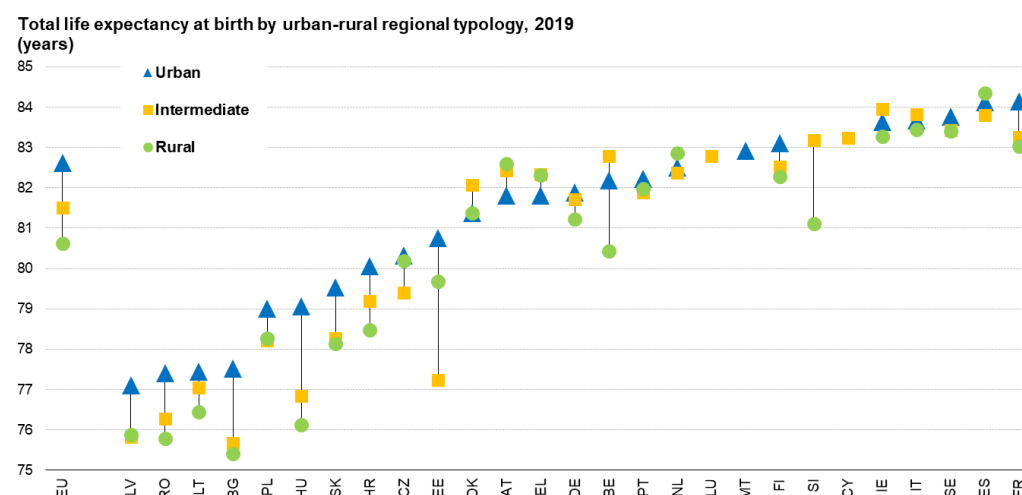
Table 6.3 Life expectancy at birth by type of region, 2009-2019

| | 2009 | 2019 | 2009-2019 |
|----------------|------|------|-----------|
| Less Developed | 76.4 | 78.3 | 1.9 |
| Transition | 80.3 | 82.0 | 1.7 |
| More Developed | 81.1 | 82.7 | 1.6 |
| | | | |
| EU27 | 79.7 | 81.4 | 1.7 |

Source: REGIO calculations based on Eurostat [demo_r_mlifexp]

Average life expectancy is two years higher in urban regions than in rural ones⁴. This difference is primarily due to the countries with a relatively low life expectancy, where the gap between urban and rural regions tends to be wider. In a number of countries with a high life expectancy, expectancy is, in fact, higher in rural regions than in urban ones. This is the case in Spain, Austria, Greece and Netherlands.

Figure 6.5 Total life expectancy at birth by urban-rural regional typology, 2019

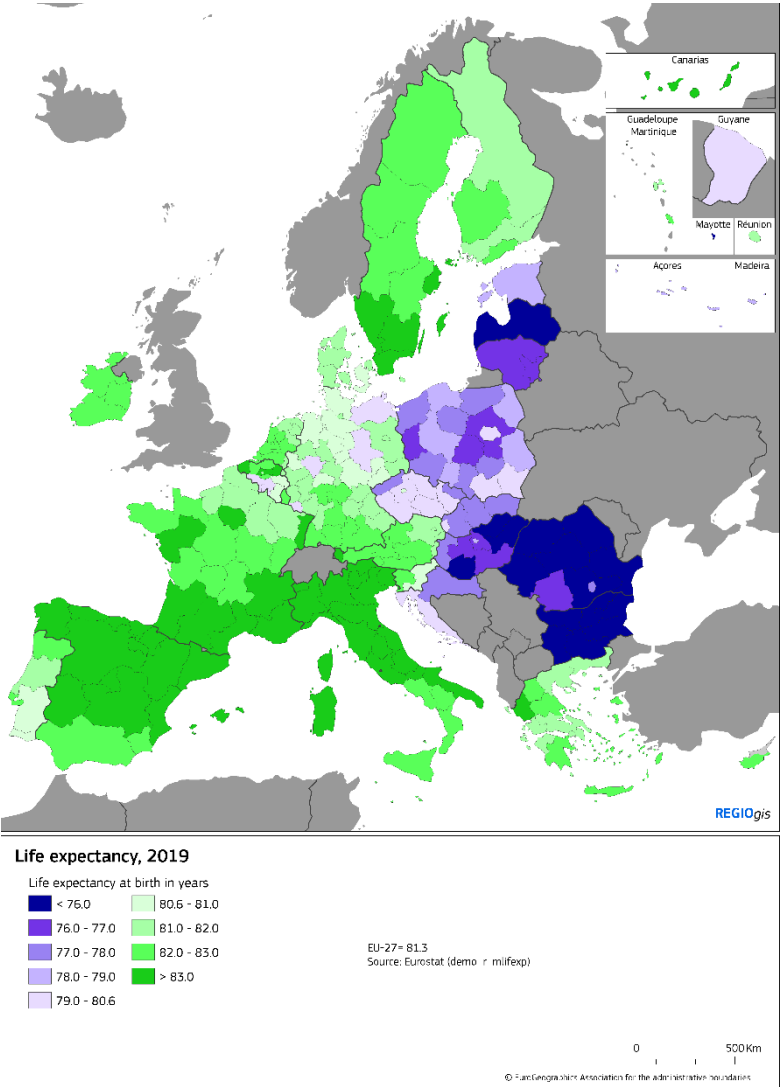


Source: REGIO calculations based on Eurostat [proj_19ralexp3]

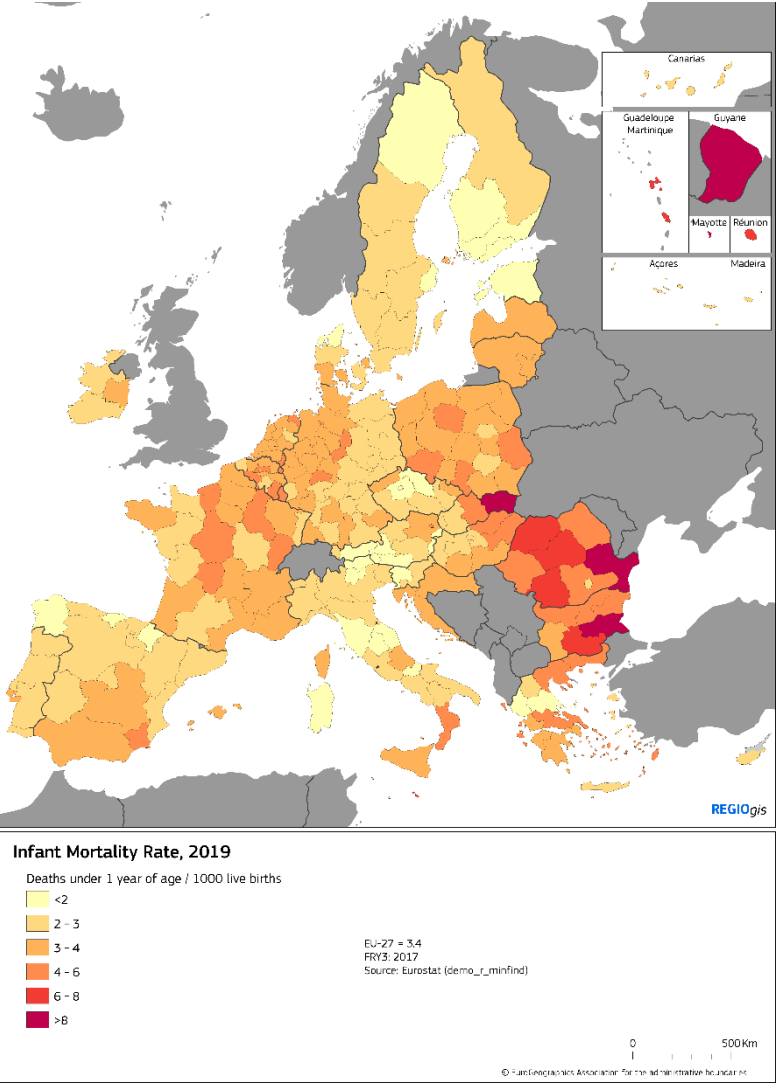
Note: Countries ranked by life expectancy in urban regions (or intermediate region in Member States which do not have an urban region)

⁴ This new set of life expectancy at birth figures for NUTS-3 regions differs slightly from the national and NUTS-2 figures and should not be compared with the latter. For more information see: https://ec.europa.eu/eurostat/cache/metadata/Annexes/proj_esms_an24.pdf

Map 6.2 Life expectancy at birth, 2019



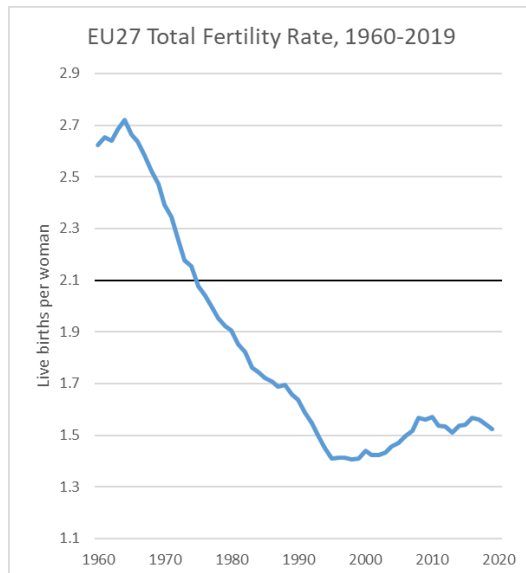
Map 6.3: Infant mortality, 2019



6.1.4 Fertility is low and stable

In the EU, a total fertility rate of 2.1 is needed, in the absence of migration, to have a stable population. The last time the overall fertility rate in the EU was this high was in 1975. Since 1990, the rate has hovered around 1.5 (Figure 6.6). As a result, the natural population change became negative in the EU in 2010. Without net inward migration, the natural change would have become negative even earlier.

Figure 6.6 EU Total Fertility rate, 1960-2019



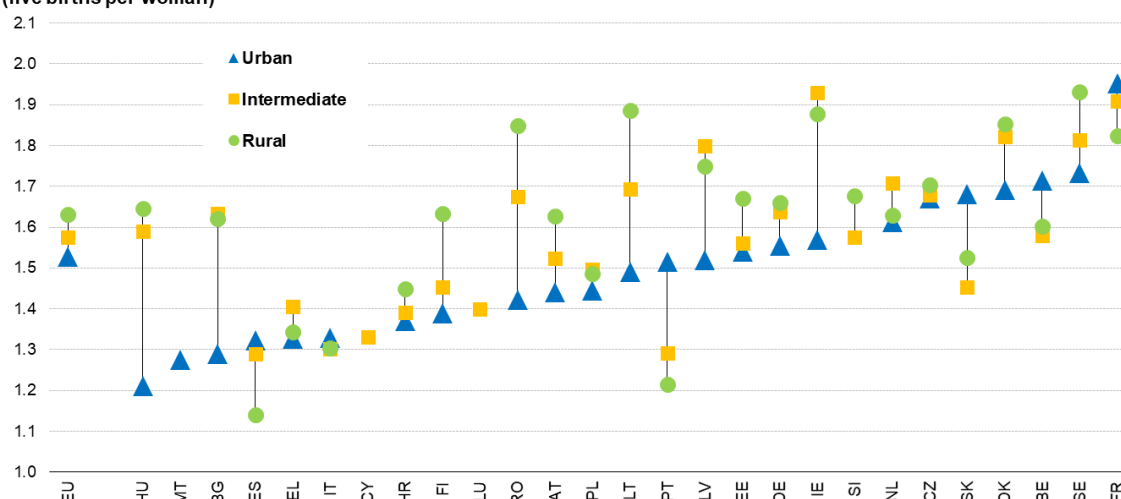
Source: REGIO calculations based on Eurostat [demo_find] and the Human Fertility Database

Fertility rates differ between and within Member States. At the EU level, fertility rates are slightly higher in rural regions than in urban ones (1.6 vs 1.5). Because the share of women of childbearing ages in rural regions is smaller than in urban regions, rural regions have a lower birth rate despite having a higher fertility rate.

The gap between urban and rural regions is widest in Bulgaria, Hungary, Lithuania and Romania. In only four Member States is the urban fertility rate higher than the rural (Belgium, Portugal, Slovakia and Spain).

Figure 6.7 Fertility rate by urban-rural regional typology, 2019

Fertility rate by urban-rural regional typology, 2019
(live births per woman)



Source: Eurostat [demo_r_find3]

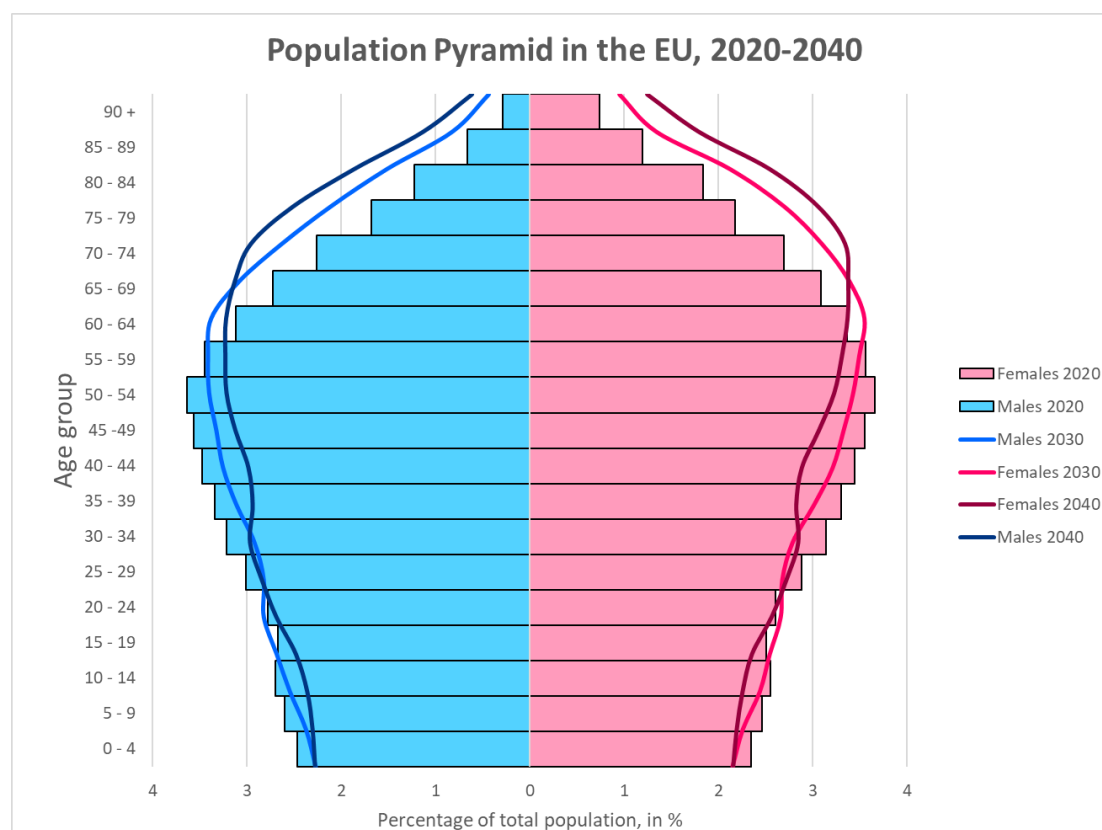
6.1.5 An ageing baby boom

When the first population pyramid was published in 1874, high birth and death rates meant that it actually resembled a pyramid: wide at the bottom and narrow at the top. The growth of life expectancy and low fertility rates in the EU have led to a radically different age structure. Today, the EU's population 'pyramid' looks more like a light bulb, narrower at the bottom and wider in the middle before becoming narrow again at the top (Figure 6.8). The wide middle is due to a larger number of births in the past, often referred to as a baby boom.

The EU population aged 0 to 29 is 44 million (or 24%) smaller than the population aged 30 to 59. This generation gap is the equivalent of 10% of the EU's total population and is significantly larger than the current number of people born outside the EU (44 million as against 36 million⁵). Although future migration is likely to fill some of this gap, it is unlikely to fill the whole gap. As a result, the EU population will start to shrink in the coming years and decades. For example, Eurostat's latest population projections comprise one baseline scenario and five sensitivity tests and all of them show a declining EU population. The baseline scenario indicates that the population of 65 and over will grow rapidly by 18% by 2030 (Figure 6.8), while the population younger than this will decline by 5%.

⁵ Population born outside the EU-28 living in the EU27 in 2020.

Figure 6.8 Population pyramid in the EU, 2020-2040



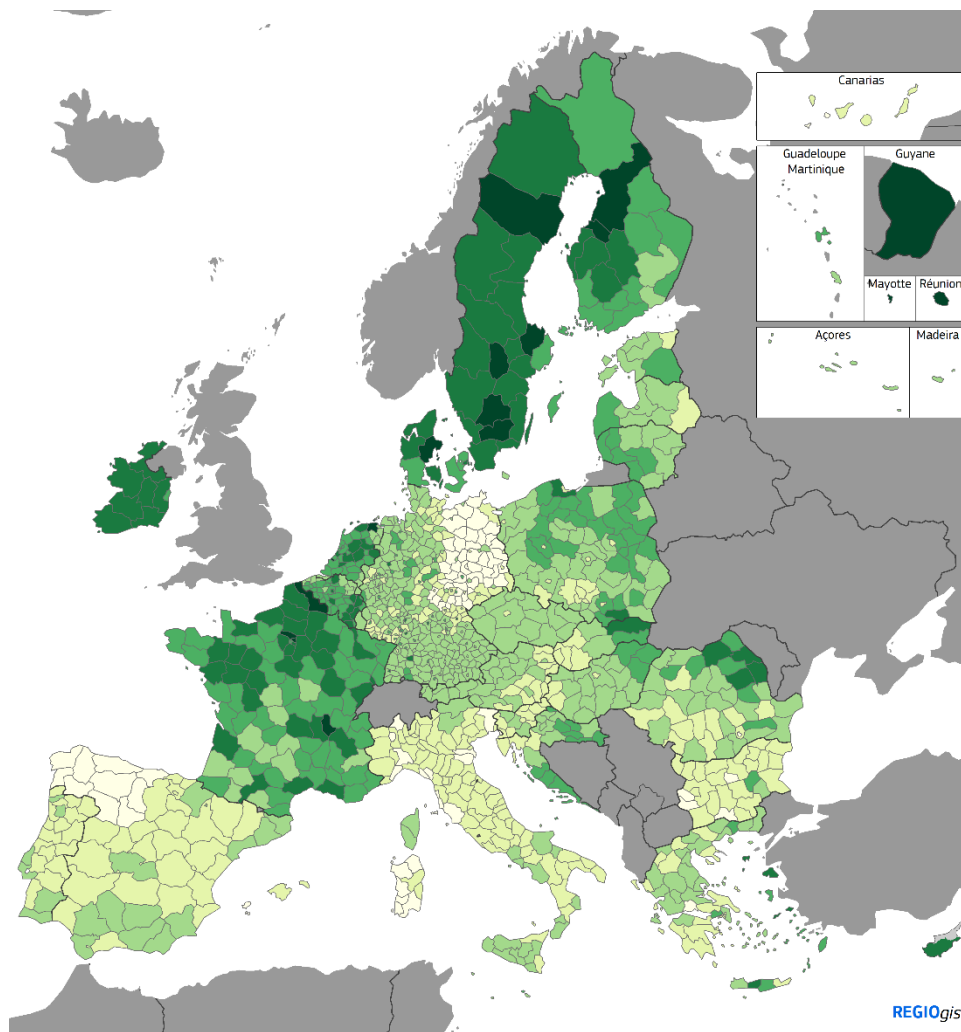
Source: Eurostat [proj_19np]

The age structure also has an impact on the birth rate. As the younger generation gets older, the number of women of child-bearing age will diminish leading to fewer births. If the older generation is substantially larger than the younger generation, as in the case of the EU, the number of women of child-bearing age will decline as time goes on. The population aged 0-29 is smaller than that aged 30-59 in virtually all EU regions (Map 6.4). In regions in northern Spain and eastern Germany, the population aged 0-29 is at least 40% smaller than those aged 30-59. This suggests that the natural change in population will become increasingly negative in these regions and the share of population 65 and older will grow rapidly as compared with other EU regions.

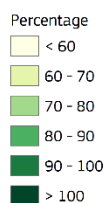
Several of the Irish, French (including all the French outermost regions) and Nordic regions have a population aged 0-29 that is less than 10% smaller than those aged 30-59, which means they are likely to experience a slower reduction in population than in the regions with larger generation gaps.

Individual EU regions differ in one fundamental way from the EU as a whole. The age structure of the overall EU population can only be changed by migration from and to the rest of the world, while the age structure of an EU region is also affected by movements from and to other regions within the EU. The likelihood of these movements and their direction depend on people's age. People aged 20-39 are more likely to move to an urban region and to leave a rural region. People aged 40-64 and 65 and over tend to leave urban regions and move to intermediate or rural regions. This means that urban regions may grow by less than the present age structure suggests because older people move out and rural regions will shrink by less as older people move in.

Map 6.4 Ratio of population aged 0-29 to population aged 30-59, 2020



Ratio of population aged 0-29 over population aged 30-59, 2020



Source: Eurostat (proj_19rp3)

0 500 Km

© EuroGeographics Association for the administrative boundaries

6.1.6 Older population is likely to grow, younger age groups to shrink

As EU population growth continues to slow down and starts shrinking as projected, some age groups will continue to grow. For example, virtually all EU regions will experience an increase of the population aged 65 and over. Only in a few regions in Bulgaria, Greece, Portugal and Romania is this age group projected to decline. In contrast, in many regions in Austria, Ireland, the Netherlands, Poland, Spain and Slovakia this age group is projected to grow by more than 25% over the next decade. This is likely to lead to an increase in the demand for healthcare in these regions, which

will have to adapt their infrastructure and services to make them more accessible to people with limited mobility and increase the capacity of healthcare services.

Working age population (defined as those aged 20-64) is projected to shrink by 4% over the next decade. This is likely to affect most regions with some facing reductions of over 10%. This could lead to labour market shortages. It may force companies to choose between investing more in labour-saving and labour augmenting technologies or foregoing potential growth.

The age group 0-19 is projected to experience a slightly bigger reduction in the EU (of 5%), with many southern and eastern regions facing reductions of over 10%. By contrast, the number of young people is projected to grow in Cyprus, Malta and several regions in Germany and Sweden. Large reductions in the number of young people are likely to lead to a reduction of the number of schools, which may lead to longer distances to the closest school especially in rural areas where distances are already relatively long.

A recent OECD report highlighted that demographic change can widen territorial disparities in access to services. Population decline directly affects the provision of public services by shrinking the pool of potential users, which may force some facilities to close and increase the distance to services for the remaining users. School networks in many EU Member States face constant pressure to adapt to a declining number of pupils in rural areas. Smaller classes and fewer pupils per teacher in rural schools translate into higher costs: the report estimates that the difference in cost per student between cities and sparsely-populated rural areas in Europe is about EUR 650 and EUR 681 per primary and secondary school child.

To remain efficient and equitable, school networks have to find scale economies wherever they can, while ensuring access to high quality education for all children. School consolidation, school clusters and networks can improve education quality while saving resources. The report estimates that children in sparsely-populated rural areas have to travel on average four to five times the distance that those in cities have to. This implies that some schools may continue to operate under capacity to ensure adequate access, especially for children who cannot travel far independently.

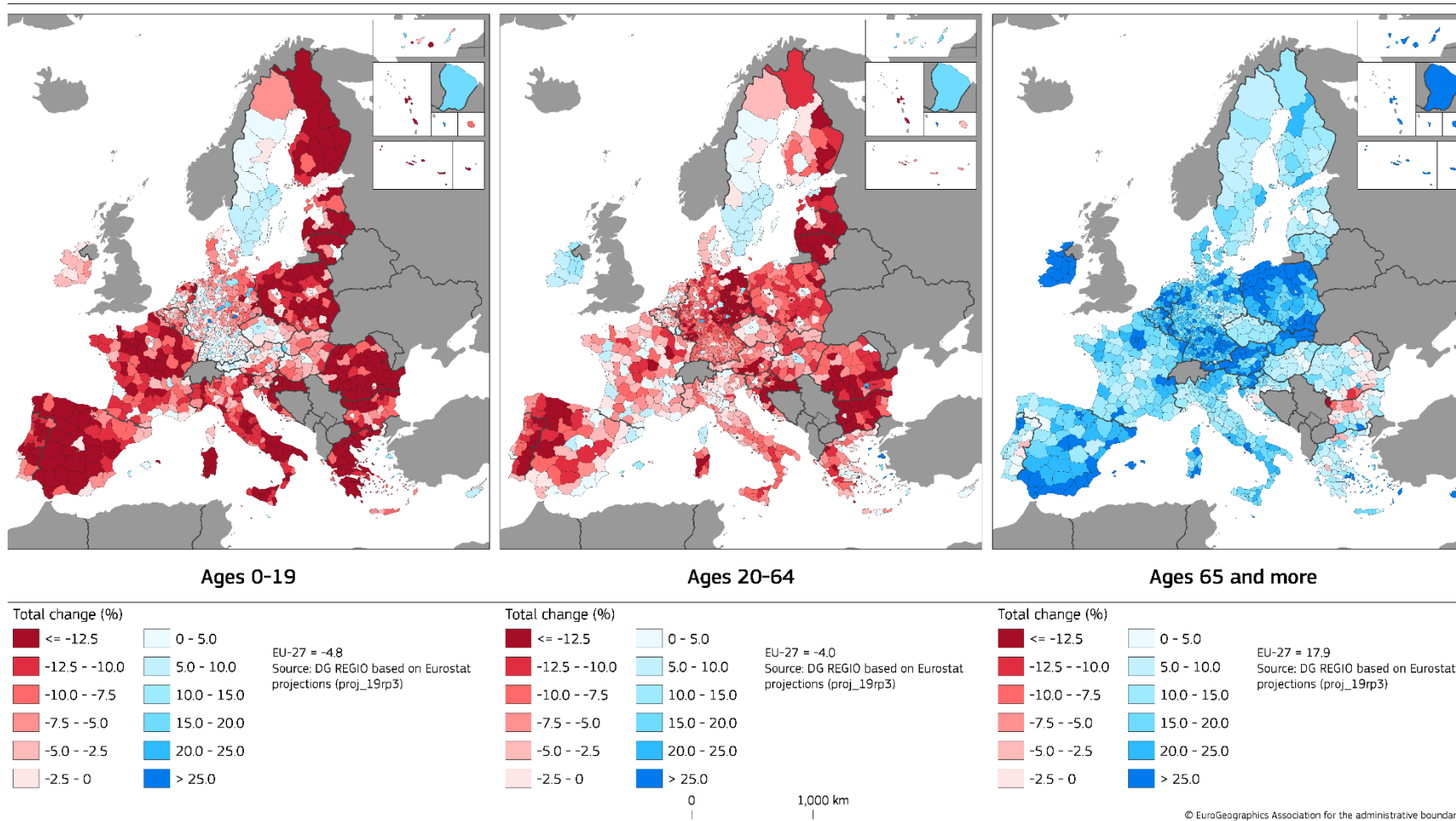
Providing healthcare services outside cities requires a delicate balance between accessibility and cost-efficiency. Countries may have service locations that are close or are cost-efficient, but no country can offer both short distances and low costs for these services.

Adapting to demographic change requires concentrating the provision of some services such as maternity and obstetrics that will face reduced demand in many countries, and expanding and dispersing the provision of services related to ageing, such as cardiology,, especially in rural areas. By 2035, the number of cardiology service locations per user is expected to increase on average by 20%, with the highest expected increases in Slovenia (88%), Ireland (71%) and Denmark (64%). In turn, the number of maternity and obstetrics service locations is expected to decrease by 4%, with the largest reductions in Latvia by (67%), Slovakia (56%) and Lithuania (44%). Investment will have to keep pace with these changing demands to avoid the over- and under-provision of services, while ensuring sufficient proximity to care.

See OECD, *Access and Cost of Education and Health Services: Preparing Regions for Demographic Change*. <https://www.oecd.org/publications/access-and-cost-of-education-and-health-services-4ab69cf3-en.htm>

Map 6.5 Change in population by age group, during the years 2020-2029

Change in population by age group, during the years 2020-2029



Demographic developments in EU outermost regions

The EU has nine outermost regions (grouped into eight NUTS 2 regions), with a total population of 5 million.* They are geographically remote from the continent in the Caribbean, Macaronesia and the Indian Ocean. These regions can be grouped according to the main demographic trends.

1. Outermost regions with a reduction of population

Portuguese Açores and Madeira, and French Guadeloupe and Martinique all experienced a reduction in population over the past decade (Table 6.1). Reductions were substantial in the two French regions, because a very high net outward migration offset positive natural change. In the Portuguese regions, reductions were more moderate due to net outward migration and low or negative natural change. Population reductions are projected to continue between 2020 and 2030. The age structure of the population in these regions is similar to the EU, the only significant exception is smaller share of older population in the Portuguese regions. Projections indicate that reduction of the young population (aged 0-19) will be much faster, the reduction in the working age population (aged 20-65) will also be faster, while the older population (aged 65 and over) will grow faster.

2. Outermost regions with a growing population and net outward migration

Guyane's population grew rapidly between 2010 and 2020 due to a very high natural change and only limited net outward migration. La Réunion's population grew more slowly due high natural change, but tempered by a substantial net outward migration. Projections indicate their population is likely to continue growing, but at slightly slower pace. Both regions have a much higher share of young people than the EU as a whole and a much smaller share of older population. The young and working age population is projected to shrink in La Réunion and to keep growing in Guyane. The older population is projected to nearly double in Guyane and increase by 50% in La Reunion.

3. Region with a growing population and net inward migration

The population of Canarias increased over the past decade primarily due to net inward migration, while the population of Mayotte grew to fastest due to the highest natural population change. The age structure of the population in the Canarias is similar to that of the entire EU, while that of Mayotte is radically different with more than half the population aged 0-19 and only 3% 65 and over. Projections indicate that Canarias will see a reduction of its young population, but its working age and especially older population is likely to continue to grow. In Mayotte, all age groups are projected to grow, but its small older population is likely to grow fastest, doubling between 2020 and 2030.

Table 6.1 Demographic change in the outermost regions, 2010-2030

| | Natural population change | Net-migration | Total population change | Total population change | Share of population 0-19 | Share of population 20-64 | Share of population 65 + | Change in population aged 0-19 | Change in population aged 20-64 | Change in population aged 65 + |
|----------------------------|--|---------------|-------------------------|-------------------------|--------------------------|---------------------------|--------------------------|--------------------------------|---------------------------------|--------------------------------|
| | during the years 2010-2019 | | 2020-2029 | 2020-2029 | 1/1/2020 | | | Between 1/1/2020 and 1/1/2030 | | |
| | average annual change per 1000 residents | | | | in % | | | Total change, in % | | |
| EU-27 | -0.3 | 2.2 | 1.9 | 0.3 | 20 | 59 | 21 | -4.8 | -4.0 | 18 |
| Martinique | 2.6 | -11.1 | -8.8 | -8.8 | 22 | 56 | 23 | -20 | -20 | 30 |
| Guadeloupe | 4.5 | -12.9 | -8.4 | -8.2 | 24 | 55 | 20 | -19 | -17 | 30 |
| Região Autónoma da Madeira | -2.3 | -2.5 | -4.7 | -3.7 | 19 | 64 | 17 | -19 | -7.4 | 28 |
| Região Autónoma dos Açores | 0.1 | -1.8 | -1.7 | -2.6 | 22 | 63 | 15 | -14 | -6.6 | 31 |
| La Réunion | 11.7 | -6.6 | 4.3 | 2.1 | 30 | 57 | 13 | -7.8 | -4.1 | 52 |

6.2 People are equally satisfied with life in cities, towns and suburbs, and rural areas

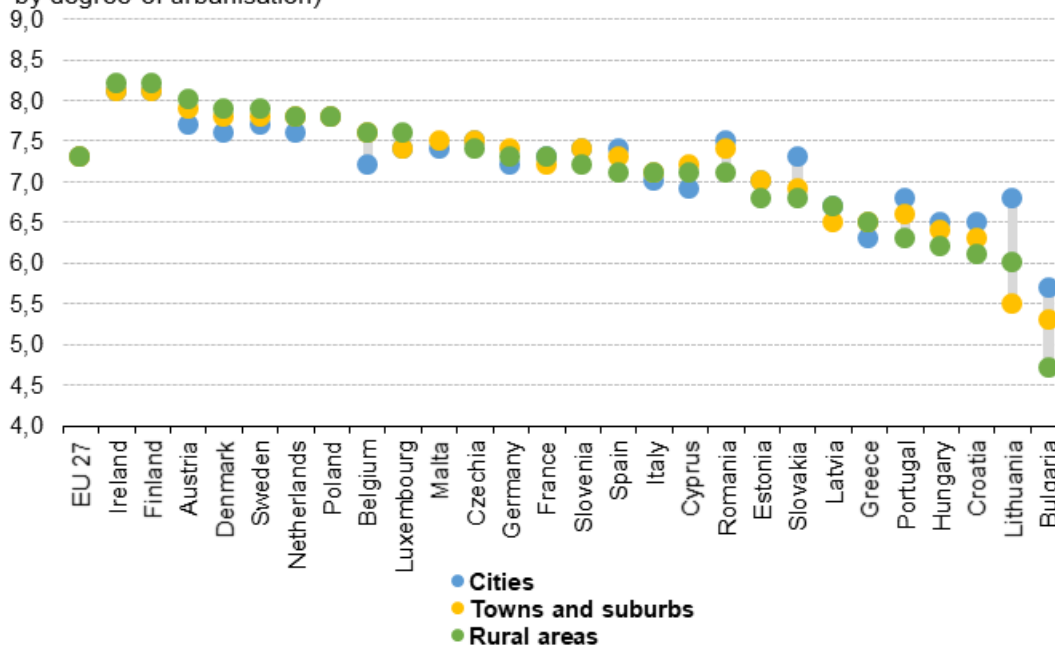
Overall life satisfaction in the EU is identical in cities, towns and suburbs, and rural areas. On a scale from 0 to 10, the average score was 7.3 in 2018 in each of these areas. In the 8 Member States with a national score of 7.5 or higher, people in rural areas were as satisfied as those living in cities or more than satisfied. In contrast, in 5 of the 6 Member States with the lowest national scores, people in rural areas were less satisfied than those in cities. This suggests that in countries with high life satisfaction, rural areas tend to perform better than cities, while in countries with a low life satisfaction, rural areas tend to perform worse.

There is also a geographic pattern. In all the north-western Member States, people in rural areas were more satisfied with their life than those in cities. In all eastern Member States, people in cities were more satisfied than those in rural areas; with the exception of Poland where they were equally satisfied. In the southern Member States, the situation was mixed with lower satisfaction in rural areas in Spain and Portugal, but higher satisfaction in cities in Greece and Italy

Figure 6.9 Overall life satisfaction, 2018

Average rating of overall life satisfaction, 2018

(ratings on a scale from 0 ("not satisfied at all") to 10 ("fully satisfied"), by degree of urbanisation)



Source: Eurostat [ilc_pw02]

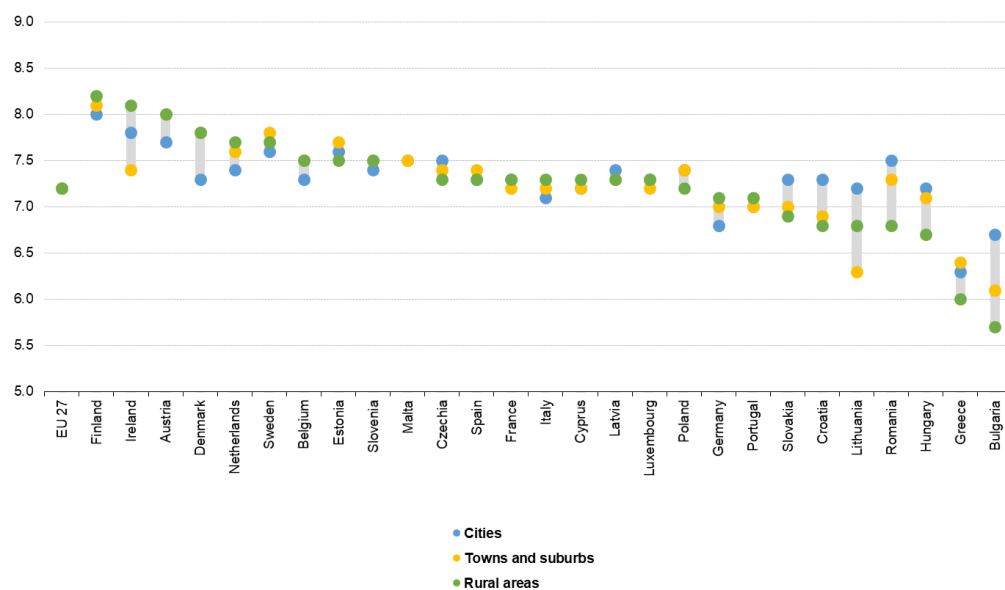
Job satisfaction (Figure 6.10) and satisfaction with personal relationships (Figure 6.11) are identical in cities, towns and suburbs, and rural areas at the EU level, and there are only minor differences in respect of satisfaction with their financial situation (Figure 6.12), with towns and suburbs scoring highest (6.6), followed by cities (6.5) and then rural areas (6.4).

For all three indicators, the same geographic pattern emerges. People in rural areas in north-western EU are more satisfied than those living in cities, those in rural areas in eastern EU are less satisfied, with very few exceptions, and the situation in the southern Member States is mixed.

Figure 6.10 Average rating of job satisfaction, 2018

Average rating of job satisfaction, 2018

(ratings on a scale from 0 ("not satisfied at all") to 10 ("fully satisfied"), by degree of urbanisation)

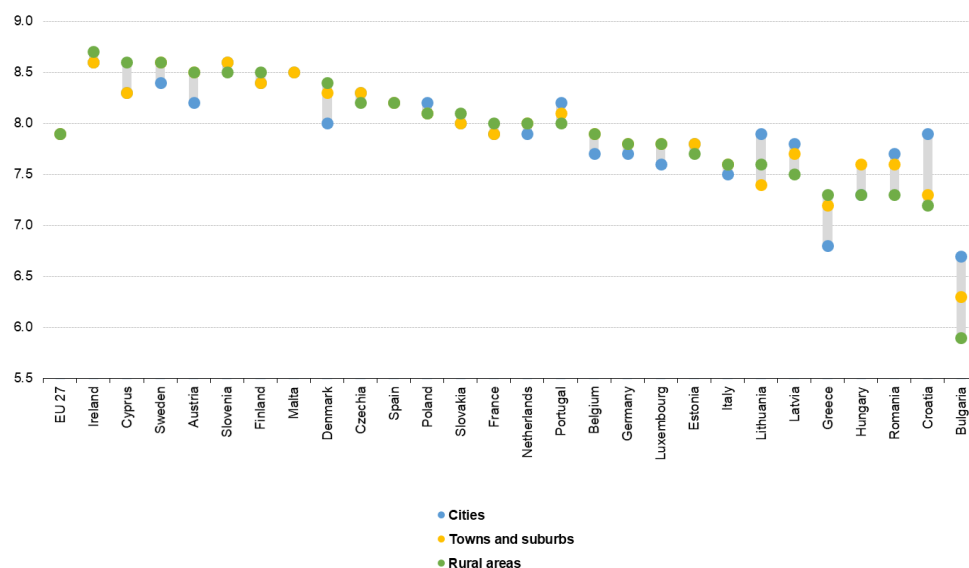


Source: Eurostat [ilc_pw02]

Figure 6.11 Average rating of satisfaction with personal relationships, 2018

Average rating of of satisfaction with personal relationships, 2018

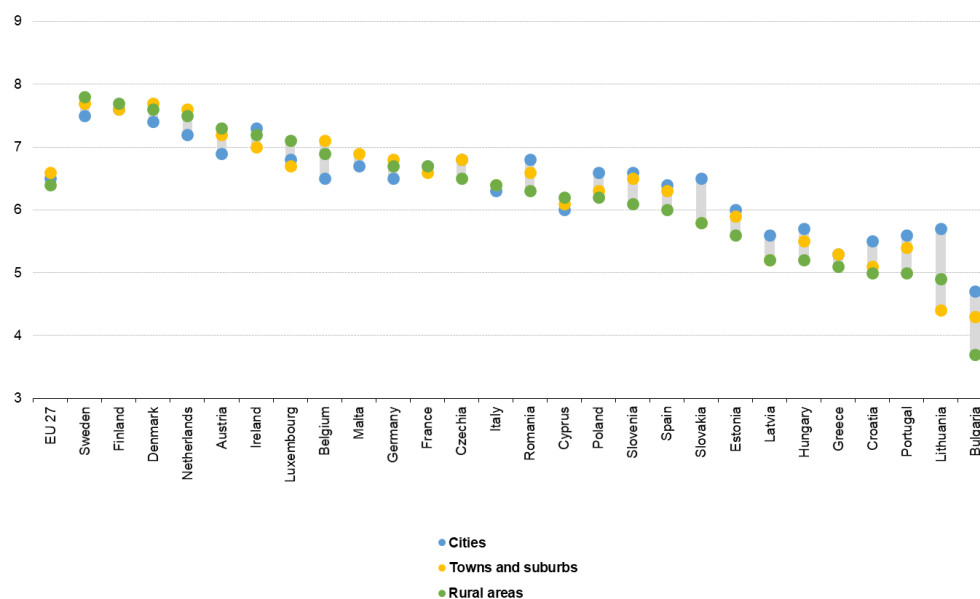
(ratings on a scale from 0 ("not satisfied at all") to 10 ("fully satisfied"), by degree of urbanisation)



Source: Eurostat [ilc_pw02]

Figure 6.12 Average rating of satisfaction with financial situation, 2018

Average rating of satisfaction with financial situation, 2018
(ratings on a scale from 0 ('not satisfied at all') to 10 ('fully satisfied'), by degree of urbanisation)

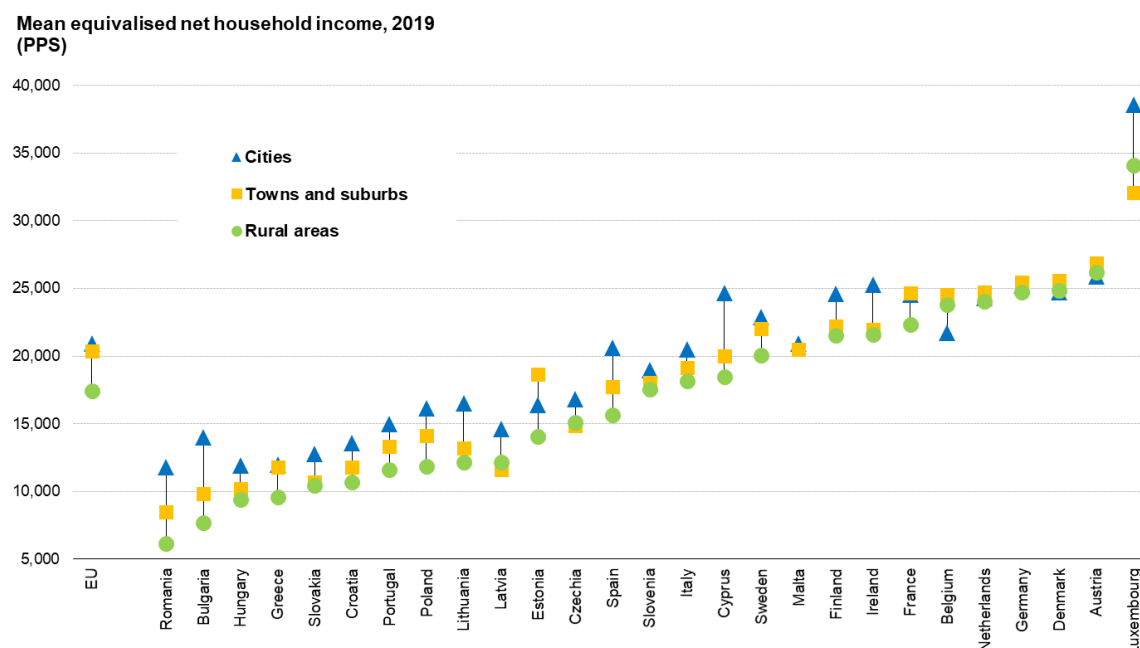


Source: Eurostat [ilc_pw02]

6.2.1 Income is higher in cities, but so are property prices

Income differs substantially between Member States and by degree of urbanisation. The lowest income is in rural areas in Romania (just over EUR 6 000 in PPS terms) and the highest in Luxembourg (EUR 39 000 in PPS terms). Unlike satisfaction with the financial situation (Figure 6.12), income is higher in cities than in rural areas in almost all Member States. The income gaps are largest in the eastern EU and especially in Romania and Bulgaria, where rural incomes are almost half those in cities (Figure 6.13).

Figure 6.13 Mean equivalised net household income, 2019



Source: Eurostat [ILC_DI17]

While there is some relationship between income and satisfaction with the household's financial situation, it is far from uniform. The link between income and satisfaction is strongest in rural areas (R squared of 61%). It is slightly less close in towns and suburbs (53%), and it is relatively weak in cities (36%). Higher housing costs in cities could explain why higher incomes do not lead to higher satisfaction. For example, the average price per square metre of housing sold in 2018 was 82% higher in urban regions across the EU than in rural ones (EUR 2 254 in the latter, EUR 1 238 Euro in the former according to data for 20 Member States, JRC). Moreover, between 2012 and 2018, the price per square meter increased by EUR 417 in urban regions but by only EUR 183 in rural ones, highlighting the pressure on urban real estate.

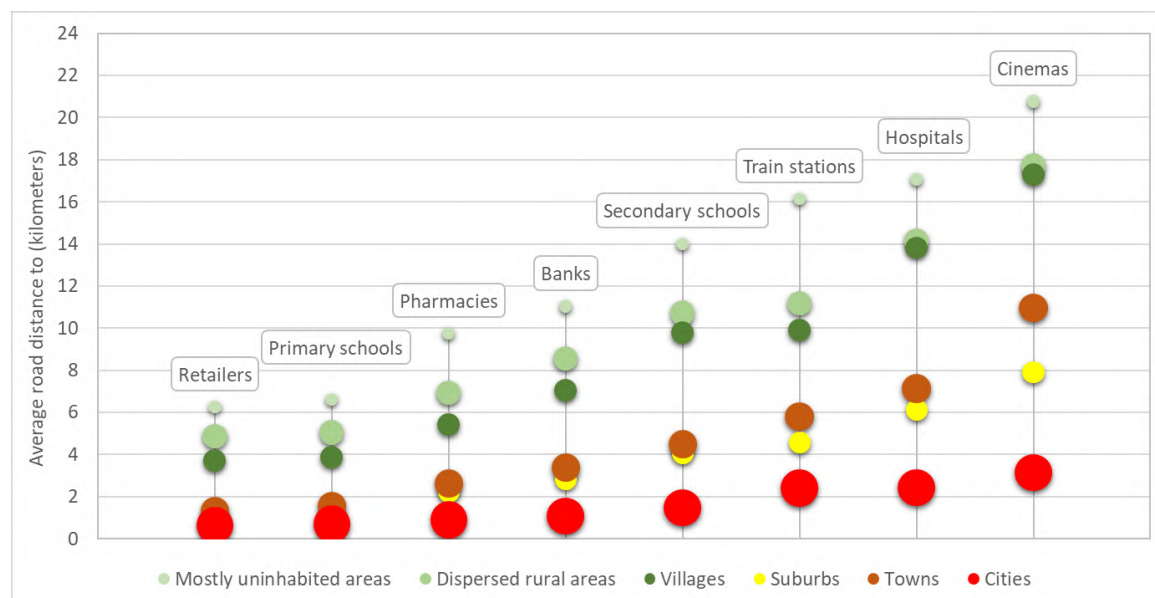
6.2.2 Rural residents need to travel further to reach services

In rural areas, settlements tend to be smaller and the population more dispersed. This means that often for services that require a certain volume of custom or number of users to be viable, rural resident may have to travel longer distances. Rural areas can be split into three categories.

1. Villages with population between 500 and 5 000 inhabitants
2. Dispersed rural areas, with a population density between 50 and 300 people per square km
3. Mostly uninhabited areas with a population density below 50 people per square km.

These three rural classes have a clear impact on the distance by road to the nearest service location. Services are on average located closer to villages and more distant in dispersed rural areas. Mostly uninhabited areas have consistently the longest distance to the nearest location (Figure 6.14). In cities, even relatively small ones, the average distance to most service locations is less than one or two km.

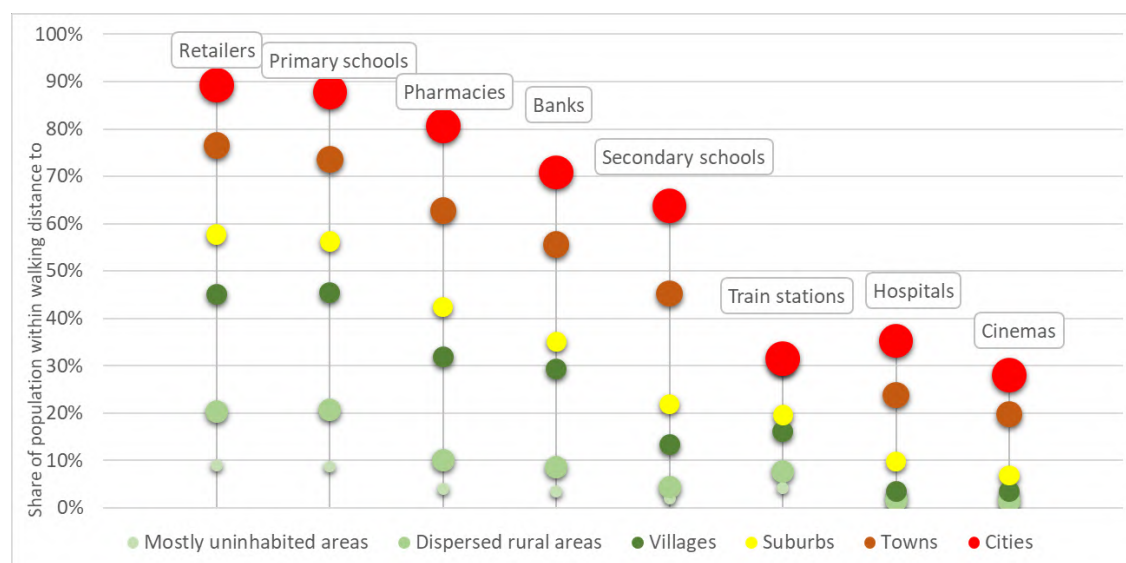
Figure 6.14 Average road distance to the nearest service location in the EU by degree of urbanisation, 2018



Source: Eurostat (hospitals), REGIO (stations) and ESPON Inner peripheries (other services), JRC-GEOSTAT for population and JRC calculations.

The share of population that could reach the nearest service location by walking or cycling, both involving zero carbon emissions, differs widely by degree of urbanisation. The nearest retailer is within walking distance (1.25 km) for 90% of city populations, compared to 75% of those living in towns, 45% of those in villages and 10% of those in mostly uninhabited areas. The more specialised the service or the greater number of potential clients needed, the less likely it becomes that someone can walk to the service. For example, only 65% of city populations live within walking distance of a secondary school and just 2% of people living in mostly uninhabited areas.

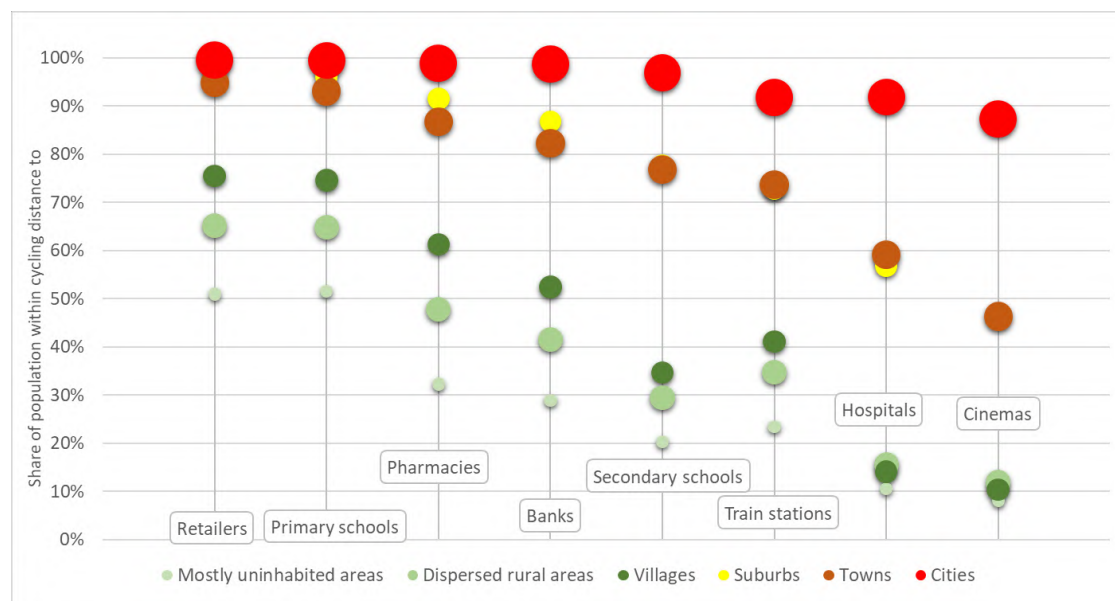
Figure 6.15 Population within walking distance of the nearest service location in the EU by degree urbanisation, 2018



Source: Eurostat (hospitals), REGIO (stations) and ESPON Inner peripheries (other services), JRC-GEOSTAT for population and JRC calculations

The population within cycling distance (5km) of the nearest service location is far larger. In cities, between 90% and 100% of the population are able to cycle to the nearest location of each type of service. The extent of the advantage of cycling over walking (in terms of the additional proportion of population that can reach their nearest service location) differs according to the service concerned and by degree of urbanisation. In rural areas, the advantage is most pronounced for less specialised services such as retail shops and primary schools, while in towns and cities, it is largest for the more specialised services such as secondary schools and hospitals. In suburbs, cycling increases the share of population that can reach all types of service by 40 pp. or more.

Figure 6.16 Population within cycling distance of the nearest service location in the EU by degree urbanisation, 2018



Source: Eurostat (hospitals), REGIO (stations) and ESPON Inner peripheries (other services), JRC-GEOSTAT for population and JRC calculations

The choice of walking or cycling to a particular destination does not only depend on the distance, but also on the quality and state of the infrastructure, the safety of roads, the weather, pollution, health and the presence of steep inclines and a person's health among many other factors. Nevertheless, the population within walking or cycling distance of the nearest service location provides an indication of where many people might be able to shift to a zero carbon mode of travel for these trips and where this not really a viable option. These figures suggest that in cities, towns and suburbs, cycling allows people to reach all these services within a reasonable amount of time. In rural areas, however, almost all residents need a car or public transport to reach more specialised services. Accordingly, rural residents are likely to drive longer distances and be more vulnerable to increases in the cost of car use.

6.2.3 Regional centres have more services

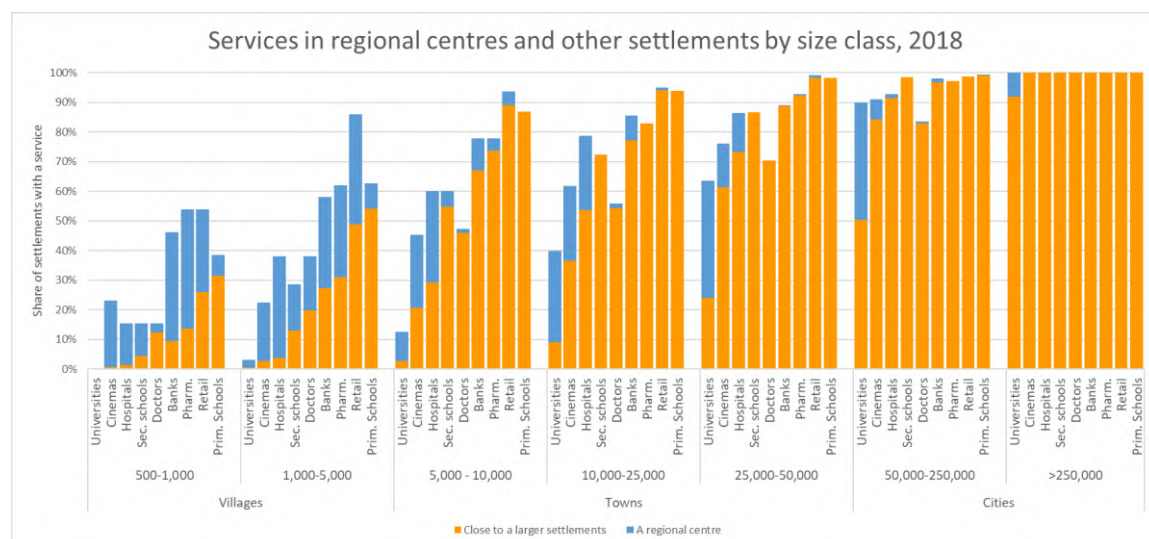
The presence of a service in a settlement depends on its population size and on whether it is a regional centre⁶. In general, larger settlements are more likely to have a range of services than smaller ones. For example, all cities with at least 250,000

⁶ A regional centre is defined as being the largest settlement within a 45 minute car drive.

inhabitants in the EU have a hospital, a secondary school and a cinema (Figure 6.17), while many towns and villages lack these services. Regional centres, or the largest settlement in a 45 minute drive, are more likely to have certain services than other settlements of the same size. For example, a small town surrounded by villages has more services than a small town close to a big city, because it provides services for its rural surroundings. Smaller settlements that are not regional centres, because they are close to a larger settlement, are less likely to have a range of services because they are available in the larger settlement.

For example, only 50% of the cities with between 50 thousand and 250 thousand inhabitants have a university, while 90% of the regional centres of this size have one. The smaller the settlement, the bigger the impact of being a regional centre. Towns and especially villages are far more likely to have a particular service if they are also a regional centre. For example, 60% of the towns with 5 to 10 thousand inhabitants that are regional centres have a hospital, while only 30% of the towns close to a larger settlement do. Villages that are regional centres are far more likely to have a doctor, a pharmacy, a bank, a secondary school, a hospital or a cinema than others.

Figure 6.17 Regional centres and other settlements with different kinds of service in the EU by population size class, 2018



Source: Eurostat (hospitals), REGIO (stations) and ESPON Inner peripheries (other services), JRC-GEOSTAT for population and JRC calculations

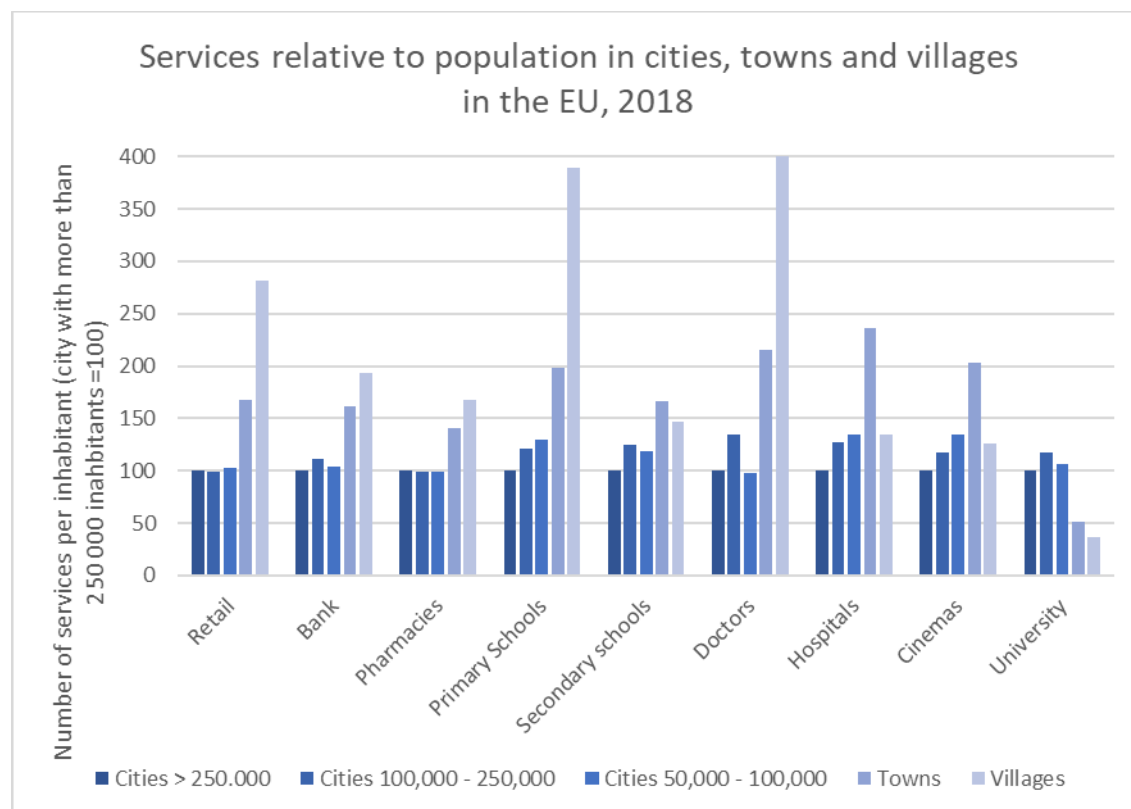
Compared to large cities, the number of services relative to population is typically larger in smaller cities and especially towns and villages. This implies that people living in the surrounding rural areas come to these places for these services. For example, the number of doctors relative to population is twice as large in towns and four times larger in villages than in large cities (Figure 6.18). This does not mean that people in towns and villages are more in need of doctors, but that many of the patients of the doctors live in the surrounding areas.

Relative to population, towns and villages have more shops, banks, schools, pharmacies, doctors, hospitals and cinemas than large cities do. This highlights the fact that towns and villages play an important role as a service centre and that the services there serve a wider population. Universities require a large population to draw their students from. As a result they are primarily based in large towns and cities. However,

the significant number of universities in small cities relative to population underlines the fact that their students come from a much wider area (Figure 6.17).

Regional centres can play an important economic and social role. They could become focal points for future investments and economic development as well as reducing the distances rural residents need to travel to access services of general economic interest.

Figure 6.18 Services relative to population in cities, towns and villages in the EU, 2018



Source: Eurostat (hospitals), REGIO (stations) and ESPON Inner peripheries (other services), JRC-GEOSTAT for population and JRC calculations

6.3 Rural residents are less likely to trust the EU

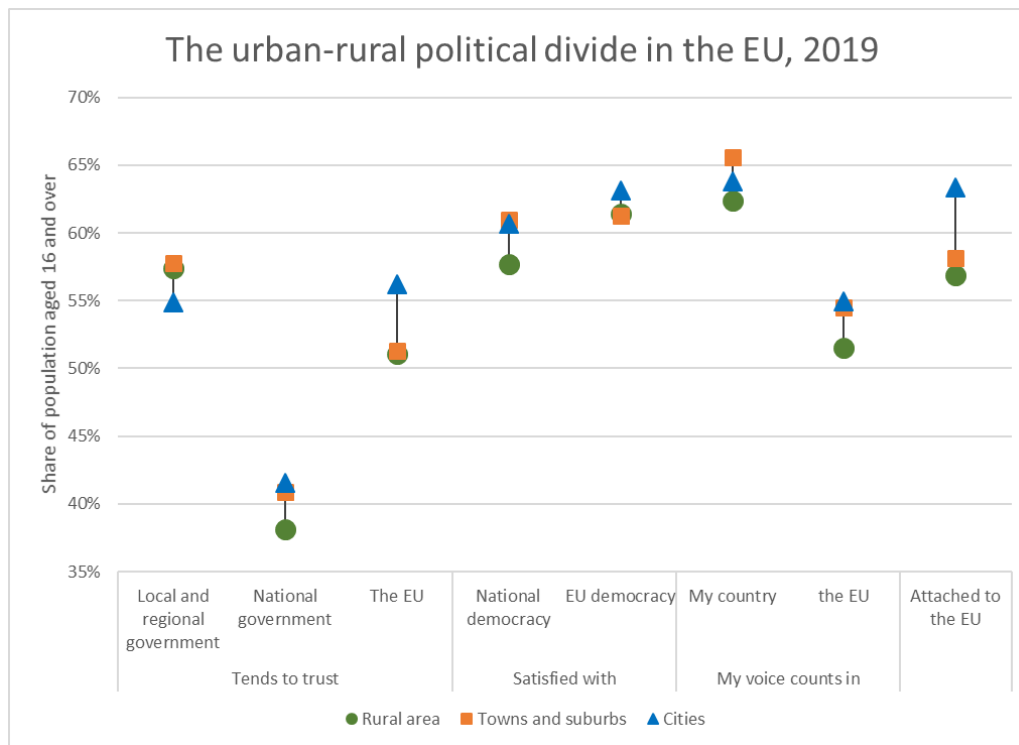
Rural residents are less supportive of the EU than city residents. Rural residents are less likely to trust in the EU or to be satisfied with the EU (Figure 6.19). This rural discontent is not directed at the EU only, but it is more pronounced than towards national or sub-national institutions. The gap between city and rural residents in terms of trust in their national government is smaller than for trust in the EU. Trust in local and regional governments, however, is higher in rural areas than cities, suggesting that rural residents are less likely to trust higher levels of government than those living in cities.

Although trust in the EU has increased over time (see chapter 7), the urban-rural divide has remained unchanged. On average, 56% of city resident in 2019 tended to trust the EU compared to 51% of rural residents. In 2015-16, these figures were both 9 pp lower, so the gap remained unchanged.

Satisfaction with national and EU democracy is lower in rural areas than in cities, with a marginally wider gap in respect of national democracy (3pp as against 2pp). Rural residents are less likely to think that their voice counts in their country or the EU, with a

wider gap in respect of the EU (3 pp as against 1pp). Fewer rural residents say that they are attached to the EU than city residents (6pp less), though many more living in both types of area are attached to their country or local area (93% as against 90%).

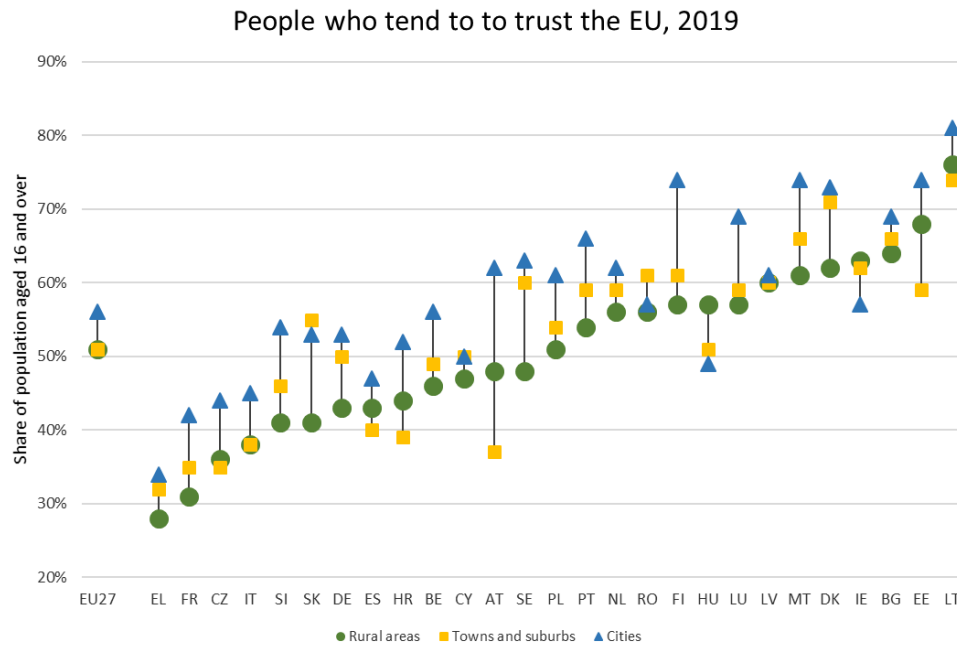
Figure 6.19 The urban-rural political divide in the EU, 2019



Source: Eurobarometer

This gap in trust in the EU between cities and rural areas is evident in almost all Member States (Figure 6.20), the only two exceptions being Hungary and Ireland. This is in contrast to satisfaction indicators, which are higher in rural areas than cities in north-western Member States and several southern Member States. In half the Member States, the gap in trust is 10 pp or more, with the largest gaps in Finland, Sweden and Austria.

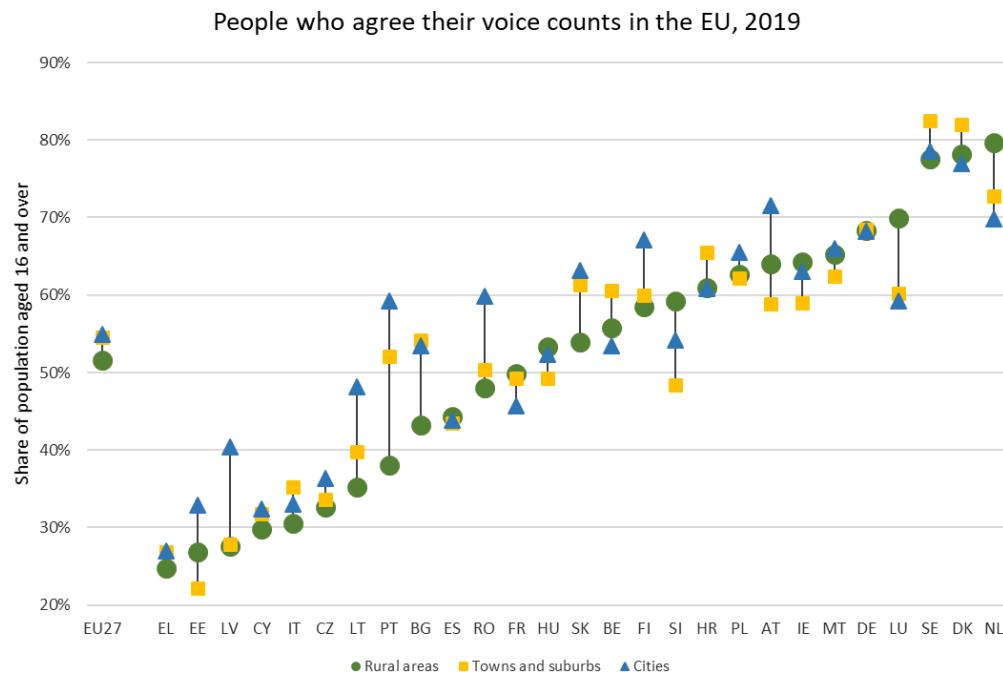
Figure 6.20 People who tend to trust the EU, 2019



Source: Eurobarometer

In the majority of Member States, as in the EU as a whole, rural residents were less likely to agree that their voice counted in the EU than those living in cities, the difference being over 10 pp in Bulgaria, Romania, Latvia, Lithuania and Portugal (Figure 6.21).

Figure 6.21 People who agree their voice counts in the EU, 2019



Source: Eurobarometer

A lack of trust, a conviction that your voice does not count, a frustration with democracy are all factors that can reduce voter turn-out at elections and polarise the vote.