



# Communication “Harnessing talent in Europe’s Regions”

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# Background and context

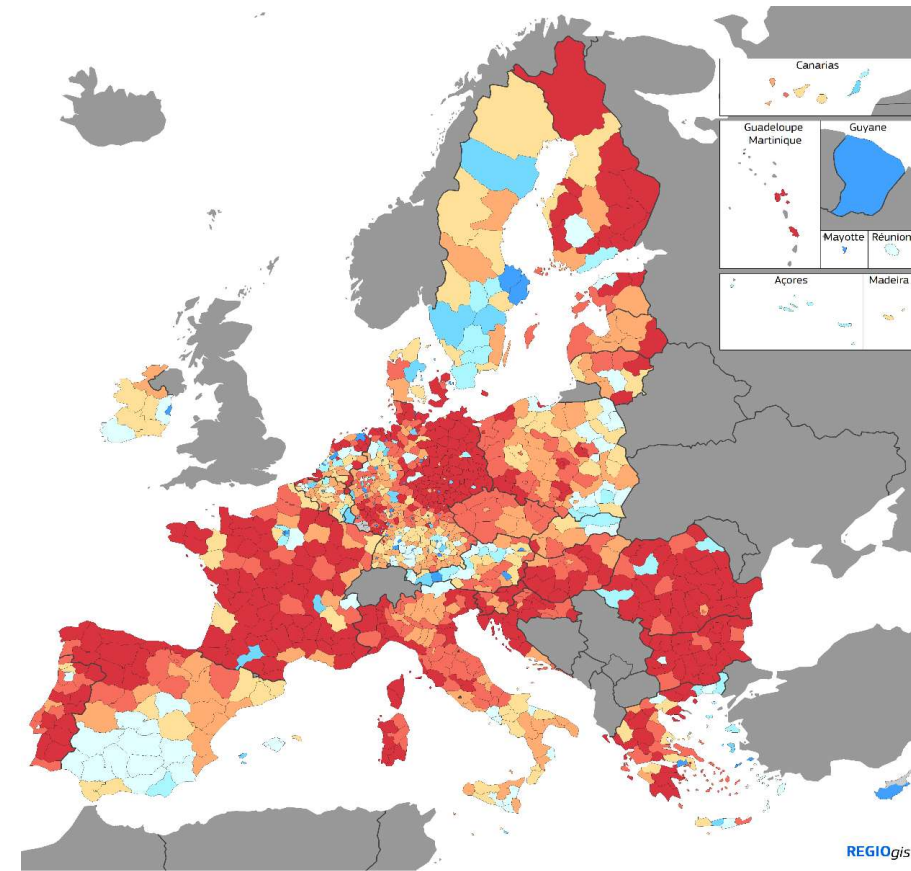
- Overall demographic context of the EU (2023 demography report “*The impact of demographic change in a changing environment*”)
- Accelerating population decline, mostly triggered by natural change (low fertility rate)
- Internal mobility and emigration
  - free movement of persons
  - elasticity and cyclical nature of emigration
- Asymmetric impact on regions

*The concern is more the capacity of regions to dispose of the (skilled) labor force needed for their development*

- First deliverable of the European Year of Skills

# DEMOGRAPHIC TRANSITION

- Demographic transformation of Europe is taking place caused by ageing, lower birth rates and migration flows
  - 3.5 million decrease of EU working age population between 2015 and 2020
  - Further shrinking expected, with 35 million persons decrease by 2050
- Some regions are more impacted than others, increasing regional disparities



Natural change of population aged 25-64, 2015-2020

Average annual change per 1000 residents



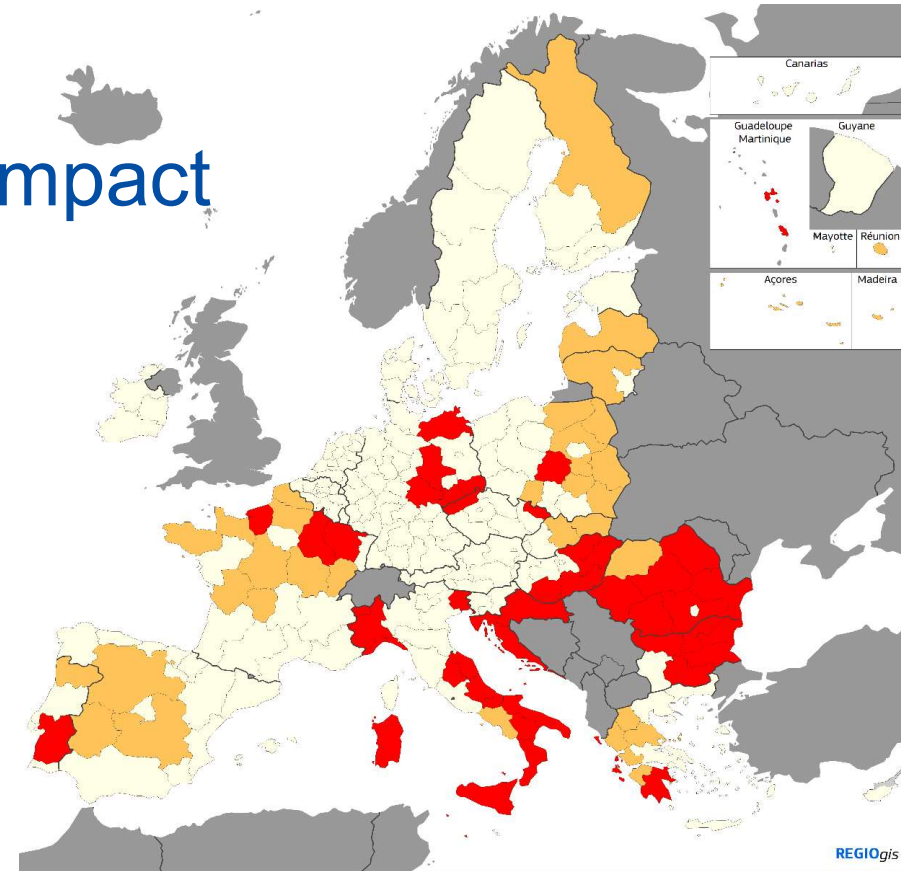
EU-27 = -3.29  
arithmetic average of the yearly rates  
DE: 2015-2017  
Source: Eurostat (demo\_r\_d2jan)

# Demographic trends and their impacts

- Focuses on regions identified as most affected by Talent Development Trap:
  - 46 regions in a **talent development trap** (16% of EU population)
  - 36 regions at risk of falling into talent development trap (13% of EU population)
- Risk of labour and skills shortages, insufficient productivity growth and innovation :
  - Overall lack of competitiveness
  - Hampering development pattern and the achievement of the twin transitions
- Risk for these regions, predominantly rural and less developed, to be left behind

# Talents needed to offset the impact

- Regions affected by sharp workforce decline and low/stagnating share of tertiary educated **in a talent development trap**
- Regions with net out migration of their younger cohort **at risk of falling into a talent development trap**



Regions in a talent development trap and regions at risk of falling in a talent development trap

- Category
- Shrinking working-age population and lagging level of tertiary education
  - Net out-migration of people aged 15-39
  - Other regions

# These regions face specific challenges

- Lower performances than EU average with regard to:
  - Efficiency of labour market :
    - Lower employment rates – including for persons with tertiary education
    - Higher unemployment rates
    - Higher employment gender gap
  - Educational systems:
    - Lower share of tertiary educated, including for younger cohorts
    - Higher rate of early leavers
    - Higher rates of NEET (no employment, neither in education or training)
    - Lower rate of adult learning
  - Lower accessibility to services : digital divide and access to universities
  - Lower quality of public governance

*Overall lower attractiveness of these regions for talents, unable to provide quality job opportunities*

- Indicators detailed in Annex of the Communication

# Decline is not inevitable

- These challenges can be overturned, as untapped potential
- Need for investments and reforms, steered by European Semester
- Several EU initiatives and instruments are detailed to address these challenges
- Importance of place based strategies to provide tailored responses to specific territorial challenges
  - Several examples of successful regional and national experiences prove that challenges can be taken up
- New “Talent Booster Mechanism” to be launched in 2023 and based on 8 pillars

# Talent Booster Mechanism - 1

- Direct support earmarked for the identified regions
  - Regions in talent development trap to elaborate and implement tailored and comprehensive strategies to train, attract and retain talents (*up to 10 regions*)
  - Regions at risk of falling into such traps to develop new approaches to demographic transition and talent development (*8 to 10 regions*)
- Financial assistance, though resources available under :
  - Technical Support instrument,
  - Interregional Innovation Investments (I3) – enhanced attention paid to identified regions
  - European Urban Initiative – targeting shrinking cities
  - Cohesion policy (notably through **2024-25 midterm review**)



## Talent Booster Mechanism - 2

- Extensive exchange of experiences and dissemination of knowledge and good practices, through a dedicated website and organisation of events, including targeted thematic and regional working groups.
- Signposting to other EU initiatives : dedicated page of the website: [initiatives highlighted in the Communication and forthcoming initiatives](#)
- Increase of analytical knowledge : addressing data shortages encountered during the preparation on regional development and migration (regional migration flows, access to services). [Eurostat and JRC \(Regional social scoreboard\)](#)