

Summary Note of OECD-LEED Workshops

Policies and strategies for dealing with shrinkage

Conference on shrinkage in Europe: Causes, effects and policy strategies

University of Amsterdam, 16th and 17th February 2011

Demographic change & local development: new ways of thinking, new financing mechanisms

7th Forum on Partnerships and Local Government

Vienna, 11th March 2011

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WORKSHOP ON POLICIES AND STRATEGIES FOR DEALING WITH SHRINKAGE

Conference on shrinkage in Europe: Causes, effects and policy strategies

University of Amsterdam, 16th and 17th February 2011

Introduction

The OECD workshop included interventions from 18 experts from Germany, Portugal, The Netherlands, France, Brazil, Poland, Italy, Greece, Slovenia, European Commission, EU Committee of the Regions, and OECD (see programmes in Annex). The two sessions of the workshop discussed the following questions:

- Do we need policies for shrinking cities, and if so which ones?
- Looking at international examples of policies for shrinking cities - is there an integrated approach to foster sustainable development, skills and employment?
- Are policies for shrinking cities effectively addressing skills and employment market issues?

Main Conclusions of the Workshop

The presentations and discussions during the workshop showed that although causes vary, many of the OECD countries have been affected by demographic change at the local level. For example, many of the countries have been experiencing decline in the urban population over the past few decades due to suburbanisation and de-industrialisation, which has resulted in a wide range of socio-economic issues (*e.g.* increased unemployment rate; decrease in revenue; degradation of properties). Mainly due to falling fertility rates, many of the cities in OECD countries are likely to continue to “shrink” in the coming decades, even with some increases in population due to migration (from within or from outside the country). Some notable examples are found in Eastern Germany and Japan.

The workshop highlighted that against this backdrop, policies or planning models that directed local development in the past decades (*e.g.* introduction of new industries such as information technology/bio-technology following de-industrialisation of mining/manufacturing industries) no longer prove to be suitable in order to ensure sustainability of local development. There is a need for new thinking and policies to overcome some of the expected challenges ahead (*e.g.* ensure financing of services that are likely to see increased demand, with the increase of ageing population; balance employment opportunities for the youth and the elderly).

The workshop also highlighted that strategies conducive to “shrinkage with quality” and “smart shrinkage” can vary from maximising the opportunities of organic growth to specific policies and programmes for the elderly and tax exemptions for residents to prevent them from leaving. However, these policies and programmes alone are not enough to minimise population losses, and local governments need to react quickly and comprehensively to demographic changes together with neighbouring areas, as shrinkage could spread to other areas. Furthermore, for local policies to work, they need to be in harmony with national and regional policies and well integrated, both vertically and horizontally.

Key Issues and Policy Implications

The following are a number of specific points raised during the workshop.

Challenges and Opportunities

- **Significance of demographic change.** A better assessment of the significance of demographic change in the local development context is needed, including its impact on infrastructure maintenance and development, employment and skills development and social resilience;
- **Different forms of shrinkage.** Defining the term “shrinking city” is a major challenge for researchers and policy makers which makes it difficult for different actors to accept the phenomena of shrinkage. In addition, there is not only one type of shrinkage; in the worst case, “shocking shrinkage” implies processes of strong de-industrialisation, significant population loss, high unemployment rate, environmental degradation, and in many cases, a weakness in existing local government programmes and planning strategies. Different forms of shrinkage raise the question as to what kinds of programmes and strategies are useful in designing and implementing regeneration strategies according to the different types of shrinkage;
- **Social welfare and competitiveness.** The magnitude of the shrinkage differs in countries depending on their social welfare system (*e.g.* in Europe, urban decline over the past few decades has been counter-balanced by strong welfare policies). However, in light of the declining public revenues due to the recent financial crisis, there is a challenge to balance the competitiveness and social welfare in managing shrinkage;
- **Shrinkage as an opportunity – home-ownership and land use.** Shrinking areas can offer opportunities for the poor, elderly or disadvantaged who are left behind to become home owners. However, policies for increasing housing market quality (and thus leading to higher housing prices) in order to increase public revenue and to bring in new residents to revitalise the area, could negatively affect the ability of such population to become homeowners. It is also important to look at the role/responsibility of local property owners associated with problematic land use often found in the shrinkage process. Furthermore, there are context specific issues associated with shrinkage, for example, there are marked differences between developed and developing countries in some of the policies (*e.g.* in Brazil, socioeconomic inequity has led urban legislation to provide housing for low income population in areas with well-established infrastructure);
- **Shrinkage as an opportunity – experimental laboratory for green growth.** Shrinking areas are today the best laboratory for policy development, chiefly to draw lessons for other areas in the same country and in other countries that will experience strong shrinkage in 10 years time. New forms of managing the infrastructure of the city and planning of greening spaces - taking advantage of the lower density urban areas - can also promote innovation in local planning and governance through community participation. Shrinking cities can be an opportunity to re-think urban planning and to re-structure the city form and its infrastructure into a more sustainable space. In order to achieve this transformation, there is a need for a paradigm shift in planning that takes into account the opportunities of “shrinking smart” (*e.g.* foster greener development planning/re-generation of green spaces). This can only be accomplished if all stakeholders (*e.g.* planners, administrators and local population) can participate together in the planning process and share the profits and losses of the city realm transformations;

Policies, programmes and approaches for dealing with shrinkage

- **Policy coherence.** There is a need for policy coherence among different levels of government, especially at the local and the national level as well as in different sectors concerning the issue of shrinkage. For example, successful regional policies are always supported by national policies, and territorial and social policies must be integrated in order to ensure effectiveness of policies and programmes. Coherence with an overarching strategy, such as national/regional sustainable development strategies may also be important;
- **Limitation of past/current policies.** Policies to date concerning shrinking cities have mainly focused in addressing changes to the built environment and deterioration of housing stock. However, they alone do not seem to be enough to reverse declining trends (*e.g.* demolition of buildings and relocation of residents in Eastern Germany) because there are other causes that affect job creation/destruction and industry dynamics (*e.g.* migration of the youth and able to Western Germany). Therefore, policies for shrinking cities need to go beyond the built environment and the urban reform, and include strategies that facilitate industry transformation and job creation;
- **Sustainable development models.** The concept of sustainability is so far not well integrated in policies and programmes for shrinking areas. It is challenging to find suitable models for long-term sustainability of a region where the main industry is disappearing because of decline in available resources (*e.g.* mining). Such models need to be balanced with the immediate social implications of the declining industrial activity (*e.g.* unemployment). Finding suitable models are especially challenging in areas where there is little diversity in existing economic activities;
- **Innovative approach for local development.** Specific policies for shrinkage are needed that bring new ways to look at the local industry, services development and the socio-economic pathways for the declining areas, not only for the immediate, short-term, but also for the long-term, with community participation. For example, to cultivate tourism industry, communities need to be engaged in order to maximise the use of their cultural heritage to keep people in the area and to attract tourists. Furthermore, policies to promote local enterprises may work better than policies trying to attract external/foreign enterprises to these areas as local residents tend to have genuine interest in the well-being of their region;
- **Factoring choice and speed of shrinkage in policies.** “Choice” and “speed” must be reflected in policy development. Shrinkage at a very high speed poses profound problems that are much more significant and also different in nature compared to shrinkage at a low speed. In the case of high speed shrinkage, local residents need to have a choice where to live to ensure their near-term welfare. In this context, it is difficult to justify policies that are merely aimed at retaining the local population in a given area in order to avoid shrinkage;
- **Migration flows.** Migration flows often occur between nearby areas (in cities and regions) with a negative migration occurring at one end and positive migration at the other end. In fact, migration can be seen as one of the mechanisms to react to demographic change. Policies and programmes on shrinkage can therefore be more efficient if they take into account the local-regional interdependences that result in decentralisation concentrations in cities and rural areas. Keeping the local population in the region might not be an effective strategy as outmigration can be an opportunity to connect peripheral regions to regional centres. It is also necessary to distinguish between different types of migration (within/outside) as well as the composition (low/high skilled & old/young, native, non-native, etc.);

- **Policies for facilitating private sector investment.** Policy settings are important for enabling the private sector to contribute to growth and the market to operate in a sustainable way. Policies and strategies have been implemented to address declining real estate markets and abandoned old housing stocks. These policies and strategies (which have also led to changes in planning regulations to improve residential attractiveness) are also used as instruments to attract the creative, the middle and the upper class to stimulate private sector development;
- **Integrated approach to jobs and skills development and the role of private sector.** There is a need to better explore policy options on jobs and skills concerning the issue of shrinkage (research to-date has focused more on policy analysis for the built environment). There are different views on how to attract skills or to develop skills in the shrinking area (*e.g.* many of shrinking areas are faced with challenges to manage now oversized infrastructure from the previous decades, and how to sustain their maintenance is a growing space for business services in shrinking areas). One of the preconditions skills development may be the availability of infrastructure and linkages to other regional centres of a given region. Integrated approaches to skills development are needed in order to explore new areas of growth that allow for example, the private sector to take up opportunities that become available in the broader globalisation process. In fact, there is a major role to be played by the private sector together with local institutions in enabling skills development. Such initiatives may differ according to the size and types of firms, reflecting the different needs of firms. Overall, all jobs need to be revisited and skills of worker to be improved, in order to ensure maximising productivity against decrease in the workforce due to population decline. Furthermore, skills development also needs to be oriented not only to the high skilled but also to the medium and low skilled workforce, for example, to apply/enhance the existing skill sets of the low skilled to re-using/re-building abandoned or degraded infrastructure;
- **Planning models in Europe.** Local development can be targeted as a key approach and principal planning model that complements region- and nation- wide strategies. In the European context, planning for shrinking resonates well with the pursuit of the Europe 2020 objectives (green, inclusive and smart cities). An integrated urban planning is needed that respects the specific needs for the city (place based policy making), whilst contributing to overall headline targets for energy efficiency, employment and poverty reduction in the Europe 2020 context, keeping in mind of the cost. Such planning should be pursued in partnerships with other, neighbouring public authorities and socio-economic partners, as promoted by Committee of the Regions of the EU. Shrinkage offers politicians and planners a genuine chance to look at their city as being interconnected and being part of a greater functional area.

Financing and Governance

- **Financing mechanisms.** Financing instruments for shrinking areas are so far poorly developed. Options included public investment, public-private partnerships (*e.g.* partnerships with developers to finance neighbourhood restructuring projects), European Investment Bank funding and/or co-financing by the European Union (EU)'s structural funds. However, with a shrinking fiscal base and the trend in which the private sector is leaving these areas (in pursuit of lower opportunity costs), the challenges for financing can be more significant compared to when we face rapid growth. EU programmes have made significant funds available to its Member States that have particularly benefitted the Eastern European countries. However, their programmes have predominantly focused on rehabilitation with little attention to the shrinkage pace (*e.g.* cities such as Walbrzych, Poland). There are also management challenges for regional and local institutions to use all funds allocated in a way that ensures sustainability of local areas. Other strategies such as the establishment of Special Economic Zones (SEZ) have been more successful (*e.g.* in Katowice, Poland), but the durability of SEZ has also been challenged, as

industries are continuously looking for lowering opportunity costs. Current EU programmes promoting inward migration have produced gentrification and in some instances the destruction of the local identity by demolition of buildings and housing stock;

- **Co-operation and Co-ordination at multiple levels.** Analyses at different levels raise the question, at which level can policies and actors best act and react? The answer seems to be, in multiple levels. Social and community aspects might be manifested on an inner city scale. By contrast, the labour market issues need to be looked at a regional-urban scale due to commuting relations or wider economic networks. Co-operation and co-ordination are thus challenging and yet important tasks for municipalities in addressing the challenge of shrinkage in the near or distant future;
- **Governance mechanisms.** It is a priority issue to identify governance mechanisms to ensure the durability of planned actions through *e.g.* inclusion of local actors in decision-making processes. The regulatory environment might also need to be adjusted; certain regulations may require adjustments at the national level while others may require a heavier role of local governments to allow greater accountability at the local level. However, short policy cycles in local governments add complexity to the already complex city management processes, as circumstances can change rapidly and yet policies and planning strategies in place are not flexible enough to adjust to the changing local conditions. There is also an important role to be played by policy makers (*e.g.* City Mayors) in addressing these issues.
- **Connecting research and policy domains.** Researchers mostly tackle theoretical and analytical issues while political actors deal with more practical problems of shrinkage. This differing focus results in thwarting effective design and implementation of regeneration strategies where gaps are observed in research results and resulting suggestions and political strategies and programmes that are adopted. It is therefore essential to connect the more passive analytical work and research (*e.g.* monitoring the trends of urban development) and the implementation of strategies, which play a more active role in the development of local economies. Being aware of the various challenges at different scales and different context (theoretical and practical) is also important in tackling the issue of shrinking cities.

ANNEX: AMSTERDAM WORKSHOP PROGRAMME

OECD Workshop: Policies and Strategies for Dealing with Shrinkage

Day 1: Wednesday 16th February 15h30 – 17h30

Chair: OECD, Cristina Martinez-Fernandez

15.30–15.50

SETTING UP THE DISCUSSION

The workshop is organised by the OECD LEED Programme as part of its project on Demographic Change. The workshop aims to discuss the complexity of elements impacting policy development for national and local governments and other actors in dealing with demographic change, particularly with regards to the labour market.

Introduction to the workshop and to the OECD project on ‘Local scenarios of demographic change: policies and strategies for sustainable development, skills and employment’

Dr. Cristina Martinez-Fernandez, Policy Analyst, OECD LEED Programme

Why skills are important for shrinking cities? Implications of new skills for new jobs in the European context

Mr. Robert Strauss, Head of Unit, Employment Analysis, DG Employment, Social Affairs and Inclusion, European Commission

15.50–17.30

THEME 1

DO WE NEED POLICIES FOR SHRINKING CITIES? AND IF SO WHICH ONES?

15.50-17.00

This session will discuss the challenges of shrinking cities; if specific policies should be designed or if traditional planning instruments and investment strategies can provide a response to this type of cities/towns.

Paper presentations:

- ✓ ‘Shrinking cities - a challenge for planning cultures’, *Pallagst, K.*
- ✓ ‘The paradox in planning for shrinkage’, *Sousa, S. & P. Pinho*
- ✓ ‘A place to be proud of: history and its role in shrinking cities’, *Mulder, A.*
- ✓ ‘Population decline in 3 European regions: causes, consequences, policies’, *L. van Wissen*

Discussants Prof Sylvie Fol (France) and Prof Sergio Moraes (Brazil)

17.00-17.30

Panel discussion

Experts: Presenters (K. Pallagst, S. Sousa, A. Mulder, L. van Wissen), Hendrik Theunissen (EU Committee of the Regions) and Aldert de Vries (Ministry of Internal Affairs, Department of Housing, Neighbourhoods and Integration, The Netherlands)

Day 2: Thursday 17th February 9h00 – 12h00

Chair: EC, Robert Strauss

9.00-10.30

THEME 2**INTERNATIONAL EXAMPLES OF POLICIES FOR SHRINKING CITIES – IS THERE AN INTEGRATED APPROACH TO FOSTER SUSTAINABLE DEVELOPMENT, SKILLS AND EMPLOYMENT?**

This session will discuss examples of strategies and policies for shrinking cities in different OECD countries. Experts will reflect on the target goals of policies and programmes in their case studies/countries. In particular experts will discuss if there is an integrated approach of local economic development, skills development, and job creation strategies and programs in areas of shrinkage.

Paper presentations:

- ✓ 'Urban shrinkage and post-socialist transformation: the case of Poland', *Strykiewicz, T., P. Ciesiolka & E. Jaroszewska*
- ✓ 'Selicato Strategies for dealing with urban shrinkage. Issues and scenarios in Taranto', *Camarda, D. F. Rotondo & F.*
- ✓ 'Urban shrinkage in Parkstad Limburg', *Elzerman, K. & M. Bontje*
- ✓ 'Determinants and shrink smart strategies for the municipalities of Portugal', *Panagopoulos, T. & A. P. Barreira*
- ✓ 'Policy strategies for dealing with shrinkage in Slovene cities', *Sasek Divjak, M.*
- ✓ 'Residential attractiveness as a public policy goal for declining industrial cities - the case of Mulhouse, Roubaix and Saint Etienne', *Miot, Y.*

10.30-11.00

Coffee Break

11.00-12.00

THEME 3**ARE POLICIES FOR SHRINKING CITIES EFFECTIVELY ADDRESSING SKILLS AND EMPLOYMENT MARKET ISSUES?****Floor discussion, fishbowl methodology**

- **Lead discussant 1 (inner circle):** *Mr. Robert Strauss, EC*
- **Lead discussant 2 (inner circle):** *Ms Naoko Kubo, OECD*
- **Lead discussant 3 (inner circle):** *Mr Manuel Wolf, Germany*

Facilitator: Dr. Cristina Martinez-Fernandez

WORKSHOP ON DEMOGRAPHIC CHANGE & LOCAL DEVELOPMENT: NEW WAYS OF THINKING, NEW FINANCING MECHANISMS

7th Oecd Leed Forum “Doing more with less: Local partnerships’ role in the recovery” Vienna, 10th and 11th March 2011

Introduction

This workshop was organised as part of the OECD LEED project on “Local Scenarios of Demographic Change: Policies and Strategies for Sustainable Development, Skills and Employment”, following sessions that took place at the University of Amsterdam “Conference on Shrinkage in Europe: Causes, Effects and Policy Strategies” (16-17 February 2011, Amsterdam, The Netherlands), focusing on territorial implications of demographic change (shrinkage).

The workshop at the LEED Forum looked at identifying necessary policy responses, focusing on the labour market and financial implications of demographic change, particularly in ensuring a productive and properly equipped workforce in view of the increasing ageing population in the coming decades. Experts from local development/employment agencies, researchers and others highlighted a number of issues that warrant further analysis in the OECD project. Key commentaries were provided by the experts noted in the programme, in Annex.

Main Conclusions of the Workshop

During the LEED Forum session, participants mainly discussed challenges of demographic change associated with the labour market (*e.g.* reduced supply of workforce/ageing workforce) and financing (*e.g.* inadequate pension schemes/increased social security costs). It was revealed that local governments are already working in addressing the ageing workforce as a priority issue, and a number of programmes and initiatives are in place. For example, in Germany, a programme has been set up to help connect workers older than 50-years old with potential employers to ensure their continued employability, and in Austria, a programme has been set up to help older workers with health problems to continue working. However, it was also revealed that these programmes have yet to fully address the issue of social inclusion (*e.g.* balancing employment opportunities for the youth, the elderly and disadvantaged groups). Furthermore, discussions also revealed that while EU funding plays a key role, co-financing is a challenge with a shrinking fiscal base;

In sum, in order to succeed in addressing the challenges associated with demographic change, it cannot be left to the market alone to resolve, but effective policy interventions are needed. A multi-disciplinary approach with a long-term perspective is crucial and all actors (government, social partners, community organisations, etc.) need to share responsibilities. There is a need for new ways of thinking (*e.g.* changing expectations of both employers and workers) to overcome some of the expected challenges and to ensure financing of services that are likely to increase, with the increase of ageing population, but against the declining resource base;

Key Issues and Policy Implications

- **General trends.** There are two types of consequences of general demographic trends (ageing, low fertility, population decrease, etc.) on cities or functional urban areas: (i) growing cities with

high pressure of migrants; and (ii) shrinking (stagnating) cities with significant emigration rate and fast ageing population. There is a need to look at the possible geographic differences of the issue, more globally and regionally, as appropriate coping mechanisms may differ. In the European context, the interplay of the uneven economic development and the demographic pressure may be an issue at the national level, but it may be more serious at the regional level (*i.e.* Eastern Europe vs. Western Europe), because of the growing fiscal problems due to the demographic trends and lack of appropriate coping mechanisms to date;

- **Rural ageing.** Addressing ageing in the rural context is a complex challenge, but it can be counterbalanced by (i) amenity-driven in-migration (*i.e.* early retirees); and (ii) providing infrastructures, business opportunities and facilitating integration for job seekers (*e.g.* young families, self-employed people, international migrants). Implementing these measures require concerted efforts and appropriate application of principles. For example, the LEADER Principles may provide useful guidance, which includes the following: area-based approach, bottom-up approach, local partnership, multi-sectoral integration, innovation, networking, inter-territorial cooperation, and *decentralised* decision-making and financing;
- **Social exclusion.** The negative impact of demographic changes combined with poor safety nets tend to foster the exclusion of the underprivileged people as they might be forced to move into the poor neighbourhoods if housing become more expensive for example (often resulting in increased segregation), *requiring* concentrated and complex policy interventions (on employment, housing, health care etc.);
- **Sustainable lifestyle.** Some of the challenges associated with demographic change could be considered as opportunities, because the rapid growth of the past has challenged the carrying capacity of the planet. There may be a need for a new vision for the next generation, which looks at the work-life balance and the overall sustainability of the society in a new light.

Complexity of Actors and Roles

- **Role of government and policy interventions.** Successful programmes require an intergovernmental co-operation at all levels of government, as social costs of both expansion (growing cities) and shrinkage (declining cities) should be shared nationally and, in the case of Europe, at the European level. The German “Stadtumbau-Ost” programme is a good example of cost and risk sharing. Policies need to support sustainable local economic development, which is especially critical in the case of “weak market cities”, where cities are not necessarily shrinking in terms of population, but shrinking in terms of its economic potential (exemplified with ageing and immigration of people with low skills);
- **Role of the market and private sector.** Public financial support alone is not enough to change or adapt to the new demographic trends. There is a need for the market position of the region and firms within it to change;
- **Role of trade unions.** Demographic change has significant implications for older workers from extending the working life age to creating new ways of engaging older workers in the workplace. More research is needed to better understand roles of trade unions (*e.g.* collective bargaining) in an ageing workforce;
- **Role of immigrant workers.** International immigrants could be seen as contributors to pension schemes. However, they will need to be fully supported (*e.g.* language training) and measures must be taken to ensure that they are not excluded in the society;

- **Role of EU funding.** EU funding is seen as an important source of finance. Funding made available at the regional level, such as from the European Social Fund, can be useful and can be distributed at the local level. In Austria, a positive impact has been created by the European Social Fund Operational Programme where the Territorial Employment Pacts co-funds projects for target groups (those who are “on the margins of the labour market”);
- **Role of education and training.** There is a need to adjust education and training systems and curricula for training older workers, through different learning approaches. In particular, there is a need for capacity building for SMEs who tend to lack financing and skills to, for example, facilitating elderly workers to coach young workers and students (compared to large, multinational enterprises), but are the major employer in the economy.

Innovative Approaches and Programmes

- **Innovative approaches to employer/employee expectations for older workers.** The increasing ageing population requires that both employers and employees take a new look at their respective roles and expectations, as this needs to change in order to better facilitate innovative approaches to job creation and retention (*e.g.* more flexible and dynamic work arrangements; new types of work). There is a need to shift skills/training developments that has traditionally focused more on the younger workforce to ensure continuous learning/development for all, focusing on individuals. This is particularly important for the older workforce so that they can ensure their long-term marketability, but also to exploit their potentials (*e.g.* utilise their knowledge and skills which can be transferred to younger workforce through coaching). While many programmes do exist, employers are not yet actively addressing the issue of ageing enough. Innovative research that addresses the issues from a multidisciplinary perspective (including psychological dimensions of the issue) is required, in order to better understand the relationships and interdependencies of ageing, learning and working;
- **Innovative approaches to job creation.** The issue is not so much about funding, but about innovative thinking. There is a need for improving the process of matching jobs and people. Traditionally, employers are looking for individuals to fit into a certain job profile. However, this approach limits the opportunities, especially for those that are older, but also of other marginalised workers. By focusing more on individual profiles and adapting job profiles to the individuals in more flexible ways, new employment opportunities may arise. Furthermore, this approach could also lead to recognising additional skills/abilities of workers. Such strategies are already being applied by companies (*e.g.* BMW). Labour market interventions could play a major role in facilitating this type of change;
- **Innovative approaches to job retention - health care management for older workers.** In Austria, in order to support an older workforce with health issues to remain in jobs, a preventative care management project has been put in place under the “Territorial Employment Pact.” Support is provided both to the employees and employers in this project;
- **Innovative approaches to funding.** Given a shrinking fiscal base, it is necessary to exploit both public and private, but also individual sources of financing (*e.g.* time, skills, private money). There is also a need to reduce administrative burdens in order to make available funds readily accessible;
- **Example of programmes addressing ageing.** In Germany, a nation-wide initiative “Perspective 50+” has been launched by the German Federal Ministry of Labour and Social Affairs in 2005 which aims at activating and integrating older long-term unemployed into regular jobs. In the

first five years (2005 – 2010), more than 130 000 older long-term unemployed have found a work place through this programme. The success is based on a new governance approach, addressing regional and local employment pacts (instead of implementing centralised instruments), a new kind of co-operation between the federal and the regional and local level, simplification of rules and awareness raising campaigns on the federal and regional level, including the employers and health care issues. The main challenge moving forward is whether the programme will be absorbed by the mainstream labour market policies (based on centralised instruments - “one size fits all” approach) or if the programme will be able to impact and to change the “standard” labour market policies in Germany;

- **Example of programmes addressing “shrinking cities”.** There are a number of programmes and initiatives that address the issue of demographically shrinking cities and regions. For example, the earlier programme “Stadtumbau Ost” (Germany) and the current European Social Fund COST programme “Cities Regrowing Smaller - Fostering Knowledge on Regeneration Strategies in Shrinking Cities across Europe”. There is also the programme “Redesign Eisenerz” (Austria). The “Stadtumbau Ost” have had mixed results as it addressed primarily the built environment without addressing other social measures such as skills development. These examples indicate that it is important that all actors are involved in the process of dealing with “shrinkage” and that “social capital” and networking play key roles in shrinking regions.

ANNEX: VIENNA WORKSHOP PROGRAMME

Friday 11 March 2011

9:00 – 10:30

NEW SOURCES OF JOBS: DEMOGRAPHIC CHANGE & LOCAL DEVELOPMENT: NEW WAYS OF THINKING, NEW FINANCING MECHANISMS

Hosts: *Cristina Martinez*, OECD LEED Programme and *Naoko Kubo*, OECD Environment Directorate

Demographic change is today one of the key challenges for labour markets together with climate change, globalisation and knowledge/technological change. Fertility rates are lowering, whilst both the ageing population and youth unemployment are on the rise. This, and the complexity of urban-rural shrinkage, are posing numerous challenges to job creation and sustainable development agendas. Yet, increased heterogeneity offers opportunities, especially in the development of the 'silver' and 'white' economy and natural 'green' advantages of shrinking areas. All the more as the paradigm shift towards low- carbon economies stresses the need for strategies to anticipate and redirect transition towards more sustainable development, in which demographic change cannot be left behind. However, opportunities are not without new challenges for social inclusion of the ageing parts of societies. They call for a re-evaluation of the role of older workers and new intergenerational solidarity. Here, technological change and social innovation have critical roles to play, as does the implementation of new financing mechanisms.

Experts:

Robert Strauss, European Commission, Forum Chair
Michael Förschner, Forum Leader at ZSI, Austria
Elfriede Harrer, WAFF, Vienna, Austria
József Hegedüs, Metropolitan Research Institute, Hungary
Robert Lukesch, ÖAR Regionalberatung GmbH
Rainer Rosegger, Pilotprojekt, Austria
Jasper van-Loo, CEDEFOP, Greece

Q1. What programmes and initiatives show innovative ways to deal with demographic change? What is innovative in them? Who leads these strategies?

Q2. Who are the socially excluded? And, what is being done to promote their economic and social inclusion?

Q3. Which financing mechanisms are used? What is innovative in terms of funding sources and governance arrangements?