Opinion of the European Economic and Social Committee on ‘What future for non-urban areas in the knowledge society?’

(Own-initiative opinion)

(2009/C 317/08)

Rapporteur: Mr SANTILLÁN CABEZA

On 10 July 2008, the European Economic and Social Committee, in accordance with Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion with the title:

What future for non-urban areas in the knowledge society?

The Section for Economic and Monetary Union and Economic and Social Cohesion, which was responsible for the preparatory work, adopted its opinion on 24 June 2009. The rapporteur was Mr Santillán Cabeza.

At its 455th plenary session held on 15 and 16 July 2009 (meeting of 16 July), the European Economic and Social Committee adopted the following opinion unanimously.

1. Europe’s enormous diversity

1.1 The EU harbours an incredibly rich territorial diversity and its settlement pattern is unique. This settlement pattern contributes to the quality of life in the EU, both for city dwellers living close to rural areas and those rural residents within easy reach of services. It is also more resource-efficient because it avoids the difficulties inherent in very large agglomerations and the high levels of energy and land use typical of urban sprawl, which will become more important as climate change, and the action to adapt or to combat it, proceeds (1).

1.2 In order to distinguish rural from non-rural areas, the OECD distinguishes local administrative units (LAU 1 or 2) and regions (NUTS 3). A local area unit is a rural community if it has a population density below 150 inhabitants per km². The regions (NUTS 3) are distinguished by their degree of rurality, i.e. by their share of population living in rural local area units.

1.2.1 According to the OECD, there are also three types of region:

— predominantly rural: more than 50 % of the population living in rural communities;

— significantly rural: between 15 and 50 % of the population living in rural communities;

— predominantly urban: less than 15 % of the population living in rural communities.

More than 50 % of the EU-25’s territory is considered to be a rural area.

1.2.2 Eurostat’s definition of the degree of urbanisation distinguishes three types of area:

— densely populated areas: groups of contiguous municipalities, each with a population density greater than 500 inhabitants per square km, and a total population for the area of more than 50 000 inhabitants;

— intermediate areas: groups of contiguous municipalities, each with a population density greater than 100 inhabitants per square km, but not belonging to a densely populated area. The area’s total population must be at least 50 000 or the area must be adjacent to a densely populated one;

(1) There are about 5 000 towns and almost 1 000 cities spread across Europe, acting as focal points for economic, social and cultural activity. This relatively dense urban network contains very few large cities. In the EU, only 7 % of people live in cities of over 5 million as against 25 % in the US, and only 5 EU cities appear among the 100 largest in the world. Green Paper on Territorial Cohesion, COM(2008) 616 final.
— sparsely populated: groups of contiguous municipalities belonging neither to a densely populated area nor to an intermediate area (7).

— In most Member States, a 'local unit' corresponds to a local authority or municipality. Sparsely populated areas cover almost 84 % of the EU-25’s total territory (7).

2. Urban and rural areas: contrasting development

2.1 For years, it has been accepted that an increased effort in the field of R&D will enable the EU to meet the challenge of globalisation. Indeed, the Lisbon Strategy includes the explicit objective of increasing such investments to 3 % of GDP.

2.2 Further study should be made of the potential of regions that are different because of their demographic features (different rate of ageing of the population), their sociological features (human capital), their economic factors (mobility of capital and skilled workers, and thus the mobility of part of the tax base) and their production structure (heritage of the past, attractiveness for investments).

2.3 Although rural areas cannot automatically be associated with decline or intermediate areas with expansion (7), broadly speaking, predominantly rural areas (17.9 % of the European population) and intermediate areas (37.8 %, in other words, a total of 55.7 %) are in a less advantageous situation. Moreover, in the lower income Member States, urban-non-urban differences tend to be greater (7).

2.4 In recent years, many tools have been created or developed to stimulate innovation (FP7, PIC, JEREMIE, joint technology initiatives, ‘lead markets’ …). This activity, which must be commended, contrasts with the relative lack of interest shown in regions that do not have the potential to mobilise such possibilities with the hope of a positive return.

2.5 Since most economic activity is concentrated in cities, there is a need to achieve greater balance in the development of the knowledge society.

3. Proposals for redressing the balance in favour of non-urban areas

3.1 High quality services of general interest (SGIs) to guarantee social and territorial cohesion

3.1.1 In its communication on SGIs (7), the European Commission undertook to ‘present to Parliament a comprehensive analysis of the effects of “liberalisation” to date, […] [to] also review progress with the application of the Protocol, once the new Treaty has entered into force [and to issue] a dedicated report on social services every two years to serve as an exchange tool with stakeholders’. The EESC feels that it would be of particular importance if the Commission were to analyse any impact of liberalisation on territorial cohesion. Its analysis should provide data according to the urban or rural nature of the local authorities concerned and the perceptions of their populations.

3.1.2 Access to the health care recognised in the Charter on Fundamental Rights (Article 35) may be particularly difficult in non-urban areas because of the lack of qualified staff, adequate infrastructure and budgetary resources. The Commission should, therefore, start a discussion with the local authorities and the European employers’ and trade union federations concerned, to see how instruments such as agreements between social partners, state aids and Community initiatives can be designed so as to give this sector a new impetus.

3.2 Information society/knowledge society

3.2.1 Although these are sometimes confused with one another, the concept of the knowledge society (an ideal or evolutionary stage for humankind) should be distinguished from the concept of the information society (the widespread use of information and communication technologies). Information is only one tool for acquiring knowledge.

3.2.2 Education is a key factor in moving towards a knowledge society. In non-urban areas, one influence is demographic change (emigration, a high rate of dependency, ageing of the population, etc.). Each year, small schools in less dynamic areas are having to close because they do not have a sufficient number of pupils. This can feed the trend to leave the school, with parents preferring to move to more lively areas in terms of available activities, jobs, schools and reception infrastructure (7).

(7) A group of municipalities with an area of less than 100 square kms, not reaching the required density but fully contained in a dense or intermediate area, should be considered to form part of that area. If contained by a mixture of dense and intermediate areas, it is considered intermediate.


(7) In the 1995-2004 period, GDP growth surpassed the average in 43 % of predominantly rural areas, in contrast with 36 % in urban regions and 39 % in intermediate regions.


(7) The EESC has proposed a demographic fund to address all of these problems.
3.2.3 With regard to the percentage of adults attaining a medium or high level of education, the trend in the EU is for a steadily-narrowing gap between predominantly rural and intermediate areas in relation to predominantly urban areas. The situation in Northern Europe and in some new Member States (FR, NL, FI, IE, BE, PL, CZ, HU) is better (< 10 points difference) and in some countries levels of education are higher in rural areas than in urban ones (UK, DE, AT). The widest gaps (> 20 points difference) are found in the Mediterranean countries (GR, ES, IT, PT).

3.2.4 The percentage of adults participating in education and training (life-long learning) is relatively modest (around 12 % in the EU-25) and does not show significant gaps between rural and urban areas. Some countries broadly support adult training (DK, ES, NL, AT, SL, SK, SE, UK) and some do so more modestly. Trends indicate a slightly greater increase in participation in rural areas than in urban ones (9).

3.2.5 Although proximity increases access by students living in rural areas, distance to universities (mostly located in urban areas) does not appear to be a major barrier to higher education. It may however, limit the range of course options.

3.2.6 The European Commission has pointed out that a number of Member States are not making sufficient efforts to combat early school-leaving and promote lifelong learning to meet the objectives set by the Lisbon Agenda.

3.3 E-learning and the importance of broadband connections (10)

3.3.1 The concentration of high levels of R&D expenditure in a fairly limited number of EU regions raises concern: 70 % of R&D is located in Germany, France and the United Kingdom. Estimates of R&D expenditure by region suggest that 35 regions have R&D intensities exceeding the Lisbon target (12).

3.3.2 The Committee stresses that the key condition for using ICT in lifelong learning, particularly in the Community’s rural areas and small towns, is support from the EU and governments of the Member States for broadband internet connections (11) that provide access to e-learning systems.

3.3.3 In December 2007 broadband (DSL) coverage reached an average of 98 % of the population in urban areas, while coverage of rural areas was limited to just 70 % of the EU-27 rural population (12).

3.3.4 Access to broadband forms part of a wider strategy aimed at ensuring that eAccess is accorded the status of public utility service (15). Particular attention should be paid to the cost of the service, which in some Member Status is extremely high.

3.4 Employment and geographical location

3.4.1 At present 10 % of the European road network suffers from congestion, especially major roads linking outlying regions, which are residential areas, and urban centres which provide jobs for their population. The cost of this each year amounts to 0,5 % of GDP. To reduce this problem, the Commission could seek to promote working from home more, after consulting the social partners. In this way this element of flexicity would be used to help territorial cohesion, because it would favour local businesses and would reduce the environmental cost (14).

3.4.2 The efficiency of job-seeking may decrease as the distance to jobs increases (measured in travelling time and the costs involved) because individuals have less information about job opportunities far from their homes (13).


(10) See the EESC opinion entitled Competitive European Regions through Research and Innovation - A contribution to more growth and more and better jobs, OJ C 211, 19 August 2008, p. 1.

(11) Broadband Internet access: Communications channel with high capacity enabling quick, easy access to information and e-learning systems (source – http://www.elearningeuropa.info/).

(12) Commission Communication entitled: ‘Better access for rural areas to modern ICT’ COM(2009) 103 final. Rural coverage remains poor in Slovakia (39 %), Poland (43 %), Greece (50 %) and Latvia (65 %) as well as in Bulgaria and Romania.

(13) See the EESC own-initiative opinion entitled ‘The contribution of IT-supported lifelong learning to European competitiveness, industrial change and social capital development’, OJ C 318, 23 December 2006, p. 20.

(14) More than 50 % of fuel consumption is due to traffic congestion or unsuitable driving. The total environmental cost (air pollution, noise, global warming) of the transport sector is estimated at 1,1 %. (see European Commission, Mid-term review of the White Paper on transport published in 2001, COM(2006) 314 final, 22 June 2006).

Housing, water, electricity, gas and other fuels, as % of total spending (2005)

<table>
<thead>
<tr>
<th></th>
<th>Workers</th>
<th>Employ­ees</th>
<th>Self-­employed</th>
<th>Unem­ployed</th>
<th>Retired pension­ers</th>
<th>Other non-­active</th>
<th>Difference between minimum and maximum values</th>
<th>Difference between average non-active and active</th>
</tr>
</thead>
<tbody>
<tr>
<td>be Belgium</td>
<td>26,3</td>
<td>22,5</td>
<td>36,3</td>
<td>29,9</td>
<td>23,7</td>
<td>13,8</td>
<td>5,6</td>
<td></td>
</tr>
<tr>
<td>dk Denmark</td>
<td>27,8</td>
<td>25,6</td>
<td>28,7</td>
<td></td>
<td>33,1</td>
<td>7,5</td>
<td>5,7</td>
<td></td>
</tr>
<tr>
<td>de Germany</td>
<td>29,9</td>
<td>27</td>
<td>27,6</td>
<td>35,8</td>
<td>32,5</td>
<td>35,5</td>
<td>8,8</td>
<td>6,4</td>
</tr>
<tr>
<td>ie Ireland</td>
<td>20,3</td>
<td>21,1</td>
<td>22,3</td>
<td>25</td>
<td>30,4</td>
<td>28,3</td>
<td>10,1</td>
<td>6,7</td>
</tr>
<tr>
<td>gr Greece</td>
<td>22,1</td>
<td>22,1</td>
<td>20,6</td>
<td>24,7</td>
<td>29</td>
<td>31,5</td>
<td>10,9</td>
<td>6,8</td>
</tr>
<tr>
<td>es Spain</td>
<td>25,8</td>
<td>23,2</td>
<td>22</td>
<td>30,9</td>
<td>31,1</td>
<td>33,4</td>
<td>11,4</td>
<td>8,1</td>
</tr>
<tr>
<td>fr France</td>
<td>25,8</td>
<td>27,2</td>
<td>26,6</td>
<td>28,1</td>
<td>34,2</td>
<td>35,3</td>
<td>9,5</td>
<td>6,0</td>
</tr>
<tr>
<td>lu Luxembourg</td>
<td>29,6</td>
<td>27,4</td>
<td>30,9</td>
<td>32,9</td>
<td>34,9</td>
<td>34,2</td>
<td>7,5</td>
<td>4,7</td>
</tr>
<tr>
<td>nl Netherlands</td>
<td>23,6</td>
<td>22,3</td>
<td>24,3</td>
<td>32</td>
<td>32,8</td>
<td>28,8</td>
<td>10,5</td>
<td>7,8</td>
</tr>
<tr>
<td>at Austria</td>
<td>22,2</td>
<td>20,7</td>
<td>21,5</td>
<td>27,1</td>
<td>24,3</td>
<td>23,4</td>
<td>6,4</td>
<td>3,5</td>
</tr>
<tr>
<td>pt Portugal</td>
<td>26,3</td>
<td>26,3</td>
<td>30,9</td>
<td>32,9</td>
<td>35,6</td>
<td>31,7</td>
<td>5,4</td>
<td>3,5</td>
</tr>
<tr>
<td>fi Finland</td>
<td>25</td>
<td>23</td>
<td>26,6</td>
<td>34,4</td>
<td>35,6</td>
<td>27,1</td>
<td>12,6</td>
<td>7,5</td>
</tr>
<tr>
<td>se Sweden</td>
<td>28,4</td>
<td>27,5</td>
<td>32,9</td>
<td>35,5</td>
<td>30,8</td>
<td>8</td>
<td>5,1</td>
<td></td>
</tr>
<tr>
<td>uk United Kingdom</td>
<td>27,9</td>
<td>25,4</td>
<td>25,4</td>
<td>39,5</td>
<td>39,7</td>
<td>34,8</td>
<td>14,3</td>
<td>11,8</td>
</tr>
</tbody>
</table>

Source: Eurostat; own calculations

3.4.3 The location of outlying areas, however, may confer some advantages in terms of housing and the quality of life. There is still great potential for development, particularly in the cohesion countries, for when income rises by 1 %, households also increase their consumption of residential space by 0.7-0.8 %, once the price effect is taken into account.

3.4.4 Reference should be made to the phenomenon known as urban sprawl, which is particularly marked in countries/regions with a high population density a dynamic economy and/or which have benefited from the structural funds. Between 1990 and 2000 urban areas grew by a total of more than 8 000 km², an area more than three times the size of Luxembourg (16). This has not been without consequences for biodiversity, among other things.

3.5 Cultural tourism as a factor in development

3.5.1 Tourism accounts for 3 to 8 % of Member States’ GDP. The sector employs 9 million people in the EU. It is also a powerful driving force for other sectors of the economy, including industry (particularly fashion-related sectors), transport, trade and other types of services’ (17).

3.5.2 Promoting art heritage, exhibitions, shows and other events, food and wine and agri-tourism, film tourism and cultural theme parks can be major sources of investment and employment. The EESC would refer to the suggestions it has made in the recent past to encourage this sector.

3.5.3 In this field, it is worth highlighting the initiatives implemented under Natura 2000 (18).

4. Urban networking helps expand ITC usage

4.1 The Lisbon Treaty provides for a new aspect of economic and social cohesion, namely, territorial cohesion. A comprehensive vision of economic and social development can only succeed if complemented by a form of land-use planning — the main instrument supporting territorial cohesion — that takes account of the impact of Information and Communication Technologies.

4.2 Public initiatives should cover all geographical areas. The rural world needs stronger links with small and medium-sized cities in order to achieve the new objective of territorial cohesion. Networks of small and medium-sized cities can and must contribute to territorial cohesion, by acting as stepping-stones in the process of introducing ITC to the rural world.


5. Conclusions and recommendations

5.1 ‘No’ to fatalism: non-urban areas do have a future. The EU has many rural areas where the quality of life is high. In poorer regions, have a future provision of adequate infrastructure, the efforts to improve education and the effective use of ICT, amongst other factors, can make a considerable contribution to promoting entrepreneurship (19), boosting progress and improving the quality of life in rural and intermediate areas.

5.2 Links between rural and urban areas must be strengthened. For decades, urban and rural development have been viewed as two separate entities. Traditionally, rural policy focused solely on farm production, but times change, and the greater interaction and communication between countryside and town make the ‘traditional’ distinction less obvious, and the border between them more blurred. What is needed, therefore, is an integrated approach to development policies (20).

5.3 The potential of ICT in rural areas. Specific policies to promote ICT in the rural world do currently exist under the Structural Funds and the EAFRD, but bridging today’s divide requires more intensive measures targeting farms, small and medium-sized enterprises and micro-businesses, young people, women (especially to promote rural businesswomen, elderly workers and disadvantaged groups (21)). Networks of small and medium-sized towns contribute to territorial cohesion and to technological innovation in the rural world.

5.4 The Structural Funds are all-purpose tools. An in-depth discussion of the future of these regions as part of a forward-looking measure would help to better calibrate the Structural Funds in order to maximise its impact and, where needed, to suggest new approaches.

5.5 Civil society participation. The great diversity of the EU-27 hampers the effectiveness of development targets in rural areas, if they are set centrally. It is therefore crucial that civil society in rural areas is involved in drafting policies that concern their future (22).

5.6 Adequate indicators. As the EESC has already stressed, it would make sense to establish ‘a more representative indicator of cohesion which should include, in addition to GDP, parameters such as employment and unemployment levels, the extent of social protection, the level of access to general interest services, etc (23). These indicators should also be complemented by indicators of income inequality (Gini coefficient or inter-quintile ratio) and of CO₂ emissions (per inhabitant or change since 1990). In general terms, it is vital to build up the EU’s statistical tools, particularly at NUTS level, and to forge closer links between Eurostat and national statistics offices in order to gain access as soon as possible to the most comprehensive and accurate data available (24) (25).


The President
of the European Economic and Social Committee
Mario SEPI

(19) By way of example, the production of renewable energies, including wind power, can provide an important source of income in rural areas.

(20) In January 2009, DG REGIO organised a seminar on this matter, which highlighted examples of successful urban-rural linkages, including the Skane-Blekinge programme in Sweden. See ‘Urban-Rural linkages fostering sustainable development in Europe’. Inforegio.


(22) See the EESC own-initiative opinion entitled ‘Beyond GDP – measurements for sustainable development’, OJ C 100, 30 April 2009, p. 53.

(23) See the EESC own-initiative opinion entitled: ‘The need for concerted action at EU level to strengthen civil society in rural areas, with particular regard to new Member States’ OJ C 175, 28.7.2009, p. 37.

(24) When the Lisbon Strategy was relaunched in March 2005, the European Council stated that the strategy was to be seen in the wider context of the sustainable development requirement that present needs should be met without compromising the ability of future generations to meet theirs. The European Council reiterated its attachment to sustainable development as a key principle governing all the Union’s policies and actions. See the conclusions of the European Council of June 2005.