The New Challenges on Reshaping of Regional Policy in Lithuania in Geographic and Demographic Approaches

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Lithuania is located in the North of Europe, and according to the latest classification provided by the United Nations, since the beginning of 2017, Lithuania is a Nordic country.
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The evolutions of regional policy and its consequences can be explained with application of

- **Retrospective approach** – when the past explains the ongoing processes recently

- **Retrogressive approach** – when the recent ongoing processes give more clear understanding about the past.

Why we experience the new challenges in the regions recently?

Are external social-economic and even geopolitical factors are more influential as these factors of the national origin?

The need for reshaping of national regional policy either is appointed for regional planning or for solving the unforeseen consequences?
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What we have in common?

DEPOPULATION

Lithuania's population is currently in decline, losing about 1.5% of its population per year.

How many countries in the World are with decreasing population?

In fact, not that many, but most of them in Europe, in Eastern Europe in particular.

Eastern Europe is projected to shrink dramatically over the next few decades. What’s worse, most countries are refusing to consider one solution to slow down the incoming demographic disaster.

The top 10 countries with the fastest shrinking populations are all in Eastern Europe (with a few in Central and Northern Europe), according to UN projections. Bulgaria, Latvia, Moldova, Ukraine, Croatia, Lithuania, Romania, Serbia, Poland, Hungary, are estimated to see their population shrink by 15% or more by 2050.
The fastest shrinking countries on earth are in eastern Europe (A. Mohdin, 2018).

The forecast of population decline from 2017 to 2050:

- Bulgaria - 23 per cent
- Latvia – 22 per cent
- Moldova – 19 per cent
- Ukraine – 18 per cent
- Croatia – 17 per cent
- Lithuania – 17 per cent
- Romania – 17 per cent
- Serbia – 15 per cent
- Poland – 15 per cent
- Hungary – 15 per cent.

Europe’s Depopulation Time Bomb Is Ticking in the Baltics (by Bloomberg, 2018)
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Since the accession to the EU (since 2004) the regional policy of Lithuania based on national strategies has been synchronized to the regional policy of the EU.

The main principles of the EU regional policy are the following:

- **Concentration**
- **Programming**
- **Partnership**
- **Additionality**

National regional policy is implemented in accordance with the two main principles:

- **Subsidiarity.** It means that nothing should be done at higher level that can be done as well or better at lower level.
- **Concentration.** Because resources are limited, they have to be concentrated in smaller quantity target areas to have greater effect.
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Lithuania’s demographic profile:

<table>
<thead>
<tr>
<th>Population</th>
<th>2,823,859 (July 2017 est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age structure</td>
<td></td>
</tr>
<tr>
<td>0-14 years</td>
<td>15.01% (male 217,438/female 206,533)</td>
</tr>
<tr>
<td>15-24 years</td>
<td>11.09% (male 161,965/female 151,197)</td>
</tr>
<tr>
<td>25-54 years</td>
<td>40.05% (male 557,504/female 573,364)</td>
</tr>
<tr>
<td>55-64 years</td>
<td>14.17% (male 177,157/female 223,110)</td>
</tr>
<tr>
<td>65 years and over</td>
<td>19.67% (male 187,859/female 367,732) (2017 est.)</td>
</tr>
</tbody>
</table>
Lithuania's population is currently in decline, losing about 1.5% of its population per year. The country has now reached its lowest population in decades as more people emigrate to wealthier west European countries, particularly the United Kingdom. In 1999, the year it declared independence from the Soviet Union, Lithuania had a population of 3.67 million, which has now declined to 2.9 million. By 2060, the population is predicted to fall to 2.5 million.
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Since regaining of independency, one of development’s purposes was to sustain territorial development of Lithuania.

Sustainable development of the regions was set up as one of the priorities in the national strategic documents.

Since 2011, in the national strategy on sustainable development, an even territorial development is a long termed goal, which is favourable for social-economic development, quality of environment.

In the National programme on Progress for 2014-2020, there has been set up the goal to promote the regional cohesion in order to sustain the equal standards of economic environment for attraction of investments and modernization of public infrastructure in each regional centre and smaller towns.

The main purposes expressed in value added is to increase regional competitiveness and higher living quality.
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Gyventojų skaičiaus pokyčius (proc.) Lietuvos seniūnijose 2001-2011 metais

Duomenys: Lietuvos statistikos departamentas
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In Lithuania, the Human Geographers elaborated a methodology for appraisal of sparsely populated territories – SPT methodology.

One of the most important indicators is a number of population per 1 km².

A territory (rural area, peripheral area) has a potential for socio-economic development if a number of population is more than 10 persons per 1 km² (not depending of on demographical characteristics).

If a number of population is less than 10 persons per 1 km², the territory does not have a real potential for socio-economic development.
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Regional policy is a multilayered policy.

The main output of regional policy is a territorial cohesion.

National regional policy for 2017-2030 aims to synchronize the visions of territorial cohesion between the central governance and local municipal governance.

The main principles are the following:

- **Sequence:** to solve long-lasting problems
- **Consensus:** mutual cooperation between different agents of regional policy
- **Evidence based governance:** based on objective and reliable statistics
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The challenges:

1. Geographically sustained economic growth.
2. Quality of living conditions in entire Lithuania.

The tasks or regional policy:

1. To elaborate an efficient system of regional policy.
2. To improve the image of regions.

...The region has an association with province, or even periphery ...

...mainly due to a lack of proper understanding of region’s functionalities...
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**Unfavourable factors:**

- Decrease of population in the regions, except increase in the region of capital Vilnius, mainly due to internal migrations
- The youngsters emigrate to Vilnius because of better job opportunities, careers and etc.
- The increasing concentration of companies and establishments in capital region
- The reshaping of network of institutions of higher education
- The increasing economic split between the capital regions and other remote regions
- A lack of harmonization of regional strategies that are being implemented by different institutions
- Decreasing accessibility to public services (except for e-services and e-governance)
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**Favourable factors:**

- Increased mobility of society (daily mobilities for daily activities)
- Increased accessibility by different transport modes
- Reestablishment of the former railway routes for passengers
- The processes of rejuvenation of public infrastructure are appropriate for all the regions
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- Optimization vs Decaying or Deterioration?

- Optimization spares the resources because of reshaping local and regional policies

- What means optimization in the reality? Probably continuous shrinkage and releasing of labour force, especially in remote and peripheral areas

- Density vs concentration: density has a geographical boundaries, concentration has different levels of intensity

- Recently, there are ongoing processes of territorial reshaping of concentration of population and their economic activities
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What is possible solution as alternative for Lithuania for reshaping of regional policy in order to reach better efficiency and socio-economic sustainability?

- To sustain a process of tertiarisation (to promote the development of tertiary sector in the peripheries in order to sustain a provision of services, which are needful for local inhabitants.

To implement the principles of territorial capacities based on Scandinavian models, which leads towards deconcentration of public services and economic activities in the regional centers and shift them to smaller urban centers.

**Tertiarisation vs territorial capacities**
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Thank you for your attention!

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