

Opinion of the Committee of the Regions on ‘The sustainability of rural areas’

(2013/C 356/14)

THE COMMITTEE OF THE REGIONS

- confirms that while predominantly rural areas have gone some way towards catching up, their level of development still remains significantly below the EU average;
- regrets that the amount of funding allocated to rural development has been significantly cut back compared to the 2007–2013 financial perspective;
- notes that consideration is being given to expanding the areas where CAP second pillar funding may be used. Regrets this development as it will only further weaken the allocation of resources for improving technical and social infrastructure in rural areas;
- earmarking a minimum amount of the 5 % of EAFRD resources for the LEADER programme is an insufficient level for stimulating the rural economy;
- believes that extensive and direct cooperation between rural municipalities located in functional areas is justified particularly when preparing negotiating strategies in respect of towns located in such areas;
- recognises that the development strategies in these areas should identify a multiannual framework covering a period of at least a dozen or so years;
- calls for systematic and complete mapping of zones of poverty in rural areas (at least at the level of NUTS 3), to ensure that more effective use is made of resources to combat social marginalisation;
- believes that the future European rural development policy should:
 - be compatible with the sustainability of rural areas,
 - recognise that rural areas offer prospects for development and have a crucial role to play in meeting Europe’s challenges,
 - recognise that the diversity of Europe’s rural areas is an important factor when it comes to meeting future challenges,
 - be transparent and clear, to ensure that it is more widely accepted,
 - harness regional diversity to reach a shared European goal, ensuring that no regions are left behind;

Rapporteur

Jerzy ZAJĄKAŁA, Mayor of Łubianka(PL/EA)

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS,

The importance of the vitality of rural areas

1. notes that, according to current Eurostat figures, over 23 % of the EU's population lives in rural areas, with a further 35 % living in intermediate regions. Equally, draws attention to the fact that there are several Member States in which the number of people living in exclusively rural areas is significantly higher. This is the case in as many as 17 of the EU's 27 Member States, including Ireland (73 %), Slovakia (50 %), Estonia (48 %), Romania (46 %), Finland, Greece, Lithuania and Denmark (43 %);

2. emphasises that rural areas harbour huge potential in terms of their human resources (cultural and social factors), natural environment and biodiversity, and raw materials and other economic resources, which are especially important for community life in the European Union and for its development. Against this background, recognises the particular importance of measures to preserve the vitality of rural areas in the social, cultural, environmental and economic domains;

3. notes that rural areas are highly diverse. While some areas are falling victim to the problem of depopulation, experiencing serious difficulties as a result, other regions, primarily those located close to urban areas, are coming under increasing demographic pressures and experiencing a growing demand for land. Some regions are still grappling with a serious recession in the wake of the economic crisis, which has also affected agriculture, while others are enjoying burgeoning success thanks to tourism and the quality of their natural environment;

4. is concerned about the drastic population decline and the increasingly ageing population in broad swathes of Europe's rural areas. To ensure the viability of the regions concerned, rural areas will have to be placed on a stable footing both as a place to live and as a business location, offering adequate earnings possibilities. This will require efforts from across society and region-specific ideas based on home-grown potential;

5. underlines that the quality of life in rural areas is a significant factor in the decisions taken by farmers, their families, the other professionals who exploit, add value to and process other primary resources, and other non-farming

residents of rural municipalities about whether they should continue to live and work in these areas. Such decisions have an impact on the size and demographic make-up of the population and on preserving the vitality of rural areas;

6. emphasises the need to preserve and rekindle the traditional cultural features of rural areas as an important element of the local, regional, national and European identity;

7. recognises the important role of agriculture in delivering such essential public goods as the countryside and safe food. Accordingly, supports continued EU funding for farms engaged in the delivery of these goods. Also considers that rural areas will be the most vulnerable to future changes in the climate scenarios created by climate change, which calls for the inclusion of mitigation measures and the adaptation of territorial planning, management and budgetary instruments so that participatory mechanisms and farming practices can be used to facilitate sustainable development;

8. considers that there is a need to educate society as a whole, particularly the younger generation, to help people understand and appreciate the positive aspects of rural areas and the importance of preserving their vitality for the general public;

The financial dimension of the sustainable development of rural areas

9. recognises the need for continued implementation and improvement of the Common Agricultural Policy, which is an important Community instrument for achieving both short and long-term objectives, focused on the delivery of good results in terms of the national economy and global competitiveness and on ensuring territorial cohesion in all regions of the Member States;

10. considers that the rural world will change substantially due to the impact of energy and climate policies and the more efficient use of raw materials which can give it a more important role in the primary economic sector, and that these changes must be taken into account right now to ensure that they are sustainable and integrate economic, social and environmental concerns in a harmonious manner. In addition, crop rotation is still of great interest for rural areas because it reduces dependence on soy bean imports, improves soil quality, reduces the use of fertilisers, brings back stable

economic activity to rural areas and restores the EU's trade balance. Regrets, however, that the CoR opinion on capping and greening was not taken into account in the decisions taken by the heads of state and government on 26 June last because they weaken both the diversity and sustainability of rural areas;

11. at the same time supports the extensive funding provided by the European Union for incentive programmes for young farmers as well as financial support for semi-subsistence farms and farms located in less favoured areas, which are important instruments for preserving the vitality of rural areas. Also points to the need to increase support and subsidies for activities associated with the restoration, conservation and improvement of protected areas, in order to reconcile environmental conservation with the sustainable development of rural areas which bear responsibility for most protected areas;

12. notes that the income earned by farmers from their agricultural activity and from the equivalent payments and subsidies which they receive under both pillars of the Common Agricultural Policy has a significant impact on the situation in the rural municipalities where they live and operate their farms. This income not only impacts on the efficiency of farming activities and on the standard of living of farmers and their families but also on the tax revenues of the localities where they live. The level of income significantly affects the extent to which farmers can raise the standard of living in rural areas and their personal involvement in this process;

13. voices concern about the anticipated reduction in resources for rural development in the 2014–2020 financial perspective. Regrets that the amount of funding allocated to rural development has been significantly cut back compared to the 2007–2013 financial perspective, from EUR 95.7 billion to below EUR 85 billion. The pool of resources actually available to rural municipalities may be reduced even further in view of the plans to give Member States the right to transfer up to 15 % of resources from the second to the first pillar of the CAP (up to 25 % in certain EU regions);

14. notes that consideration is being given to expanding the areas where CAP second pillar funding may be used to include trust funds set up to cover financial losses incurred due to plant or livestock disease, environmental incidents or substantial reductions in agricultural revenue, funds which traditionally formed part of the CAP's first pillar. Regrets this development as it will only further weaken the allocation of resources for improving technical and social infrastructure in rural areas;

15. welcomes the fact that the Common Strategic Framework and the partnership agreements create the conditions needed to foster coordination and integration, with a view to supporting the sustainable development of rural areas. Earmarking a minimum amount of the 5 % of EAFRD resources for the LEADER programme is an important approach to supporting local development; states, nonetheless, that this is an insufficient level for stimulating the rural economy;

16. supports the inclusion of CLLD (community-led local development) in Structural Fund programmes in the form of a local development strategy to be implemented by local stakeholders. Nonetheless, considers that a multifund strategy should be accompanied by the necessary coordination between the rules governing the various funds. The Commission's proposal for intermediaries to resolve this is unsatisfactory, giving responsibility to one authority rather than several but without simplifying the actual administrative tasks. There is a lack of consistency between regulatory systems and an evident risk that more time and resources will be invested in heading off objections than in making progress;

17. regrets that the use of the LEADER initiative for the ERDF and EFS operational programmes is optional and that it may only be financed under the ninth thematic objective on 'promoting social inclusion and combating poverty'. This principle will restrict local action groups' room for manoeuvre as well as the opportunities for harnessing different funds for the development of local development strategies;

18. emphasises that maintaining quality public or private services often requires a major political, civic or financial effort, with more decisive evening out of disparities, which entails the need for a higher degree of solidarity between rural and urban areas;

19. anticipates that the further deregulation of Europe's agricultural markets will increase the volatility of agricultural prices, primarily threatening small and medium-sized family farms. Also draws attention to the fact that the liberalisation of milk quotas could lead to greater industrialisation and intensification of dairy farming, further accelerating both the rural exodus and climate change. Notes that it is still important to compensate farmers for the public goods which they provide, including natural and cultural assets such as grazed, open land, which have no commercial value. If abolishing the milk quota system were to lead to undesirable distortions in livestock farming, policy measures would be needed to support more information for consumers and the market more generally, and to safeguard animal welfare across the EU;

20. points out that there are ways of linking activities supported by the rural development programme (second pillar) with activities under the regional, social and fisheries funds, i.e. funds within the CSF. Biogas production, terrestrial ICT infrastructure, innovation, skills development, business development and CLLD (community-led local development) are areas that fall within the rural development programme but are also linked to the other funds, where different industries can help each other and where urban and rural needs and resources coincide;

Importance of functional links between rural and urban areas

21. realises the particular challenges facing rural municipalities located in areas where medium-sized and large towns have a direct impact and recommends adopting a functional approach to identifying development strategies for these areas;

22. notes that both towns and rural municipalities located in functional areas harbour valuable and highly useful social and economic resources. When preparing a development strategy for a functional area, the CoR recommends analysing all existing resources for the whole functional area and ensuring that the development strategy takes account of the potential of both rural municipalities and towns and fully taps into that potential with an eye to sustainability. Also draws attention to the potential dangers for rural areas that can arise as a result of the lack of balanced development between towns and rural municipalities and which can occur in situations where a town exploits its dominance in terms of its economy and population;

23. believes that extensive and direct cooperation between rural municipalities located in functional areas is justified particularly when preparing negotiating strategies in respect of towns located in such areas;

24. considers that the application of a methodology which ensures the involvement of local authorities and the residents of both urban and rural municipalities is desirable when drafting sustainable development strategies for functional areas. This participation should be ensured both during preparatory work (research and analytical work) and when adopting decisions which determine the final shape of the strategy;

25. also highlights that only part of the population of rural municipalities located in peri-urban areas is actually engaged in agricultural activity. People who have migrated to these areas from the towns frequently expect certain types of agricultural

activity which they consider to be a nuisance to stop, e.g. the use of natural or artificial fertilisers and agricultural equipment, livestock rearing and grazing etc. It is recommended that spatial planning policies anticipate and tackle these problems by means of, in particular, a sustainable development strategy that reconciles everyone's economic, social and environmental interests and by, for instance, identifying zones earmarked for agricultural production in order to minimise possible social conflicts;

26. points out that social integration programmes in rural areas experiencing a steady population influx from urban areas provide one way of addressing social conflicts that may arise where there is contact between different lifestyles, values and social standards;

27. draws attention to the need for a fair division of the costs of eliminating the economic, environmental and social effects of 'urban sprawl' between urban and rural areas;

The challenges facing rural municipalities in outlying areas

28. notes that the great majority of rural municipalities are located outside areas where large and medium-sized towns have a direct impact. This situation requires the use of specific instruments to support these areas. Therefore recommends that both the Common Agricultural Policy and Cohesion Policy — which is also implemented through regional development instruments — should include solutions that will genuinely help achieve territorial cohesion and ensure sustainable equal development opportunities;

29. recognising the importance of preserving rural areas, the CoR calls for greater support for local authorities to help them create and maintain technical as well as social infrastructure which can play a role in maintaining the vitality of these areas;

30. emphasises the functional links that exist between outlying rural areas and small towns and calls for the creation of appropriate mechanisms to stimulate joint action to improve the quality of life in these areas, particularly by ensuring that small towns provide all the local services needed for such areas to function properly;

31. notes that the strategic documents which set out the development policy for these areas should be the result of joint action and agreements between neighbouring local municipalities (bilateral and broader cooperation) and cooperation in the area of regional policy;

Rural — urban links and their significant impact on regional development

32. stresses once again the particular importance and need for rural municipalities and towns to work together and cooperate as part of functional areas. Equally, recognises that the development strategies in these areas should identify a multiannual framework covering a period of at least a dozen or so years;

33. recommends that cooperation between rural and urban municipalities take the form of a territorial partnership;

34. considers that a broad public debate should be held before any joint action is launched within a functional area, leading to the sovereign decision of the local authorities involved. Equally, the subsequent withdrawal of a municipality from such cooperation in a functional area should — due to the existence of a network of infrastructure and social links — be subject to the approval of all towns and municipalities engaged in cooperation in the given functional area;

35. draws attention to the mutual dependencies between towns and rural municipalities which exist in functional areas and which are based on the shared use of human, environmental and economic resources and the joint operation of public services;

36. in view of current lifestyle trends present in urban communities, proposes that these trends be used to promote the benefits of living in rural areas. Stresses that networking provides an unprecedented opportunity to forge close links between farmers and food consumers. Notes that these types of initiative can significantly contribute to the development of a new kind of rural-urban relations;

37. emphasises that short supply chains for agricultural products help to develop sustainable production and responsible consumption. They meet a growing demand from consumers for authentic, seasonal, locally and community-produced products. This is also a socially conscious model of consumption that is respectful of the environment, cuts down on packaging, limits CO₂ emissions and supports sustainable production practices. Support for short supply chains should coexist with the promotion of cooperative integration as a factor that strengthens the market position of farmers. Supply concentration is an effective way to ensure fair prices for farmers and to secure the growing demand for food;

38. stresses, however, that producers who wish to engage in such initiatives face numerous problems. Ensuring a steady and regular supply of goods to consumers, who generally demand a continuous supply of food in sufficient quantity and variety, is

often difficult. Costly equipment is generally required (e.g. specially adapted vehicles, cooling systems, sales points and processing facilities etc.). Recommends, therefore, that this type of activity should be supported;

39. notes that the issues of physical accessibility, remoteness from centres of decision-making and research and restricted access to new technologies are all obstacles which many areas are finding it hard to overcome and which are key factors in development possibilities, equal opportunities and quality of life. Moreover, labour force participation is lower in rural areas than in urban regions and fewer new jobs are created in the countryside;

40. notes that current problems are being compounded by new challenges such as the effect of climate change, biodiversity loss and other environmental problems, the diminishing countryside, particularly the amount of agricultural land, as well as the issue of the ageing population. Emphasises that a significant effort is required to understand this issue and to take the necessary measures to resolve it, using active policies to tackle depopulation;

41. regrets that rural areas are losing their dynamism compared to urban areas. Also emphasises that the 5th Report on Economic, Social and Territorial Cohesion, issued in November 2010, highlighted the socio-economic divergence between Europe's regions;

42. confirms that while predominantly rural areas have gone some way towards catching up, their level of development still remains significantly below the EU average. Notes that this gap is particularly marked compared with predominantly urban regions. In the EU-12 Member States, the average GDP of rural areas is 73 % lower than that of urban areas. The divergence between rural and urban areas is particularly visible in Central and Eastern Europe as well as in Southern Europe;

43. calls for systematic and complete mapping of zones of poverty in rural areas (at least at the level of NUTS 3), to ensure that more effective use is made of resources to combat social marginalisation;

44. once again notes that it is essential to establish a framework for multilevel governance to ensure the effective transformation of European and national policies, including the Common Agricultural Policy, after 2013. A number of doubts arise in this context, which should be addressed as a matter of urgency. While this principle has been clearly recognised in the proposal for a General Regulation, the role

of local and regional authorities in partnership agreements remains unclear. Regions and communities in rural areas can no longer be satisfied with their status as co-financing entities that have no say in the selection of priorities or implementation and management methods. The guidelines drawn up by the European Commission on the content of partnership agreements should explicitly stress the importance of involving representatives of rural areas in the preparation of these agreements;

The European strategy and policies for rural areas up to 2030

45. Believes that the future European rural development policy should:

- be compatible with the sustainability of rural areas,
- recognise that rural areas offer prospects for development and have a crucial role to play in meeting Europe's challenges,

- recognise that the diversity of Europe's rural areas is an important factor when it comes to meeting future challenges,
- be transparent and clear, to ensure that it is more widely accepted,
- harness regional diversity to reach a shared European goal, ensuring that no regions are left behind;

46. considers that, in order to achieve these objectives, the future rural development policy will need to ensure that farmers are more involved in the provision of public services;

47. considers that, in the next programming period, the current tendency to focus rural development funding mainly on the agricultural sector will have to be more balanced, in order to ensure genuine economic development in rural areas.

Brussels, 9 October 2013.

*The President
of the Committee of the Regions*
Ramón Luis VALCÁRCEL SISO
