

Workshop Summary Report

3rd Knowledge-Sharing Forum:

Towards Regional Resilience to Demographic Change in Croatia

26-27 October 2023

Opatija, Croatia

“Enhanced Strategic Planning at Regional and Local Levels in Croatia” project



Table of contents

Introduction	3
Opening session: Towards regional resilience to demographic change	3
Across the OECD and EU, countries and regions are going through profound demographic change	3
Drivers and consequences of population decline and ageing	4
Policy responses to demographic change	5
Panel 1: National perspectives and strategies for dealing with demographic change at the subnational level	6
Croatia’s approach to countering population decline	6
Italy’s National Strategy for Inner Areas	6
Workshop 1: Identifying the challenges and opportunities generated by demographic change at the subnational level in Croatia	7
Panel 2: Adapting to demographic change to ensure continued quality of public service delivery	8
Ensure access to quality education in the face of population decline in Finland	8
Platernica’s mission to ensure a good quality of life across its neighbourhoods	9
Panel 3: Countering demographic change through migration and youth-oriented policies	10
Switzerland’s “Youth Friendly Mountain Municipalities”	10
Identifying policy measures to effectively counter demographic change	11
Conclusion	11
References	13
Annex 1. “Enhanced Strategic Planning at Regional and Local Levels in Croatia” project	16
Annex 1. Forum agenda	17

Introduction

What challenges and opportunities does demographic change generate for subnational governments and actors in Croatia? How can Croatia adapt to demographic change to ensure continued quality of public service delivery? What regional or local policy interventions could be put in place to counter demographic change? These were some of the questions explored in the Knowledge-sharing Forum “Towards regional resilience to Demographic change”, held on 26 and 27 October, 2023 in Opatija, Croatia.

More than 70 participants took part in the forum, organised by the OECD and the Croatian Ministry of Regional Development and EU Funds (MRDEUF), including representatives from different national government institutions, counties (including their regional development agencies) and local self-governments. The event created opportunities for dialogue and exchange among Croatian national and subnational policy makers about their experiences with managing the effects of demographic change. It also facilitated learning from national and international good practices and supported the identification of innovative interventions to deal with demographic change at the subnational level.

The forum covered three main topics: (i) national perspectives and strategies for dealing with demographic change at the subnational level; (ii) adaptation to demographic change to ensure continued quality of public service delivery; and (iii) countering demographic change. Each topic was explored through a panel discussion, followed by an interactive workshop. This Summary Report presents the main takeaways from each of these sessions, as well as from the opening keynote speech (listed below).

- **Opening session:** “Towards regional resilience to demographic change”
- **Panel 1:** “National perspectives and strategies for dealing with demographic change at the subnational level”
- **Workshop 1:** “Identifying the challenges and opportunities generated by demographic change at the subnational level in Croatia”
- **Panel 2:** “Adapting to demographic change to ensure continued quality of public service delivery”
- **Workshop 2:** “Further quality public service delivery in the face of demographic change”
- **Panel 3:** “Countering demographic change through migration and youth-oriented policies”

Note, due to weather conditions most participants had to leave the forum before the start of workshop 3 “Exploring subnational policy interventions to counter demographic change”. As such, no summary of the workshop outcomes can be provided in this summary report.

The forum is part of the “Enhanced Strategic Planning at Regional and Local Levels in Croatia” project (Annex 1), which aims to reinforce multi-level governance and strategic planning at the regional and local levels.

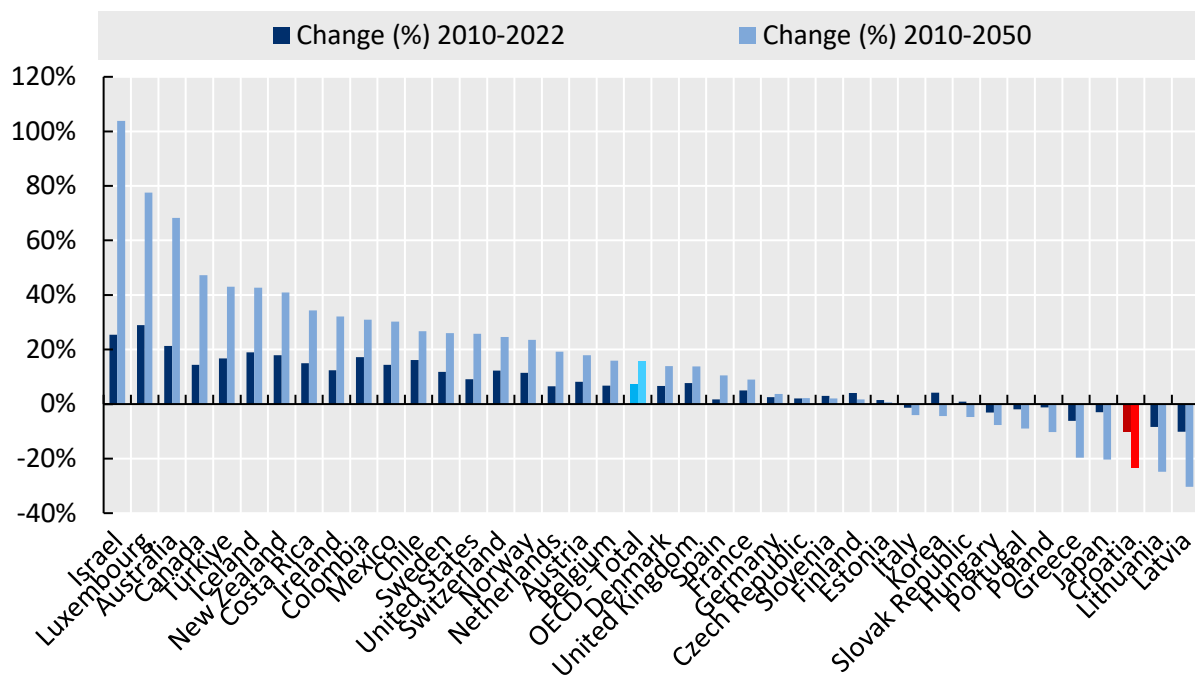
Opening session: Towards regional resilience to demographic change

Across the OECD and EU, countries and regions are going through profound demographic change

During the opening session, the OECD set the scene by presenting some demographic trends in OECD Member countries and EU Member States.

Over the past decade, most OECD Member countries have experienced population growth (Figure 1). This may seem at odds with the pervasive narrative of population decline today, but behind the national averages, there is much variation at the subnational level. Indeed, 30% of OECD regions (TL3) have experienced population decline since 2010, including in countries where, at the national level, the population has been increasing (OECD, 2023^[1]).

Figure 1. Population change in OECD Member countries and Croatia in 2010-2022 and projected for 2050



Source: Author's elaboration, based on (OECD, 2023^[1]).

Croatia's population dropped by 10% from 2010 to 2022, comparable only to Lithuania and Latvia, which experienced similar levels of decline. The Croatian population is expected to shrink a further 14% between 2022 and 2050 (Figure 1). Moreover, between 2001 and 2022 population levels declined in all but two Croatian counties (Zagreb & Zadar). This decline is particularly pronounced in counties with below-average regional GDP and productivity levels. The OECD highlighted that this population decline has led to a sharp rise in the share of municipalities with less than 2 000 inhabitants, which has grown from 29% in 2011 to 37% in 2021 (well above the OECD [25%] and EU [29%] averages) (Croatian Bureau of State Statistics, 2023^[2]).

Moreover, the composition of Croatia's population is changing in line with EU old-age dependency trends.¹ From 2010 to 2022, all EU Member States reported an increase in their old-age dependency ratio (Eurostat, 2023^[3]). Croatia's elderly dependency ratio rose to just above the EU average, from one elderly person for every four working-age people, to one in three. Looking towards 2050, the EU's average old-age dependency ratio is projected to increase to 52%, and Croatia's to 53%. This increase means that by 2050, both in the EU and in Croatia, there will be one elderly person for each working-age person (Eurostat, 2023^[3]).

Drivers and consequences of population decline and ageing

There are two primary drivers of demographic change in Croatia. First, emigration in the wake of EU accession, particularly of young people to other EU Member States, has been an important contributor to

¹ The old-age to working-age demographic ratio is defined as the number of individuals aged 65 and over per 100 people of working age defined as those at ages 20 to 64.

Croatia's population decline. Second, low fertility rates are also a driver as birth rates have consistently fallen below the replacement level (2.1 children per women) since the 1960s. While Croatia's fertility rate has increased over the past decade, in 2021 it was only marginally above the EU average of 1.53 (Eurostat, 2023^[4]).

Population decline and ageing can profoundly affect regional and local development. From an economic perspective, a shrinking and ageing labour force may reduce business operations and create job losses, which in turn can lead to a brain drain through outward migration. Further, in terms of fiscal and public service delivery consequences, population decline can lead to a reduction in tax revenue and user charges from public services, which may increase the per capita cost of public services. Population shrinking and ageing can also lead to changes in the demand for public services, with less need for education and more demand for specialised healthcare for the elderly population. For example, in Croatia, research estimates that by 2050, the share of the state budget allocated to pensions and elderly healthcare could double (Nejašmić, 2011^[5]).

Amid a heightened strain on public finances, subnational governments may also face a lack of policy and public service delivery capacity, as well as administrative capacity due to limited staffing. Further, population decline can also lead to social and cultural transformations as young people leave for better opportunities and the sense of community is eroded as schools, community centres and other public facilities close. The decline in access to public service delivery can, in turn, negatively affect the level of trust in government as the quality of certain services, including education and healthcare, are particularly salient to citizen satisfaction (Mitsch, Lee and Ralph Morrow, 2021^[6]).

Policy responses to demographic change

Different policy-making approaches to address the effects of population change can be identified across the OECD and the European Union (EU). The traditional policy approach in OECD countries has revolved around measures to counter population decline in affected areas. Over the past decade, however, policy makers have increasingly embraced a “coping with decline” strategy, which is seen as a more pragmatic path forward for regions and municipalities grappling with shrinking populations.

This approach, which is also referred to as “smart shrinking” or “smart adaptation”, tacitly acknowledges the reality of population shrinkage and identifies ways to adapt to its economic and social repercussions (OECD, 2022^[7]; Haase et al., 2014^[8]). For example, Finland is piloting the creation of regional networks of educational institutions with to aim of pooling resources to continue to meet education demands in communities experiencing demographic decline (Association of Finnish Municipalities, n.d.^[9]).

Certain countries take a multi-faceted approach to demographic change. For example, Germany has published an integrated demographic strategy with measures to increase fertility and expand childcare (countering demographic decline), as well as promoting longer working lives and supporting the elderly (German Federal Ministry of the Interior and Community, 2016^[10]). Moreover, the strategy promotes place-based support for both rural and urban environments to ensure quality public services and to increase well-being for all generations across the country.

In Croatia, although policies to adapt to demographic change have gained pace since the outbreak of the COVID-19 pandemic, so far they have focused primarily on policies that aim to counter demographic change. For example, the National Development Strategy 2030 targets a fertility rate of 1.8 by 2030. Moreover, in some Croatian counties, demographic change features prominently in their regional development plans. For example, Virovitica-podravina county aims to prevent emigration and attract Croatia's diaspora with a comprehensive strategy involving social housing and youth development programmes (Regional development agency of the Virovitičko-podavska county, 2022^[11])

Panel 1: National perspectives and strategies for dealing with demographic change at the subnational level

This session explored Croatian and Italian strategies for dealing with demographic change. In particular, the session looked at the main strategic approaches for dealing with demographic change (e.g. increasing fertility or adapting to demographic shifts), as well as the policy interventions proposed or implemented.

Croatia's approach to countering population decline

Croatia's State Secretary at the Central State Office for Demography and Youth, established three years ago, underlined its mission to support the country's demographic revitalisation. Indeed, Croatia's downward demographic trends have been significantly affected by international developments such as the breaking up of Yugoslavia in the early 1990's and EU accession in 2013 (Central State Office for Demography and Youth, 2023_[12]). Croatia's population has shrunk by almost 20% since 1991. As such, countering demographic change, including through improved childcare, is a priority for Croatia's national government. Since its creation, the Central State Office for Demography and Youth has worked on building awareness across levels of government about what 'demographic measures' are, which have proved effective in countering or managing demographic change and which less so.

In recent years, the Croatia has almost tripled the remuneration for parental leave, improving employment conditions for parents. Other measures implemented by state administrative bodies include reducing the value added tax (VAT) rate on baby food, diapers and car seats by 13%; a pension increase of 2% per child for mothers; the provision of free textbooks for primary school students; free primary school meals for 311 000 children worth EUR 73 million; free transportation for all school students; and tax breaks for people up to 30 years of age. Further, amendments to the Child Allowance Act have increased the coverage of users so that two-thirds of children will benefit from this fund (Central State Office for Demography and Youth, 2023_[12]).

Demographic challenges, however, call for the adoption of a long-term demographic strategy. Croatia's forthcoming Strategy for the Demographic Revitalization of the Republic of Croatia 2033 will have two strategic goals: (1) building an enabling environment for families and young people and (2) balanced population mobility. The latter goal is related to the country's efforts to manage immigration and emigration (Central State Office for Demography and Youth, 2023_[12]).

To achieve these objectives, the Strategy will propose action in eight areas, including tax credits, housing, education and childcare. For the strategy to be successful, it is necessary that all levels of government, the scientific community and civil society co-operate. In particular, Croatian regions should invest in their attractiveness and in their 'disadvantaged' areas (Central State Office for Demography and Youth, 2023_[12]).

Italy's National Strategy for Inner Areas

Italy's National Strategy for Inner Areas was outlined by a senior researcher from Italy's Council for Research in Agricultural Economics. The strategy was developed in 2013 and aims to counteract marginalisation and enhance the territorial 'reactivation' of remote municipalities by addressing spatial inequalities such as unequal access to public services. The strategy has targeted 72 areas covering 1 000 municipalities and 16.7% of the national territory where population decline was particularly pronounced. The target communities are fragile territories called "Inner Areas" located far from main urban centres and basic public services. Inner Areas stretch across 60% of the national territory and are home to 52% of Italian municipalities as well as 22% of its population (Council for Research in Agricultural Economics of Italy, 2023_[13]).

The national strategy is based on four policy innovations that seek to develop and improve participatory processes in rural areas. The first involves parallel improvements in the provision of essential services (primary and secondary school and vocational training, local mobility and transports, healthcare and medical services) while also promoting local development initiatives.

Second, the strategy is conceived and implemented within a multi-level framework. This implies close collaboration and co-ordination among national, regional and local government bodies.

Third, the strategy embraces a multi-fund approach, combining EU and national funding to implement local revitalisation initiatives. The total planned expenditure for the 72 pilot areas is almost EUR 1.2 billion and the minimum amount per awarded project amounts to EUR 14 million (Council for Research in Agricultural Economics of Italy, 2023^[13]).

Fourth, collaboration across different municipalities (e.g. in the design of the local revitalisation projects) has been a precondition for receiving funding. As such, the strategy has encouraged inter-municipal co-operation, including among small municipalities that often face a lack of human and financial resources to carry out their administrative and service delivery tasks and responsibilities (Council for Research in Agricultural Economics of Italy, 2023^[13]).

To assess the results of the National Strategy for Inner Areas and identify any obstacles in the development and implementation of local projects, 10 territorial impact assessments were carried out. They revealed that the strategy generated diverse economic, social and environmental change across Inner Areas. The results detailed in the final report were, however, mainly qualitative and were not able to determine whether the strategy had contributed to countering demographic change in the target communities n (Council for Research in Agricultural Economics of Italy, n.d.^[14]).

Several factors have contributed to the relative success of Italy's Inner Areas Strategy. First, it has given strategic guidance to territories by formulating clear policy objectives and establishing policy instruments (e.g. an Inner Areas Technical Committee and Framework Programme Agreements) that target specific areas. Second, the Strategy's multi-level governance approach facilitated dialogue and the collective design of local strategies by national, regional and local stakeholders. Third, combining national and EU-level funds helped ensure that a wide range of local investment and services delivery needs can be met.

Workshop 1: Identifying the challenges and opportunities generated by demographic change at the subnational level in Croatia

In this workshop, forum participants discussed how demographic change affects their regions, with a particular focus on the challenges, as well as the opportunities demographic shifts may generate. They also explored the policies and instruments needed to capitalise on these potential opportunities.

Participants stressed the need to retain talent and young people through job opportunities and attractive environments. Many people leave Croatia due to the seasonality of job opportunities, particularly on the islands, and the lack of good quality affordable housing. This in turn can decrease the attractiveness of an area and the likelihood of investment, leading to further job losses and a decline in quality services.

In terms of opportunities generated by demographic change, certain participants mentioned lower emissions due to population decline. Others highlighted the potential growth of the 'silver economy' (economic activities, products and services designed to meet the needs of the elderly). They identified a series of policy interventions that could help exploit the economic potential of demographic change, including investing in telemedicine and e-learning. Supporting the social and economic inclusion of the elderly through business and school mentoring for retired people was also identified as an opportunity.

Panel 2: Adapting to demographic change to ensure continued quality of public service delivery

This session focused on how demographic change affects public service delivery by regional and local self-governments. In particular, it explored policy interventions by subnational governments in Finland and Croatia that aim to address the challenges posed by ageing and to seize the economic opportunities it can generate. The OECD opened the session by asking participants which aspect of service delivery and infrastructure are most affected by demographic change. Forty-nine percent responded that “healthcare” was most affected, while 23% chose “education”, 14% “public transport”, and 14% “other”.

As Croatia and OECD Member countries will experience significant demographic change over the next few decades, policies to counter population decline need to be complemented by ones that seek to ensure continued access to public services (e.g. education, healthcare, transport), including in shrinking communities. Across the OECD, national and subnational governments are implementing policy interventions to adapt to demographic change; from reforming the fiscal and institutional frameworks (e.g. Poland’s territorial contracts (Poland’s Ministry of Development, 2017^[15]; OECD, 2019^[16])) or leveraging the private sector (e.g. development of a car sharing application by Austrian firm Ummadam), to promoting policy experimentation and innovation (e.g. Italy’s mobile day centre for educational support in Abruzzo) (Euromontana, 2023^[17]; Ummadam, 2023^[18]; Agenzia per la Coesione Territoriale, 2023^[19]).

Ensure access to quality education in the face of population decline in Finland

The Association of Finnish Municipalities presented its pilot project to form networks of primary schools to ensure access to quality education in shrinking communities.

The Association represents 309 cities and municipalities. Its core task is to secure and improve the conditions in which local authorities operate by providing lobbying and advisory services. This is particularly pertinent given the current trends of demographic change and digitalisation that affect how municipalities are able to carry out their tasks and responsibilities, including in the field of education. In Finland, municipalities have statutory duties to provide pre-primary and primary education to all children. They also fund upper secondary education but can decide to provide either general or vocational education and training (Association of Finnish Municipalities, 2023^[20]).

Finland’s population, however, is ageing rapidly and regional disparities are becoming more visible, challenging the accessibility of education services especially for children. For example, there has been a dramatic decrease of children in primary schools leading to a closure rate of 23% in the last decade (Association of Finnish Municipalities, 2023^[20]). The statutory obligation of municipalities to provide basic education means that even municipalities with very few children are mandated to have a school. Operating such schools can become very costly and difficult as there may not be enough teachers in the community to provide quality education.

In response to this situation, the Association of Finnish Municipalities developed a pilot project to support intermunicipal co-operation in the field of education, with the aim of ensuring continued access to primary schools in communities facing population decline (Association of Finnish Municipalities, n.d.^[9]). The specific objectives of the pilot project, implemented across 39 municipalities between 2022 and 2024, are two-fold:

1. To understand the challenges municipalities across the country face in providing quality education that (in communities facing population decline or growth, in isolated communities, etc.)
2. To increase understanding among relevant national ministries (e.g. education) and municipalities of the legal and regulatory possibilities and opportunities for inter-municipal co-operation in the field of education.

As part of the pilot initiative, municipalities are exploring the possibility of establishing formal school networks in which students can be assigned to nearest possible school across municipal boundaries. They are also assessing possibilities of organising common staff training and disseminating joint surveys of the staff situation and teacher skills needed in shrinking areas (Association of Finnish Municipalities, 2023^[20]).

The Association has already learned several lessons from the project, notably that co-operation can be an effective tool for smart shrinking strategies. Co-operation must therefore be recognised and enabled through legislation and state funding. Moreover, the personal relationships of different actors (e.g. teachers, parents of students), the support of local political decision-makers, and a desire to work in the best interest of students also appear to play a key role in consolidating co-operation.

Pleternica's mission to ensure a good quality of life across its neighbourhoods

The Mayor of Pleternica, Croatia, then took to the floor to explain how the municipality plans to retain and attract families by increasing the quality of life for all 38 neighbourhoods in the area. Their multi-faceted approach supports young families, as well as older populations. To ensure the balanced development of all neighbourhoods, the municipality is investing in the construction and maintenance of roads and waste management systems (Pleternica, 2023^[21]). They are also modernising public sports and leisure facilities in each neighbourhood. Investing in new public transport lines are also key to retaining and attracting families.

There are, however, several obstacles to this mission: population decline has led to a lack of staff. Moreover, wages are low and it is not possible to finance the municipality independently through capital investments and its small fiscal capacity.

Workshop 2: Further quality public service delivery in the face of demographic change

In the forum's second workshop, participants explored how demographic change is affecting county and local self-government ability to deliver education, healthcare and/or public transport services. They also identified policy interventions to ensure continued quality public service delivery in these three areas.

For education, participants remarked that the closure of schools in the face of population decline has led to children traveling a greater distance to schools in many communities. Further, they pointed out that some regions lack specific expertise in education for children with special needs. This is exacerbated by low remuneration for teachers. This prompts them to leave rural or depopulating areas in search for better opportunities elsewhere or switch to other sectors.

In order to ensure ongoing quality of education, participants suggested that the provision of education should be decentralised further, giving cities and municipalities the policy tools and funding to ensure continued access to primary and secondary schools in all communities. Moreover, increased investment in regional competency centres could help to upskill teachers, while the teaching curriculum could also be modernised. At the same time, participants commented that teacher' salaries should be increased, particularly for those working in remote areas, and teaching excellence should be rewarded. Finally, they also stressed the importance of monitoring labour market needs and adjusting education supply accordingly (i.e. of both secondary and vocation training).

Looking at healthcare, participants highlighted a lack of healthcare professionals and equipment for healthcare service delivery across all regions as the main challenges. As with education, they stressed the need to further decentralise healthcare service delivery to better meet local needs. Further, they suggested that incentives, such as financial benefits and housing, should be provided for doctors to work in rural areas, while mobile teams could also be provided twice a week in the countryside to ensure that even the

most remote areas have access to basic healthcare services. In addition, participants agreed that there needs to be increased investment in staff and equipment to make certain regions more attractive to healthcare workers.

Lastly, regarding public transport, participants noted that there are not enough bus, train and ferry lines, and that those that exist are costly to maintain, particularly in areas facing population decline. Participants stressed that one way to ensure continued connectivity in shrinking communities is by providing financial support to public and non-governmental transportation providers. Participants also suggested that obtaining EU funding could help them to invest in expanding and improving the existent railway network. Finally, they proposed increased investment in bike lanes to better connect different communities.

Panel 3: Countering demographic change through migration and youth-oriented policies

In the final session, speakers from Switzerland and Croatia focused on the policy interventions subnational governments could consider for countering demographic change, for example through pro-family or fertility policies, policies focused on the return of Croatian diaspora, and interventions aimed at preventing outgoing migration.

The OECD noted that policies to counter shrinkage take various forms, with many indirectly aimed at increasing regional attractiveness. Analysis based on the OECD's recent work on regional attractiveness shows that on average, housing affordability and internet access are key determinants of a region's attractiveness to talent (OECD, 2023^[22]). However, due to the diversity of regional challenges and opportunities, tailored place-based solutions are required.

Switzerland's "Youth Friendly Mountain Municipalities"

The Director of the Swiss Centre for Mountain Regions (SAB) presented their initiative to meet the needs of young people living in mountainous areas. Mountain areas cover two-thirds of the surface area of Switzerland. In 2019, about a quarter of the population and 20% of employed people lived in mountainous regions. Moreover, while youth-age dependency is falling across the country due to ageing, the old-age dependency rate is most pronounced in mountain areas, particularly as youth has tended to migrate to more urban areas, negatively affecting economic and social development of mountain communities. In 2014, an SAB survey revealed that around 75% of young mountain people would like to stay in their mountain areas, but only around half thought that this would be possible given the job situation (Swiss Centre for Mountain Regions, 2023^[23]).

In the same year, SAB developed the concept of a quality label for municipalities that invest in their attractiveness to youth. In order to be considered as a "Youth Friendly Mountain Municipality", there are several compulsory criteria, notably the integration of the topic in the curricula of local schools, the delegation of at least two young people to attend the SAB Youth Forum, and a yearly feedback discussion between youth representatives and municipal authorities. Optional criteria for consideration range from creating jobs and apprenticeships to orienting mobility and accessibility policies towards the needs of young people, or encouraging intergenerational dialogue (Swiss Centre for Mountain Regions, 2023^[23]).

The label is a positive reinforcement mechanism that recognises the work done by mountain communities for young people and aims to increase their motivation to implement further activities to improve young people's well-being. It is beneficial for awarded municipalities as it increases their attractiveness to families and encourages young people to get involved in politics. Likewise, for SAB, the label transposes a positive image of mountainous areas and creates better conditions for mountain youth by involving them in the future of these regions.

As part of the initiative, as of 2015, an annual youth forum, attended by two young people per municipality awarded with the label, has been organised to formulate recommendations for SAB and to attribute the “Youth Friendly Mountain Municipality” label to other municipalities (Swiss Centre for Mountain Regions, 2023^[23]). The forum also enables youth representatives to establish contacts with other youth organisations to increase engagement and knowledge sharing.

The initiative was financially supported by the Swiss Confederation in the initial stages – demonstrating its importance at the national level. Currently, the initiative is funded by membership fees (equivalent of EUR 215 per year per municipality) (Swiss Centre for Mountain Regions, 2023^[23]).

The label has resulted in concrete actions by municipalities such as the creation of meeting rooms for young people, the increase of activities at schools, new nurseries and the creation of intergenerational housing. Furthermore, in 2021, a resolution concerning the future of mountain areas was formulated by the Youth Forum and the Council of Mountain Regions and adopted by SAB’s General Assembly. In 2022, SAB dedicated its General Assembly to young people and their needs (Swiss Centre for Mountain Regions, 2023^[23]).

The visibility of the initiative has continued to grow at a local and international level with Euromontana recognising the label as a good practice in May 2022. The initiative has also generated attention at the highest political level with a presentation of the Youth Forum’s policy recommendations to members of the federal Parliament and the Federal Councillor taking place in March 2023. There is space to further understand the impact of this label through quantitative monitoring and evaluation.

Identifying policy measures to effectively counter demographic change

During the closing discussion, representatives from Croatia’s Institute for Migration and Ethnic Studies (IMIN) and Central State Office for Demography and Youth commented that the Croatian government should focus on preventing outward migration, rather than focusing on getting the Croatian diaspora to return. Indeed, the decision for Croats living abroad to return is motivated by a wide range of factors and financial incentives like those provided in other EU Member States (e.g. Spain and Portugal) are not effective (Institute for Migration and Ethnic Studies of Croatia, 2023^[24]).

Likewise, while financial measures to encourage childbearing seem widespread in Croatia, their impact on increasing fertility and encouraging people to remain in their communities is very limited as they only temporarily increase a family’s purchasing powers. Increasing fertility rates also depends on integrated childcare provision such as paid maternity and paternity leave and accessible after-school care (Institute for Migration and Ethnic Studies of Croatia, 2023^[24]).

Other measures to counter demographic change are therefore needed. Investing in digital and physical connectivity is considered an important factor, as well as ensuring affordable housing options for youth. Another key element is maintaining access to vital public services as mentioned previously in panel 2.

Finally, Croatian subnational governments need to develop a better understanding about which demographic measures are actually working. In doing so, they can build on the work done by Central State Office for Demography and Youth. Since its creation in 2020, the Office has focused on mapping demographic change measures taken by national and subnational government bodies and promoting the most effective ones.

Conclusion

The forum helped achieve multiple objectives. First, it offered a platform for dialogue and exchange among Croatian national and subnational policy makers about the challenges of demographic change. In particular, participants stressed challenges related to retaining talent and youth while ensuring quality

12 | TOWARDS REGIONAL RESILIENCE TO DEMOGRAPHIC CHANGE

services for an aging population. They agreed that ‘countering’ measures should be complimented by an approach that focuses on managing demographic change, particularly in the face of continued population decline. The forum also enabled participants to identify opportunities generated by demographic change, such as the silver economy or more affordable housing.

Second, the forum facilitated learning from national and international good practices and highlighted innovative tools that could help communities become more resilient to demographic change. In particular, the importance of co-operation across levels of government was underlined (e.g. in presentations by representatives from Italy and Finland).

Third, through the different panel discussions and workshops, participants were able to identify the benefits and challenges associated with different policy measures to address demographic change. For example, both international experts and Croatian participants highlighted that investing in digital and physical connectivity, as well as affordable housing options for youth are instrumental to encourage residents to stay in their communities and outsiders to settle. These findings can help Croatia’s national and subnational governments further refine and implement strategies to effectively manage demographic change.

References

- Agenzia per la Coesione Territoriale (2023), *Essential services in Area interna Basso Sangro Trigno (Regione Abruzzo)*, <https://www.agenziacoesione.gov.it/wp-content/uploads/2020/12/Abruzzo-Basso-Sangro-Trigno.pdf>. [19]
- Association of Finnish Municipalities (2023), *Presentation at the knowledge-sharing forum "Towards Regional Resilience to Demographic Change"*. [20]
- Association of Finnish Municipalities (n.d.), *Verkostoperuskoulu -hanke [Network Comprehensive School project]*, <https://www.kuntaliitto.fi/verkostoperuskoulu> (accessed on 1 October 2023). [9]
- Central State Office for Demography and Youth (2023), *Presentation at the knowledge-sharing forum "Towards Regional Resilience to Demographic Change"*. [12]
- Council for Research in Agricultural Economics of Italy (2023), *Presentation at the knowledge-sharing forum "Towards Regional Resilience to Demographic Change"*. [13]
- Council for Research in Agricultural Economics of Italy (n.d.), *Presentation at the knowledge-sharing forum "Towards Regional Resilience to Demographic Change"*. [14]
- Croatian Bureau of State Statistics (2023), *Gradovi u Statistici [Towns in Statistics]*. [2]
- Croatian Central State Office for Croats Abroad (2022), *Registry of Croatian Entities Abroad*, <https://www.registarhrvataizvanhrvatske.hr/en/naslovnica-en> (accessed on 13 September 2023). [28]
- ENRD (2017), *The European Network for Rural Development (ENRD) - European Commission*, https://ec.europa.eu/enrd/smart-and-competitive-rural-areas/smart-villages_en.html. [25]
- Euromontana (2023), *Booklet of good practices for the sustainable development of mountain areas*, https://www.euromontana.org/wp-content/uploads/2023/01/Booklet-BP-2023_EN.pdf (accessed on 13 September 2023). [17]
- Eurostat (2023), *Eurostat*, https://ec.europa.eu/eurostat/databrowser/view/DEMO_PJANIND_custom_815687/bookmark/table?lang=en&bookmarkId=4c802ba9-e830-435d-9655-509676433a5c. [3]
- Eurostat (2023), *Total Fertility Rate*, <https://ec.europa.eu/eurostat/databrowser/view/TPS00199/default/table?lang=en> (accessed on 14 September 2023). [4]
- German Federal Ministry of the Interior and Community (2016), *Every Age Counts: The Federal Government's demographic strategy*, <https://www.bmi.bund.de/EN/topics/community-and-integration/demography/demography-node.html> (accessed on 1 October 2023). [10]
- Government of Croatia (2020), *Nacionalna razvojna strategija Republike Hrvatske do 2030. godine [National Development Strategy of the Republic of Croatia until 2030]*, <https://hrvatska2030.hr> (accessed on 1 September 2023). [26]

- Government of Croatia (2020), *Nacionalna razvojna strategija Republike Hrvatske do 2030. godine [National Development Strategy of the Republic of Croatia until 2030]*, <https://hrvatska2030.hr/> (accessed on 1 September 2023). [29]
- Haase, D. et al. (2014), "A quantitative review of urban ecosystem service assessments: Concepts, models, and implementation", *Ambio*, Vol. 43/4, pp. 413-433, <https://doi.org/10.1007/S13280-014-0504-0>. [8]
- Institute for Migration and Ethnic Studies of Croatia (2023), *Presentation at the knowledge-sharing forum "Towards Regional Resilience to Demographic Change"*. [24]
- Mitsch, F., N. Lee and E. Ralph Morrow (2021), "Faith no more? The divergence of political trust between urban and rural Europe", *Political Geography*, Vol. 89, p. 102426, <https://doi.org/10.1016/j.polgeo.2021.102426>. [6]
- Nejašmić, I. (2011), "Consequences of future demographic changes in Croatia", *Acta Geographica Croatica*, Vol. 38/1, pp. 1-14. [5]
- OECD (2023), *Demography and Population*, <https://stats.oecd.org/Index.aspx?DataSetCode=POPPROJ#>. [1]
- OECD (2023), *Rethinking Regional Attractiveness in the New Global Environment*, OECD Regional Development Studies, OECD Publishing, Paris, <https://doi.org/10.1787/a9448db4-en>. [22]
- OECD (2022), *Shrinking Smartly in Estonia: Preparing Regions for Demographic Change*, OECD Rural Studies, OECD Publishing, Paris, <https://doi.org/10.1787/77cfe25e-en>. [7]
- OECD (2019), *Making Decentralisation Work: A Handbook for Policy-Makers*, OECD Multi-level Governance Studies, OECD Publishing, Paris, <https://doi.org/10.1787/g2g9faa7-en>. [16]
- Pleternica (2023), *Presentation at the knowledge-sharing forum "Towards Regional Resilience to Demographic Change"*. [21]
- Poland's Ministry of Development (2017), *Decentralization and multi-level governance in Poland*, <https://www.oecd.org/regional/regional-policy/Decentralisation-and-multi-level-governance-in-Poland.pdf>. [15]
- Regional development agency of the Virovitičko-podravaska county (2022), *Plan razvoja Virovitičko-podravske županije za razdoblje od 2021. do 2027. godine [Virovitica-Podravine County Development Plan for the period from 2021 to 2027]*, <http://www.vpz.hr/wp-content/uploads/2022/10/KONACNI-NACRT-PLANA-RAZVOJA-VPZ-rujan-2022.pdf> (accessed on 12 August 2023). [11]
- Šelo Šabić, S. (2022), *Demographic decline of Croatia: What is to be done?*, Österreichische Gesellschaft für Europapolitik (ÖGfE). [27]
- Swiss Centre for Mountain Regions (2023), *Presentation at the knowledge-sharing forum "Towards Regional Resilience to Demographic Change"*. [23]
- Ummadam (2023), *Company*, <https://ummadum.com/en/unternehmen> (accessed on 12 August 2023). [18]



REPUBLIKA HRVATSKA
Ministarstvo regionalnoga razvoja
i fondova Europske unije



Annex 1. “Enhanced Strategic Planning at Regional and Local Levels in Croatia” project

The MRDEUF, with the financial support from Norway Grants, is working to strengthen the governance capacity of regional and local actors to best implement the National Development Strategy: Croatia 2030. To support this objective, the MRDEUF and OECD are collaborating on a two-year project to enhance strategic planning at the regional and local levels in Croatia.

The project aims to strengthen the capacity of regional and local actors to design, implement, monitor and evaluate evidence-informed development plans, thereby contributing to the objectives of Croatia’s National Development Strategy. In addition, the project supports the MRDEUF and subnational governments reinforce the strategic governance of integrated investment for territorial development.

To reach these objectives, the OECD will develop an analytical report on Croatia’s multi-level governance arrangements for regional development and issue tailored policy recommendations. In addition, it will organise different knowledge-sharing fora and capacity building activities over the project’s two-year period. For more information about the project, please visit: https://www.oecd.org/regional/multi-level-governance/Croatia_Project%20flyer.pdf

Annex 2. Forum agenda

Thursday 26 October

14:30 – 15:00	Arrival of participants and registration
15:00 – 15:15	Opening remarks <ul style="list-style-type: none"> • Stephan Visser, Policy Analyst, CFE, OECD • Željka Josić, State Secretary, Central State Office for Demography and Youth • Spomenka Đurić, State Secretary, Ministry of Regional Development and EU Funds
15:15 – 15:45	Keynote by OECD <p>This session outlines the different topics featured in the forum. It will delve into the territorial impacts of demographic change, focusing on data from OECD and EU member countries, including Croatia. The session will explore the effects, as well as challenges and opportunities generated by demographic shifts on issues such as economic growth, public finances, service delivery, labour market dynamics and social cohesion. Building on OECD work, the keynote address will also explore how policy interventions, including multi-level governance reforms, can help regions, cities and towns to make the most of demographic change.</p> <ul style="list-style-type: none"> • Stephan Visser, Policy Analyst, CFE, OECD
15:45 – 16:45	Panel 1: National perspectives and strategies for dealing with demographic change at the subnational level <p>This session will explore Croatia's and Italy's strategies for dealing with demographic change. In particular, the session will identify the policy objectives (e.g. increasing fertility or adapting to demographic shifts), as well as the interventions they propose, particularly to support subnational governments manage demographic change.</p> <p>Speakers</p> <ul style="list-style-type: none"> • Željka Josić, State Secretary, Central State Office for Demography and Youth • Italy: Presentation of the Italian National Strategy for Inner Areas (SNAI), Francesco Mantino, Research Centre for Agricultural Policies and Bioeconomy <p>Moderator</p> <ul style="list-style-type: none"> • Marc Bournisien de Valmont, Policy Analyst, CFE, OECD
16:45 – 17:00	Coffee break
17:00 – 18:00	Workshop 1. Identifying the challenges and opportunities generated by demographic change at the subnational level in Croatia <p>Through a collective intelligence exercise, participants will work together to conduct a high-level analysis of how demographic change affects their regions, with a particular focus on the challenges it poses (e.g. to productivity, local economic development, social cohesion, service delivery, public finance), as well as the opportunities demographic shifts may generate (e.g. the 'silver' economy).</p> <p>Moderator</p> <ul style="list-style-type: none"> • Marc Bournisien de Valmont, Policy Analyst, CFE, OECD
	Closing remarks day 1

18:00 – 18:10	<ul style="list-style-type: none"> • Stephan Visser, Policy Analyst, CFE, OECD • Luka Novosel, Adviser to Minister, Ministry of Regional Development and EU Funds
---------------	---

Friday 27 October

09:30 – 10:00	Arrival of participants and registration
10:00 – 11:00	Panel 2: Adapting to demographic change to ensure continued quality of public service delivery
	<p>This session focuses on how demographic change affects service delivery by regional and local self-governments. In particular, it explores policy interventions by subnational governments aimed to address the challenges posed by, for example, ageing, on the demand for and cost of subnational public services such as education, healthcare and public transport, and seize the economic opportunities it can generate.</p> <p>International expert</p> <ul style="list-style-type: none"> • Finland: Comprehensive School Network project 2022-2024, Mari Sjöström, Specialist, Welfare and Education Unit. Association of Finnish Municipalities <p>Discussant</p> <ul style="list-style-type: none"> • Stipe Čogelja, Deputy Prefect of Split-Dalmatia County • Marija Saric, Mayor of Pleternica <p>Moderator</p> <ul style="list-style-type: none"> • Miquel Vidal Bover, Policy Analyst, CFE, OECD
11:00 – 11:15	Coffee break
11:15 – 12:15	Workshop 2. Furthering quality service delivery in the face of demographic change
	<p>Through a collective intelligence exercise, participants will identify: (1) how demographic change is affecting regional and local self-governments' ability to deliver education, healthcare and/or public transportation services; and (2) explore policy interventions to ensure continued quality service delivery (e.g. fiscal decentralisation reforms, inter-municipal co-operation, digitalisation).</p> <p>Moderator</p> <ul style="list-style-type: none"> • Miquel Vidal Bover, Policy Analyst, CFE, OECD
12:15 – 13:30	Lunch
13:30 – 14:30	Panel 3. Countering demographic change through migration and youth-oriented policies
	<p>This session focuses on the policy interventions subnational governments can consider to counter demographic change, for example through pro-family/fertility policies (incl. financial incentives), policies focused on the return of Croatian diaspora, and intervention aimed to prevent outgoing migration.</p> <p>International expert</p> <ul style="list-style-type: none"> • Switzerland: A quality label for municipalities encouraging youth opportunities and reversing youth emigration, Thomas Egger, Director of the Swiss center for mountain regions SAB (Virtual) <p>Discussants</p> <ul style="list-style-type: none"> • Mislav Rubić, Central State Office for Demography and Youth • Dr. Sanja Klempić Bogadi, The Institute for Migration and Ethnic Studies <p>Moderator</p>

	<ul style="list-style-type: none"> • Stephan Visser, Policy Analyst, CFE, OECD
14:30 – 15:30	<p>Workshop 3. Exploring subnational policy interventions to counter demographic change</p> <p>Through a collective intelligence exercise, participants will work together to identify effective ways to counter demographic changes through subnational action, including how RDAs can support the design, implementation and co-ordination of such interventions.</p> <p>Moderator</p> <ul style="list-style-type: none"> • Stephan Visser, Policy Analyst, CFE, OECD
15:30 – 15:45	<p>Closing remarks, including next steps</p> <ul style="list-style-type: none"> • Stephan Visser, Policy Analyst, CFE, OECD • Spomenka Đurić, State Secretary, Ministry of Regional Development and EU Funds