CONSULTATION GROUP

SHRINKING SMARTLY AND SUSTAINABLY

BACKGROUND

Governments in countries facing population decline face the need to adapt infrastructure, housing, and public services to a new population scale in a way consistent with environmental objectives. Depopulation and ageing lead to a mismatch between infrastructure, service provision and the built environment on the one hand, and the needs of the local population on the other. Governments and local communities must adapt to the declining demand for certain services such as education and the increased demand for others, such as health and long-term care. As tax bases decrease and per capita costs of service and infrastructure provision increase, governments also need to develop efficient land-use and spatial development plans while aiming at maximising the well-being of local resident people.

THE PROJECT

Launched in February 2023, the OECD project “Shrinking Smartly and Sustainably”, financially supported by the European Commission, and part of the workstream “Preparing Regions for Demographic Change”, covers four policy areas:

1. Demographic diagnosis and prospects for depopulating areas
2. Land-use, housing, environment, and spatial planning
3. Multi-level governance, subnational finance, public service delivery and infrastructure
4. Shrinking small towns and cities

This 36-month project aims at producing a framework and associated guidelines to manage demographic change in regions experiencing strong and sustained population decline. It draws on policy and quantitative analysis as well as dialogues between external experts, academics, and practitioners from OECD countries. It comprises two main pillars:

1. The analytical pillar uses internationally comparable data and complementary sources for selected countries to disentangle the drivers of demographic change and produces indicators relevant to regions facing population decline. It uses new and updated data on demographics, land-use, built environment, housing, infrastructure and fiscal data to analyse population shrinkage. The analytical pillar proposes:
   • internationally comparable indicators relevant for shrinking regions;
   • and a technical paper on demographic scenarios.

2. The policy pillar explores the relationship between depopulation, ageing, land use planning, multi-level governance structures and finance, including for service delivery and infrastructure. Looking at policy options available at the national and regional levels, the policy pillar includes:
   • a working paper proposing a policy framework to address demographic change;
   • a compendium of good policy practices to manage population decline;
   • a set of guidelines for the multi-level governance of demographic change;
   • three country case studies on:
     a. land use planning, built-up growth, and housing, in South Korea;
     b. multi-level governance and finance – with a focus on service delivery and infrastructure – in Finland;
     c. and shrinking small cities, in Portugal;
   • three peer-to-peer knowledge-exchange dialogues – bringing together policy practitioners from a variety of OECD member states and providing a wealth of different experiences that will feed the project’s deliverables;
   • and a synthesis report summarising the project’s deliverables.

A Consultation Group made up of experts and academics reflecting the various policy areas of the project is supporting the OECD throughout the project.

CONTACT

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