

## Socio-economic challenges of demographic change

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In the context of a Europe that shares demographic processes (low fertility, long lifespan, ageing structures, new types of households, displacements from rural to urban environment, etc.), an ageing population, depopulation and asymmetry in population distribution have raised great concerns and inspired a lively political and academic debate over the past few years. With this monograph, *Revista Galega de Economía* contributes to putting the debate on the “socio-economic challenges of demographic change” on the public agenda with the aim of a better understanding of the magnitude of the phenomenon and providing proven information to facilitate the adoption of the necessary measures to address it. A more multidimensional challenge such as that defined by demographic change requires dealing with it using different optics and methodological approaches such as those proposed in the articles collected in the following pages.

Demographic change is one of the biggest challenges facing developed societies, but it is also a success story. Substantial improvements in health services, increased quality of life and economic prosperity have increased living expectations and the number of healthy years. It is clear that a higher life expectancy combined with a declining birth rate reverses the population pyramid and anticipates a scenario of profound transformation in functioning our working society as evidenced by article of Paulo Mota Lourenço “Intergenerational solidarity and informal care: The perceptions of digital natives. Case study of the municipality of Setúbal (Portugal)”. Analyzing young people's perception of intergenerational solidarity and informal care is essential to be able to carry out proper planning of social services in geographical areas where the increase in demand for care increases while the number of potential informal caregivers decreases.

On the other hand, a higher proportion of the population increases the dependency rate which has an impact on higher care and health expenditure, which is dealt with in the work of José Manuel Díez Modino and Ana Pardo Fanjul “Depopulation, ageing and social policies in Castilla y León”. In this case, the challenge is also presented as an opportunity. The feedback relationship between ageing and depopulation, the two main challenges of the demographic challenge, need not be just in a mutually reinforcing direction; it is possible, and increasingly necessary, for policies aimed at aid and care of older people to help alleviate the problem of depopulation. The object of this work is to show that ageing needs to be turned into a challenge to combat the problem of depopulation; especially through social policies aimed at caring for the elderly.

It is certain that a correct quantification of the demographic challenge at the local level is essential to improve the current and future situation and not to create social and health infrastructures that, in short periods of time, will be oversized given the current evolution of the population. Therefore, it is of vital

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importance to have accurate and consistent estimates and population projections at the local level that are also based on the use of simple procedures and available to all, such as those presented in the work of Esteban Fernández Vázquez and Fernando Rubiera Morollón “Population forecast for small areas: estimates for the parishes of five northwestern Spanish provinces”.

However, the challenge also has important implications for the social protection system and the accumulation of human capital and, therefore, on future potential growth. The sustainability of the pension system is a fixed point of the debate on the challenges of demographic change, as the different international organisms, financial institutions and academics, such as Miguel Angel Vázquez Taín, who, in the article entitled “Demography and sustainability of the public pension system” reflects on the financial sustainability of the pension system, as we understand it today. Demographic factors that condition pension spending is a dynamic that is difficult to alter, so it is interesting to analyze their impact on spending from both a historical and future projection perspective. In this sense, the different demographic reality of Galicia with regard to the whole State allows us to deepen this analysis, also focusing on the parameters related to ageing in order to appropriately assess its impact on the sustainability of the system, the ultimate claim of this work.

Oksana Zakharova's work “Ukraine's loss of human capital due to demographic, socio-economic and socio-political crises, 1990-2019” reflects on another critical position related to demographic change - the need to accumulate human capital to ensure the economic and social prosperity of our societies. The analysis of the evolution of the Ukrainian economy shows how the accumulation of human capital depends crucially on decisions on the formation of families and obtaining a job.

One aspect of great importance for Galicia and other areas of a marked rural character in Italy, or Portugal, is the impact of population displacements to urban areas. The first consequence is what financial capital and human capital had in line with these areas. In the 21st century, this process has been exacerbated by the movement of people towards certain key urban centers. The wealth of these large empty rural areas is incalculable in terms of heritage, sustainability and quality of life. A key issue for these territories and their population is sustainable management of material resources and human potential. In this context, what can public administrations do to meet these challenges? Alberto Vaquero García and Virginia Losa Muñiz in their work, “Actions from Public Administration to avoid depopulation of rural areas. What can be done by provincial government and local councils?”, point out some of the actions that can be carried out by the different Public Administrations, town halls and councils, to correct the current situation of depopulation of the rural environment.

In this same line, Luis Míguez Macho in “Regulatory improvement measures as an instrument in the fight against rural depopulation in Galicia”, within the framework of the Research Project entitled *Legal instruments for combating depopulation in rural areas* (DESPORU), funded by FEDER/Ministry of Science, Innovation and Universities, analyzes the measures of regulatory improvement, introduced by the Autonomous Community of Galicia over the last decade, as an instrument in the fight against the depopulation of the rural environment in Galicia.

Taking these works as a reference of a more general nature, the rest of the monograph influences specific analyses on the sociodemographic reality of the rural world in Galicia, Portugal and Italy, presenting different models of potential development. The first contribution of this thematic block by David Peón-Pose, Xosé Manuel Martínez-Filgueira and Edelmiro López-Iglesias, “Productive vs. residential economy: Factors behind the recovery of rural areas in socioeconomic decline”, analyzes the determining factors in the recuperation of rural areas in socioeconomic decline. Concentrating on Galicia, through a multivariate empirical study, they obtain evidence of the dichotomy between “entrepreneurship vs. quality of life”.

The second work in this block is the one carried out by María Angeles López Cabarcos, Noelia Romero Castro and Vanessa Miramontes Viña, “Local energy autonomy and sustainable rural development. Analysis of the predisposition to participate in renewable energy communities”, which analyses sustainable development of rural areas by those willing to participate in renewable energy communities. Based on the information collected through a survey in a small village in Galicia, using quantitative

techniques, they analyze the sociodemographic and sociopsychological characteristics that determine the willingness to participate and/or invest in a rural renewable energy community.

The work of Helena Martínez-Cabrera, Gonzalo Rodríguez Rodríguez and Hugo M. Ballesteros “Degradation of social institutions and land use: unfolding feedback mechanisms between afforestation with fast-growing species and living conditions in rural areas” addresses the contribution of land uses to the creation of living conditions in rural areas, one of the main leisure challenges in these areas, based on 10 interviews with forest management experts conducted in 2016 in Mariña in Lugo. The results confirm that self-efficacy, sense of place or sense of control underlie a perception of irreversibility about the quality of rural life and reduce the likelihood of collective action. An important conclusion is the need to consider the perceptions of the population in the design of effective policies of rural revitalization, a common element of previous work.

In a similar territorial and cultural context, Maria Antónia Almeida’s “The use of rural areas in Portugal: Historical perspective and the new trends” reviews the protectionist public policies of the Portuguese government to ensure food self-sufficiency, which was incapable of preventing a massive rural exodus from the 1960s onwards, which provoked a depopulation of 80% of the territory, where less than 20% of the population live, a demographic change that presents monthly socio-economic challenges. New trends based on land concentration and super-intensive monoculture do not seem to be the solution either. The sustainability of Portugal's rural world, its landscape and the quality of life of its population are in danger.

Finally, in a very different territorial context, Salvatore Lampreu in his work “Strategies for territorial development and tourism against the depopulation of rural areas in Sardinia (Italy)”, analyzes the different policies aimed at strengthening the main territorial development projects promoted in Sardinia and the role of tourism in the search for a new attraction to rural areas. These areas, despite being rich in cultural, environmental, and historical resources, have not yet managed to exploit these resources for tourism purposes. The conclusions make some useful considerations to improve the tourist attraction of these areas and to try to curb the demographic decline.

The results of this monograph reaffirm the need to demand the strategy to meet the challenge of demographic change based on multidisciplinary research and not the sum of partial solutions. The “socio-economic challenges of demographic change” are already on the public agenda and the response must be cross-sectional and multidisciplinary. After reading the works of this monograph there will surely remain many questions to be answered. However, let us not forget that global success should not be treated as a problem, but as a challenge. The resolution of these great social challenges requires interdisciplinary research and the creation of bridges and avenues of direct communication between research, politics and practice. The work of the *Revista Galega de Economía* hopes to make a contribution.