



European Economic and Social Committee

NAT/698

Villages and small towns as catalysts for rural development

OPINION

European Economic and Social Committee

Villages and small towns as catalysts for rural development – challenges and opportunities
(own-initiative opinion)

Rapporteur: **Tom JONES**

Plenary Assembly decision	22/09/2016
Legal basis	Rule 29(2) of the Rules of Procedure Own-initiative opinion
Section responsible	Agriculture, Rural Development and the Environment
Adopted in section	03/10/2017
Adopted at plenary	18/10/2017
Plenary session No	529
Outcome of vote (for/against/abstentions)	129/0/1

1. **Conclusions and recommendations**

Conclusions

- 1.1 The EESC believes that despite the decline of balanced populations and traditional economic activity, in many villages and small towns, there is sufficient evidence of good practice to be optimistic about sustainable futures in many, if not all rural settlements. Such settlements can be catalysts for the wider renewal and sustainable development of rural areas.
- 1.2 However, this optimism depends on a sustained, holistic effort involving people and financial resources at all levels of government and across all three – private, public and civil – sectors.

Recommendations

- 1.3 The EESC fully supports the European Commission's Smart Villages Initiative, especially because of the promises made regarding cooperation between Directorates. The national and regional Rural Development Programmes (RDPs), which DG Agri is co-managing with the Member States, are vital but can never invest sufficient resources in the initiative without other national, regional or local public investments. The EESC notes and supports the emerging opinion from the Committee of the Regions on Smart Villages¹.
- 1.4 Fast broadband – mobile as well as fixed – is crucial for intelligently developed villages and towns to have any hope of economic and social development, and must be fully accessible, as guaranteed under the rural proofing highlighted in the Cork 2.0 Declaration of 2016.
- 1.5 Public services in education, training, health and social care, as well as child care, should be accessible, integrated and be innovative in using technological advances.
- 1.6 Planning authorities in rural areas should champion an enabling process for renewing redundant village and small-town buildings, ensuring low business rates for starter businesses and compensatory contributions from edge-of-town retail projects. When making such renovated buildings available, account should be taken of the needs of local NGOs as well as those of the private and public sector.
- 1.7 Poor transport connectivity is another challenge and transport sharing, community-owned buses and cars are recommended where the private sector withdraws.
- 1.8 Where possible, employers should be encouraged to support distance working, and to realise the potential benefits of rural/urban partnerships. The contribution of both agri- and rural tourism, health-related activities and the branding of local farm and craft products, as well as increasing the cultural and historical catalogue of events is very important in this context. Through the enabling support of the RDP, there is scope for business entrepreneurs to attract inward investment and to develop and market added-value products.

¹ Revitalisation of rural areas through Smart Villages, (not yet published in O.J.)

- 1.9 Governance at the most local level is a national or regional matter. However, villages and small towns need empowering with greater powers and access to financial resources to lead and support the wishes of their constituents.
- 1.10 LEADER and Local Action Groups should be fully supported in their efforts to promote local development - by encouraging businesses, both private and not-for-profit to start and grow - and to ensure an engaged and supportive community spirit. With improved cooperation, these efforts could be expanded through Community-led Local Development (CLLD).
- 1.11 Above all, people in villages and small towns should commit to a sense of community that encourages leadership from within. Schools and local mentors should promote leadership. Emerging leaders need the full support of advisory agencies and non-governmental organisations that have access to best practices and relevant similar ventures.
- 1.12 Emerging intelligently developed villages should be showcased at the regional, national and EU level. The EU institutions and their stakeholders should organise an annual celebratory day, to promote successful, cohesive village and small-town communities.
- 1.13 To strengthen and develop a real sense of partnership between cities or large towns and their neighbouring settlements the EESC supports the recommendations of the 2016 R.E.D² document, *"Making Europe Grow with its Rural Territories"*, and the Carnegie Trust's Twin Town pilot project. The principles of sustainable development and the circular economy, should apply to city/rural partnerships.
- 1.14 The Committee supports the call, made in the European Rural Manifesto adopted by the 2nd European Rural Parliament in November 2015, for "increased cooperation between communities, organisations and authorities. in rural and urban areas to gain the full benefit of social, cultural and economic links which such cooperation can bring; and for vigorous exchange of ideas and good practise between those involved in rural and urban areas."
- 1.15 The EESC recommends that the European Investment Bank constructs tailor-made support schemes for small rural businesses, both private and social enterprises, including co-operatives, as promised in its 2017-2019 programme.
- 1.16 The European Council of Young Farmers (CEJA) and other youth representative bodies should be supported to create a pathway for youth forums in local communities which will galvanise action on their needs and aspirations. They need a much stronger say in developing economic and social solutions; and training, mentoring and financial support needs to be tailored to their aspirations.
- 1.17 No 11 on the UN list of Sustainable Development Goals refers to cities and communities. Sustainable villages and small towns should be included under "communities".

²

R.E.D.: Rurality – Environment – Development.

- 1.18 The cultural values to be found in villages and small towns should be given a prominent place in the publicity for, and initiatives during, European Cultural Heritage Year 2018. Older residents can play an important role in promoting traditions and culture and the conditions should be created for them to actively carry out such work.
- 1.19 The Committee recommends "good practices" to be shared at all levels. This is done already by ENRD, ELARD, ECOVAST and ERP and to be found in the publication "The best Village in the World"³.

2. **Introduction**

- 2.1 Rural areas are an essential part of Europe, providing for the critical businesses of agriculture and forestry. The communities of small towns and villages lie within and are part of these rural areas, and have always been places where people both live and work.
- 2.2 Small towns in rural areas provide a centre for a surrounding hinterland of villages and hamlets. In turn, small towns lie in the hinterland of major urban areas. They are all inter-dependent upon each other. They are essential partners in rural/urban partnerships – a concept that has been promoted by DG Regio⁴ and OECD – where both partners have equal status about managing and planning their futures. Villages and small towns across Europe have faced many changes – both economic and social – and they are continuing to face the need to adapt to modern-day circumstances.
- 2.3 Together with agriculture and forestry villages and small towns are the "backbone" of rural areas and provide jobs, services and education to serve both themselves and their hinterland of villages and hamlets. In turn, small towns are part of the hinterland of larger towns and cities. This forms a relationship between rural and urban areas which is a feature of any region. Urban and rural areas provide services for each other – urban areas are dependent on rural areas for the provision of food and are a ready market for the products of the countryside while rural areas offer recreation and tranquillity for urban residents.
- 2.4 There is a strong tradition in many rural areas of a sense of "belonging" to a community. This tradition is diminishing and in many of the remoter rural areas there has also been abandonment and dereliction.

3. **Specific challenges**

- 3.1 Rural communities have faced challenges over the last few decades due to the desire for the centralisation of many services for economies of scale, changes in transport and travel and the way people live in modern times. Local service businesses are moving out of rural communities; many shops, banking and postal services are disappearing and small rural schools are closing.

³ By Ulla Herlitz and Colleagues as a practical example of best practice – ENRD: European Network for Rural Development; ELARD: The European LEADER Association for Rural Development; ECOVAST: The European Council for the Village and Small Towns.

⁴ ECOVAST was part of the former DG Regio RURBAN network.

- 3.2 Rural areas conceal unemployment as the figures are small compared to those out of work in urban areas – yet they face an additional problem of access to help from job centres which are urban-based and often suffer from declining rural public transport. Unemployment may be low because so many young people have left in search of training, education or employment, while many who remain work for low wages.
- 3.3 The public purse, so important to support rural communities, is facing increasing demands on its budgets – due to the general rise in the cost of living and increases in the cost of service provision.
- 3.4 Investment in roads and motorways encourages the use of the private car as the easiest way to get to work. People are now much more prepared to travel longer distances but in turn this has led to people being less dependent on employment or service provision in their local community.
- 3.5 People's shopping patterns have changed. They often shop where they work which is usually in a large town or city rather than at their village or small town. And they shop through the internet, with goods delivered to their house. This has all added to the demise of local shops.
- 3.6 Young people are leaving rural areas to find training, education and work in cities. Without maintaining jobs in rural areas it is difficult to attract them back to rural communities. There is an urgent need to place the considered voice of young people at the heart of local democracy. Youth representative organisations should be supported to encourage participation in governance. Equally, economic and social agencies should youth-proof their advice and financial supports.
- 3.7 Intergenerational cohesion is challenged by the numerical imbalance between age groups. Availability of tailored employment measures, schools and child-care together with affordable housing in rural areas is crucial to enable young people and families with children to remain in or return to rural communities. People within communities sometimes have different views on local economic activity. There has to be dialogue and understanding for balancing tranquility with suitable job creation initiatives.

4. **Opportunities**

- 4.1 The European Commission's Smart Villages Initiative is vital, especially because of the promises of co-working made in joint Directorates. DG Agri's Rural Development Programme can never invest sufficient resources into the initiative without other DG and national, regional or local public investment. This pilot initiative, after evaluation, needs to be included in any new Common Agricultural Policy and Regional Programmes and rolled out to include small towns as part of the "rural renaissance".
- 4.2 Broadband is essential for all rural areas. The improvement of broadband coverage – mobile as well as static – could help a wide range of activities, not only developing businesses and the ability to "work from home", but also the quality of people's everyday lives. It could enable on-

line learning, access to better health care and marketing of services available on line. Good practices are available where improved access to the internet in rural areas has benefitted communities. The basic learning to enable especially elderly citizens to use the internet should be made available.

- 4.3 Where possible, employers should be encouraged to support distance working, and to realise the potential benefits of rural/ urban partnerships. Through the enabling support of the RDP, there is scope for business entrepreneurs to attract inward investment, to develop and market added-value products, such as food, drink, landscape and historical heritage, cultural and health and recreational activities, while ensuring continuity of rural craft and environmental skills.
- 4.4 Public services in education, training, health and social care should be integrated, clustered and be innovative in using technological advances, to avoid discrimination and exclusion especially of older and teenage rural dwellers. Dispersed governmental offices could set an example in reducing city/urban saturation and pollution, whilst promoting a sense of rural fairness. Local authorities have a key role to play in their planning for rural areas and to ensure positive action within rural communities to help their continued future to be encouraged and supported. Services may be able to share one building or unused buildings may be to accommodate new business uses, creating new jobs that can provide opportunities for more economic activity. When making such renovated buildings available, account should be taken of the needs of local NGOs as well as those of the private and public sector.
- 4.5 Work needs to be done to develop a real sense of partnership between cities or large towns and their neighbouring settlements to share on mutually accepted terms a sense of belonging, branding, and joint investment. Together with other organisations R.E.D. recommended in 2016 a European political strategy for rural territories by 2030⁵. Another example is the Carnegie Trust's Twin Town pilot project. The principles of sustainable development and the circular economy, should apply to city/rural partnerships.
- 4.6 The 2nd European Rural Parliament in November 2015 adopted the European Rural Manifesto. The ERP network with partners in 40 European countries are pursuing the themes defined in the Manifesto. The ERP works for: "increased cooperation between communities, organisations and authorities in rural and urban areas to gain the full benefit of social, cultural and economic links which such cooperation can bring; and for vigorous exchange of ideas and good practice between those involved in rural and urban areas." Work is carried out among all the partners on different themes such as: "Small towns", "Sustainable service and Infrastructure" and "Integrated Rural Development and LEADER/CLLD", which will all result in a report to be presented and discussed at the 3rd European Rural Parliament in Venhorst, the Netherlands, in October 2017.
- 4.7 The European Investment Bank should construct tailor-made support schemes for small rural businesses, both private and social enterprises, including co-operatives, as promised in its 2017-2019 programme and exemplified by its support for Niki's Sweets in Agros in the Troodos Mountains of Cyprus.

⁵ ["Making Europe Grow with its Rural Territories"](#).

- 4.8 The voluntary sector is very active in rural areas and they help co-ordinate actions and help people to work together. Social and community enterprises, such as the 300 socio-economic companies in Denmark being allowed to use the label "RSV", i.e. Registered Socioeconomic Company (Virksomhed) or the Cletwr cafe in mid Wales, are increasingly contributing to replacing lost public and private services. Their work is in line with the ideas of corporate social responsibility (CSR). The support and advice of organisations such as the Plunkett Foundation in establishing and maintaining sustainability of the social and community enterprises is important.
- 4.9 Those who live in villages and small towns represent all walks of life, and they all need to have a voice within their local community. The lowest level of public administration - parish councils or (small) municipalities - should be involved in local decision-making, and should be strengthened and empowered to meet this need. People take pride in their local communities and this can be recognised as a resource and be used to encourage others to get involved. Retired business people and those who have worked in the public or civil sectors have many skills to offer. European programmes and local programmes deliver projects which have encouraged local partnerships to develop in their village or small town and many community entrepreneurs have emerged from this process. They have come from all sectors and have developed into ambassadors for their community.
- 4.10 Villages and small towns are an important part of the culture of Europe. They often maintain their local customs and traditions. These rural settlements are usually "historic" and their architecture reflects their local building materials and the styles over many centuries. Small town centres have usually retained more local businesses and have not been overwhelmed by the standard facades demanded by chain stores as have the larger town centres. Small rural settlements are also closely linked to the landscapes they are set in and this setting is very much part of the ambience of the village and small town reflecting their very diverse origins – hill top defence positions, river crossing points, spring lines, lakeside, islands or coast etc. The cultural values to be found in villages and small towns should be given a prominent place in the publicity for, and initiatives during, European Cultural Heritage Year 2018. Older residents can play an important role in promoting traditions and culture and the conditions should be created for them to actively carry out such work.
- 4.11 These villages and small towns have valuable assets which they can build on to help them maintain or improve their local economies. They are interlinked to local agricultural, forestry and energy producing output as well as agri- and rural tourism, health-related, cultural festivals and environmental protection and education. There are hundreds of examples across Europe, such as Kozard in Hungary and Alston Manor in England, which could be used for others to follow. The report "The Importance of Small Towns" by ECOVAST is also a valuable contribution to describing and understanding the importance of the roles played by villages and small towns.
- 4.12 Future rural policies enthusiastically agreed at the Cork 2.0 Conference in September 2016 should help the Member States and regions develop supportive rural policies and encourage

projects under European programmes. Implementing the rural proofing described at Cork.2.0 is essential to the EU, the Member States and the regions.

- 4.13 The EU-sponsored LEADER methodology and Community-led Local Development (CLLD) provide tools to assist in strengthening and empowering rural communities. LEADER and Local Action Groups can support local efforts to develop businesses, both private and not-for-profit to start and grow, and to ensure an engaged and supportive community spirit. LEADER has until 2014 been supported by the European Agricultural Fund for Rural Development, but since 2015 also other Structural and Investment Funds can implement the methodology through multifunding working with CLLD. This does require improved cooperation, and good examples could be found in IRD Duhallow and SECAD in County Cork and PLANED in Wales, who have implemented bottom up CLLD for many years.
- 4.14 There are many rural projects under the European Programmes that ably demonstrate a huge variation of "good practice" in small towns and villages. Good practice also demonstrates the need for and value of intermediaries to support entrepreneurs and small groups.

Brussels, 18 October 2017

George DASSIS
President of the European Economic and Social Committee
