



NAT/790

An integrated approach for the EU's vulnerable areas

OPINION

European Economic and Social Committee

An integrated approach for the EU's rural areas, with particular emphasis on vulnerable regions

[Own-initiative opinion]

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1. **Conclusions and recommendations**

- 1.1 European policies should promote the harmonious development of the Union as a whole, paying particular attention to rural areas, areas of industrial transition and areas with severe and permanent handicaps such as islands and mountainous and Arctic regions. This is a cross-cutting principle that must underpin all the actions of the EU and was embodied in the Europe 2020 strategy¹, which is based on the belief that the required coordination between territories is a prerequisite for inclusive economic growth.
- 1.2 The EESC fully endorses the nine objectives proposed by the European Commission for the Common Agricultural Policy (CAP) 2021-2027: ensuring a fair income for farmers, increasing competitiveness, rebalancing power in the food chain, taking climate change action, protecting the environment, preserving landscapes and biodiversity, supporting generational renewal, maintaining vibrant rural areas, and protecting food and health quality. The CAP must also ensure that agricultural production is maintained in vulnerable areas.
- 1.3 The Committee also fully endorses the European Green Deal, aimed at boosting resource efficiency, restoring biodiversity and reducing pollution. It is precisely for this reason that the EESC takes care to point out that environmental degradation takes two equally severe forms: excessive pressure on air, water and soil due to the concentration of economic activity in urban areas, and the abandonment of large areas of territory, whose biological and landscape diversity declines irreparably without respectful management to maintain and enrich it.
- 1.4 The European Union must furnish a considerable share of the necessary funding and ensure that implementation is in line with the best existing practices. The CAP should operate in close conjunction with regional and cohesion policies to ensure balanced territorial development as both a consideration and a requirement for any political decision that has a local impact. A comprehensive strategy for these territories requires greater budgetary funding and precludes institutions working in isolation; coordination, integration and policy alignment are therefore key.
- 1.5 The centralisation of social and professional development opportunities in cities tends, in rural areas, to sideline the most disadvantaged sections of society. The EESC recognises the potential for territorial innovation and the need to consolidate local strengths, reduce disparities in development and boost competitiveness. This requires the construction of innovation support ecosystems which boost the diversification of the economy and enable living, creative, smart and responsive territories to exist, allowing people to choose where they want to live and work in a dignified way, in both urban and rural areas.
- 1.6 The increasing prevalence of epidemics is an additional argument in favour of more balanced territorial development. The rapid contagion rate linked to the inevitable overcrowding on urban public transportation during rush hour, tragically exposed by the COVID-19 pandemic, should prompt reflection at the highest level on the future we aspire to for our societies and the change of direction needed to move towards it. The greater resilience of rural areas should in this case

¹ [COM\(2010\) 2020](#).

serve as a source of inspiration, and should not be used in any way to justify the insufficient provision of healthcare services in these areas.

- 1.7 Following the huge increase in teleworking during the lockdown, the post-COVID recovery plans are opening up opportunities to consolidate a paradigm shift that is no longer utopian, in which jobs with high added value are relocated to rural and mountainous areas.
- 1.8 If the EESC wants to take part in this process and lead by example, it should systematically apply a holistic view to all its future opinions on territorial, urban and rural policies. To this end, an ad hoc administrative structure should be set up, composed of an equal number of members from the ECO and NAT sections.

2. **Introduction**

- 2.1 Economic, social, environmental and territorial cohesion has been one of the main pillars on which the construction of the EU has resided. However, despite past and present efforts to achieve territorial cohesion, and despite what has been achieved at different stages and points in time, the reality is that European territories currently present territorial imbalances at various levels and of very different types. For example, in the rural areas of Bulgaria, Romania, Spain, Hungary and Poland, there are many significant imbalances with regard to income, communication, health, access to services, etc.
- 2.2 Evidence shows that the EU's territories are not developing in a consistent way across the board. Areas characterised by economic growth, social cohesion and environmental sustainability coexist with areas threatened by stagnation, depopulation and desertification. These disparities are not only visible between NUTS-3² regions: they also exist between different parts of the same region.
- 2.3 The impacts of climate change, technological, regulatory and institutional changes and natural, industrial or epidemiological disasters have a particularly strong impact in rural areas. Although disadvantaged and intermediate areas were more resilient during the last financial crisis, cities are closer to achieving the employment, education and poverty-reduction objectives set by the Europe 2020 strategy.
- 2.4 Remote mountain and rural areas and peripheral, outermost and Arctic regions are the most vulnerable. These areas are subject to objective constraints such as a lack of critical mass (demographic or economic), difficult accessibility, etc. Conversely, congestion and pressure on natural resources (air, water, soil) are at the same time increasing in urban areas.
- 2.5 The importance of rural areas for the EU as a whole lies not only in the numbers associated with them (they amount to 55% of the population, produce around 45% of gross added value and generate 50% of jobs) but also in their ties to each country's culture and identity. The purpose of this opinion is to lay the foundations for a holistic approach that will facilitate more balanced territorial development.

² From the French *nomenclature des unités territoriales statistiques*, nomenclature of territorial units for statistics.

3. Proposals for action

- 3.1 A territorial contract between cities and their extensive hinterland is the best – if not the only – way to pursue harmonious economic development that avoids the twin pitfalls of congestion and depopulation. Although the initial political impetus should come from regional authorities, decisions must always be taken from below, with permanent participative structures that include all public, private and organised civil society actors present in the territory. A key aspect in correcting asymmetries is co-design and co-implementation. The EESC calls for the funding of a pilot programme to experiment with solutions tailored to the specific characteristics of each territory.
- 3.2 In order to have an impact on rural areas in the EU, with a special focus on vulnerable regions, action should be taken in relation to five aspects:
- the spatial aspect: fostering balanced development that streamlines flows between rural and urban hubs in each area;
 - the economic aspect: encouraging decentralisation and diversification as drivers for rebalancing income;
 - the social aspect: ensuring access to essential education, health, transport, cultural and other services;
 - the environmental aspect, with a view to a future based on agroecology³ and placing value on the defence of biodiversity undertaken in the EU;
 - the institutional aspect: creating an accompanying ecosystem to facilitate progress with regard to the other aspects.
- 3.3 Risk management, uncertainty scenarios, contingency plan design, inclusion mechanisms for conflicting interests and the establishment of synergies between global and local visions should be considered. These are all indispensable mechanisms in the design and management of a strategy aimed at reducing territorial vulnerability.
- 3.4 A Common Strategic Framework ensures that the various ESI Funds⁴ operate jointly. At regional and sub-regional level, multi-fund integrated territorial investments can adapt interventions to the characteristics of each individual territory and can be based on local specificities in order to exploit synergies between different sectors, such as biodiversity conservation, land management (mainly agriculture and forestry) and tourism.
- 3.5 We propose introducing greater flexibility with regard to policy options for Member States and regions so that they can align and focus policy in terms of their specific needs, and therefore also in relation to the design and implementation of interventions.
- 3.6 We also propose the preparation of a holistic strategy that precludes policies and institutions operating in isolation, for which institutional coordination, integration and alignment are key.

³ "The EESC considers that agroecology is the horizon towards which European agriculture should work: farming inherently depends on conserving natural resources for its development." ([OJ C 353, 18.10.2019, p. 65](#)).

⁴ European Structural and Investment Funds.

With regard to the design of strategies and interventions, opportunities derived from the current institutional context will necessarily be considered. These will include, from a global perspective, the 2030 Agenda and the Sustainable Development Goals (SDGs) and, from a European perspective:

- the European Green Deal, which includes a number of strategies that will provide the reference points for the years ahead, some of which (the "Farm to Fork" strategy, the biodiversity strategy) will have a major impact on the rural environment;
- the Multiannual Financial Framework for the period 2021-2027 and the European Union Recovery Instrument, which will determine the available budget;
- the EU's commitment to moving towards carbon neutrality in the second half of the 21st century;
- the New Circular Economy Action Plan;
- together with the Smart Specialisation Strategies, Cohesion Policy, the Digital Single Market, etc.

- 3.7 Historically, the rural world has long been "circular" in its use of resources, although this should not prevent the development of new energy models that are economically and environmentally sustainable and which foster a circular economy in rural areas. The EESC also supports short supply chains and the further development of urban-rural trade.
- 3.8 Historically, farming has been able to offer employment to vulnerable people who experience difficulties in finding work, especially those with added needs in terms of accommodation and personalised care. This role can today be played by social farms.
- 3.9 Digitisation processes allow for the development of new work and business opportunities. The improvement of communications in rural areas should be linked to the territory and not exclusively to the population, taking advantage of initiatives based on satellite technology and the development of local connectivity networks so that they can be implemented in most rural communities, and so that the areas where the agricultural activity takes place have the capacity to make the most of new technologies. Digitisation generates expectations for young people and leads to a shift in depopulation rates.
- 3.10 The EESC sees the benefits of the "EU Action for Smart Villages" as a tool for facilitating the exchange of innovative ways to create more vibrant, sustainable and attractive rural areas and exploring how Rural Development Programmes (RDPs), EU Cohesion Policy and other funding instruments can be put to better use.
- 3.11 The EESC recognises the important role played by Local Action Groups and their networks in boosting rural development processes across EU territories, creating new governance mechanisms, diversifying the economy of rural areas, preserving historical and cultural heritage and supporting entrepreneurship.
- 3.12 The development of territories needs to be evaluated and monitored and indicators for each of the identified areas need to be set out so that decisions can be made regarding the future.

- 3.13 The various policies affecting an area must be aligned with the aim of combining spaces with different potential uses, always bearing in mind the stakeholders present, and should be implemented on an appropriate scale, i.e. regions below NUTS-3 level, in order to take into account sub-regional specificities. The following measures could be considered:
- concluding territorial contracts that will require public and private commitments to be made and that will develop interinstitutional cooperation mechanisms;
 - identifying innovation potential and focusing on local strengths;
 - promoting smart territories, providing them with a networking system that improves economic and political efficiency;
 - fostering a catalyst entity that can bring together civil society organisations active in local and territorial development;
 - developing measures to combat depopulation that actually lead to a new trend in territorial occupation patterns;
 - improving quality of life in areas relevant to young people (education, leisure).
- 3.14 In order to reverse the current demographic trend, each young person from a rural area needs to decide individually not to migrate to the city. The main factor in that decision, although not the only one, is the possibility of pursuing decently paid, gainful employment that has future prospects. Portraying young people's lives in rural areas as attractive and interesting, through media and audiovisual productions with public support, would help to consolidate their legitimate pride in their roots.
- 3.15 This assertion is doubly true for women. The immense contribution of rural women to agricultural and non-agricultural economic activities must be properly recognised and valued, primarily by ensuring equal pay and, where appropriate, through access to co-ownership of farms.
- 3.16 Rural areas are home to all kinds of businesses, although the principal ones are involved in the processing of agricultural products. Where the necessary telecommunication, transport, energy, etc. infrastructure is easily accessible, rural areas are often the most cost-effective option when it comes to choosing the location of new business projects. Sufficient tax incentives can be the trigger that tilts the balance.
- 3.17 In the majority of towns and villages, the largest business is the agricultural cooperative, which in addition to directly productive activity may also have warehouse or credit sections. Given their social nature, cooperatives should always receive differential tax treatment and should be supported in various ways by public administrations.
- 3.18 Agriculture is often the cornerstone of the local economy and facilitates the development of other sectors such as the agri-food industry and tourism. Land abandonment, on the other hand, results in the loss of landscapes and environmental services that carry out active land management. Agricultural and forestry activity helps to maintain the population, combat erosion, reduce the frequency and spread of fires and prevent desertification. The CAP must also ensure that agricultural production is maintained in vulnerable zones.

3.19 In mountain areas, extensive livestock farming enables marginal land without agricultural value to be put to good use. Well-managed grazing activity provides multiple benefits: environmental (increase in biodiversity), cultural (conservation of tangible and intangible heritage) and landscape-related (opening of spaces for tourism). It also prevents natural risks such as forest fires, landslides and floods. However, livestock production in mountain areas is increasingly threatened by the extremely low profitability of dairy and meat products, meaning that specific support measures are absolutely necessary. The re-introduction of large carnivores (such as wolves and bears) further increases production costs. Coexistence is feasible only in certain areas, in a carefully considered and immediately accessible way, and with adequate compensation.

4. Monitoring and evaluation

4.1 A detailed guide to the actions to be taken must be drawn up. Territorial contracts must set specific, tangible and auditable objectives, as well as setting out the planned timeframe for achieving these. The positive development of the following critical indicators, among others, should be closely monitored:

4.1.1 With regard to population dynamics:

- qualitative and quantitative characterisation of emigration and immigration movements;
- characterisation of the population pyramid at different territorial scales.

4.1.2 With regard to quality of life:

- access to food: the preservation and development of local shops and efficient distribution channels to ensure permanent access for everyone to high-quality food, preventing the creation of so-called "food deserts";
- access to funding: extension of the operating hours of banking institutions and agents and of the availability of cash-dispensing machines;
- access to education: reduction of journey times to the nearest primary and secondary schools;
- access to healthcare: reduction of journey times to the nearest emergency clinics and hospitals;
- use of videoconferencing technology for home and health care;
- improved access to communication technology: telephone, broadband;
- preservation of historical and natural heritage (protected areas) and increased access to culture.

4.1.3 With regard to available funds:

- increased budget allowance for local authorities: EUR per inhabitant and per square kilometre;
- increased budget for private and public partnerships and, where appropriate, intermediate administrations;
- provision of grants conditional on a verified benefit to the community.

4.1.4 With regard to income:

- gradual reduction of the gap between rural and urban areas, not only in terms of total income, but also with regard to income per hour worked;
- gender and age mainstreaming.

4.1.5 With regard to employment:

- reducing the unemployment rate, in particular for young people;
- increasing the occupancy rate, particularly for women;
- providing incentives for job creation in municipalities with low population density;
- creating jobs with flexible or alternative working hours;
- creating jobs that facilitate social inclusion.

4.1.6 With regard to public employment:

- maintaining services in health, education, public order, access to justice, etc. across the whole territory and expanding these by means of mobile services;
- territorial decentralisation of public bodies, entities and jobs;
- incentives for public employees to settle with their families in the area in which they work, reducing daily commuting.

4.1.7 With regard to public investments:

- increasing total public investment per inhabitant and per square kilometre;
- improving the availability of accessible transport infrastructure in an efficient way: average distance from population centres to motorway entry and exit points and railway stations;
- increased use of rail transport and intermodal strategies.

4.1.8 With regard to private investments:

- increasing total private investment per inhabitant and per square kilometre;
- providing tax or other incentives for investment in municipalities with low population density;
- ensuring favourable tax treatment for the provision of passenger transport services in rural areas.

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