

## Demographic Shrinkage and Reshaping Regional Policy of Lithuania in Economic Geographic Context

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**Abstract :** Since the end of the 20th century, when Lithuania regained its independence, a process of demographic shrinkage started. Recently, it affects the efficiency of implementation of actions related to regional development policy and geographic scopes of created value added in the regions. The demographic structures of human resources reflect onto the regions and their economic geographic environment. Due to reshaping economies and state reforms on restructuration of economic branches such as agriculture and industry, it affects the economic significance of services' sector. These processes influence the competitiveness of labor market and its demographic characteristics. Such vivid consequences are appropriate for the structures of human migrations, which affected the processes of demographic ageing of human resources in the regions, especially in peripheral ones. These phenomena of modern times induce the demographic shrinkage of society and its economic geographic characteristics in the actions of regional development and in regional policy. The internal and external migrations of population captured numerous regional economic disparities, and influenced on territorial density and concentration of population of the country and created the economies of spatial unevenness in such small geographically compact country as Lithuania. The processes of territorial reshaping of distribution of population create new regions and their economic environment, which is not corresponding to the main principles of regional policy and its power to create the well-being and to promote the attractiveness for economic development. These are the new challenges of national regional policy and it should be researched in a systematic way of taking into consideration the analytical approaches of regional economy in the context of economic geographic research methods. A comparative territorial analysis according to administrative division of Lithuania in relation to retrospective approach and introduction of method of location quotients, both give the results of economic geographic character with cartographic representations using the tools of spatial analysis provided by technologies of Geographic Information Systems. A set of these research methods provide the new spatially evidenced based results, which must be taken into consideration in reshaping of national regional policy in economic geographic context. Due to demographic shrinkage and increasing differentiation of economic developments within the regions, an input of economic geographic dimension is inevitable. In order to sustain territorial balanced economic development, there is a need to strengthen the roles of regional centers (towns) and to empower them with new economic functionalities for revitalization of peripheral regions, and to increase their economic competitiveness and social capacities on national scale.

**Keywords :** demographic shrinkage, economic geography, Lithuania, regions

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