

OPINIONS

COMMITTEE OF THE REGIONS

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Opinion of the European Committee of the Regions – Equivalent standards of living as a joint challenge for all levels of government in Europe

(2020/C 440/02)

Rapporteur: Bernd LANGE (DE/EPP), Head of Görlitz District Council**POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS

1. expresses its concern about the growing economic, social and territorial inequality within and between EU Member States. Recent developments in Europe have shown that the disparities between places and between people are increasing, in terms of economic development, employment and well-being. These disparities can be seen at all levels, from sub-local to European, and have reached critical proportions. The ongoing debate surrounding areas that have been left behind or 'forgotten' clearly shows that a more place-based approach is needed in order to address the development challenges faced by these areas;
2. points out that the COVID-19 pandemic in the Member States is exacerbating the existing challenges resulting from the crisis in most regions. The economic and social consequences and the resulting prerequisites for recovery vary greatly between regions;
3. stresses, therefore, that the objective of territorial, economic and social cohesion, as set out in Article 174 TFEU, must continue to be a high priority for the European Union. As well as EU regional policy and the common agricultural policy, all other EU policy areas (e.g. transport, environment, social and energy) must contribute to this cross-cutting objective; this applies in particular to EU measures under the European Green Deal and further digitalisation;
4. draws attention to the specific circumstances of the outermost regions as recognised in Article 349 TFEU, and underlines the EU's commitment to developing these regions through specific measures, benefiting those regions and the EU as a whole;
5. emphasises that in 2017 one third of the EU's population lived in cities with more than 100 000 inhabitants, one third lived in towns with a population of between 10 000 and 100 000, and one third in small towns and rural communities with fewer than 10 000 inhabitants⁽¹⁾. In her political guidelines⁽²⁾, the president of the European Commission pointed out that 50 % of Europeans live in rural areas;

⁽¹⁾ *Die Unterschiede bestimmen die Vielfalt in Europa — Ein Atlas ausgewählter Aspekte der räumlichen Strukturen und Entwicklungen* [Differences determine diversity in Europe — An atlas of selected aspects of spatial structures and developments], Federal Institute for Research on Building, Urban Affairs and Spatial Development.

⁽²⁾ https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf

6. notes that in the past European structural policy was primarily concerned with cohesion between regional authorities (Nomenclature of Territorial Units for Statistics (NUTS) 1 or 2), but that the impact of measures on the lower, local levels was not always sufficiently examined or taken into account;

7. notes that increased net migration flows from rural to urban areas have been observed in various Member States and regions in recent years ⁽³⁾ and considers that EU policies should contribute to the challenges and opportunities which arise from this;

8. is concerned that further migration to metropolitan areas creates significant challenges for the respective urban centres in many places, such as a lack of housing, rising rents, overburdening of public infrastructure, and social problems. As a result of depopulation, small and medium-sized towns and municipalities in rural areas and the businesses based there face major challenges. It is harder to maintain public infrastructure and fund public services as there are fewer, increasingly older users needing more services, and businesses often face skills shortages;

9. refers here to the CoR opinion in preparation on *Demographic change: proposals on measuring and tackling its negative effects in EU regions* ⁽⁴⁾ and the CoR opinion on *The challenges of metropolitan regions and their position in the future Cohesion Policy post-2020* ⁽⁵⁾;

10. notes that the first of the six priorities set out in the Territorial Agenda of the European Union 2020 is to promote polycentric and balanced territorial development ⁽⁶⁾, and that this objective is also a priority in the draft 2030 Territorial Agenda;

11. observes that there is currently no cross-cutting approach at EU level to address the factors driving migration and uncontrolled urbanisation or counter-urbanisation by improving standards of living in all regions;

12. emphasises the importance of UN Sustainable Development Goal (SDG) 11, 'sustainable cities and communities', which must be applicable for all types of locality;

13. believes that universally accessible public infrastructure sites, universally available public infrastructure networks and universal public services are a vital prerequisite for high standards of living and sustainable development in all parts of the European Union. Once again, the structural prerequisites vary greatly between and within Member States and even within regions;

14. believes that measures taken by the European Union should be balanced among support given to densely populated urban areas and rural areas, which have often been considered primarily from an agricultural point of view. Regrets, in this sense, the comparatively low intervention of ESF and ERDF in rural areas ⁽⁷⁾ ⁽⁸⁾;

15. fears that the COVID-19 crisis will make the provision and maintenance of public infrastructure and the delivery of public services even more difficult, especially in smaller, more remote and isolated and financially weaker municipalities and regions, which are likely to be particularly affected by a drop in tax revenues. This could reinforce the opposing trends seen in recent years; underlines that a decrease in public investment in infrastructure and services generally has a more severe impact on particularly vulnerable population groups;

⁽³⁾ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Archive:Statistics_on_rural_areas_in_the_EU#Further_Eurostat_information

⁽⁴⁾ COR-2019-04647-00-00-PAC.

⁽⁵⁾ COR-2019-01896-00-00-AC (OJ C 79, 10.3.2020, p. 8).

⁽⁶⁾ https://ec.europa.eu/regional_policy/en/information/publications/communications/2011/territorial-agenda-of-the-european-union-2020

⁽⁷⁾ 'Evolution of the Budget Dedicated for Rural Development Policy', study for the Commission for Natural Resources, Progress Consulting, 2016 (updated 2020).

⁽⁸⁾ 'EU Cohesion Policy in non-urban areas', study for the European Parliament's REGI Committee, EPRC, 2020.

National strategies for balanced territorial development

16. believes that the policies of the European Union and the Member States should always complement each other. Under no circumstances should they contradict each other or pursue conflicting objectives; highlights therefore that gold-plating by Member States should be avoided when transposing EU directives into national law;

17. calls on the Member States, therefore, to further develop national cohesion policies and dovetail them with efforts at EU level, in close cooperation with local and regional authorities and in accordance with the partnership principle and multilevel governance;

18. points out, in this regard, that there are already approaches at national level in various Member States to achieve a balanced structural policy that is intended to benefit all localities. While some Member States are proposing general principles to develop all communities⁽⁹⁾, plans for specific types of locality are being drawn up in other parts of the EU⁽¹⁰⁾ ⁽¹¹⁾;

19. observes that the national strategies mentioned above are not primarily concerned with economic cohesion in terms of economic performance but rather with the establishment of a certain standard with regard to public administration, infrastructure and services, which provide the basis for further socioeconomic development;

20. notes that decentralised governance is usually mentioned in all national strategies as an essential prerequisite for an area being a good place to live. Local and regional structures are essential to ensure citizen-centred governance and democratic participation;

21. acknowledges that all the national policies mentioned focus more than EU policy does on smaller units (municipalities, associations of municipalities, small and medium-sized towns, etc.) in rural areas with a view to making these stronger and thereby more attractive. All strategies consider rural areas primarily as places where people live and where there is economic activity, and provide for structural policy measures to develop them;

22. welcomes in particular the sector-specific approaches that the Member States have adopted in their national strategies. Despite the heterogeneity of local areas, it is clear that the challenges are similar in the various Member States;

23. notes that digitalisation is a key aspect of all national approaches. Universal digital infrastructure and digital public services make it possible to create and maintain jobs outside urban centres, which could in turn limit the migration of workers to cities. Underlines that an increase in telework, as experienced during the COVID-19 pandemic, could offer workers increased flexibility for choosing their place of residence; stresses in this respect its expectation that the continual digitalisation of many types of work means that the locational advantages of employees being near the workplace will likely play a less important role in many sectors in the long term; stresses that this trend should not compromise the mobility policies, in particular aimed at limiting the environmental impact of commuters' and business travel;

24. notes the need to make sure that the areas located furthest away from urban centres and with a lower population density have exactly the same levels of digital connectivity, so as to promote online public services and teleworking as tools for attracting people and talent to these areas;

25. welcomes the attention paid by all strategies to aspects of services of general interest, in particular provision of health, care and social services, schools and other educational institutions, services to protect older people and integration services; equity has to be the way ahead for providing public services to people, regardless of where they live;

26. therefore asks the future German, Portuguese and Slovenian presidencies of the EU to support implementation of the Territorial Agenda 2030 by initiating a discussion and exchange of experiences on how the EU's structural policy and national regional development policies can best be combined so as to reduce regional inequalities and improve living conditions across Europe;

⁽⁹⁾ Final report of the *Kommission 'Gleichwertige Lebensverhältnisse'* (Equal Living Standards Commission), Germany.

⁽¹⁰⁾ 'Ruralités: une ambition à partager – 200 propositions pour un agenda rural' [Rural areas: a shared goal – 200 proposals for a rural agenda], France.

⁽¹¹⁾ 'Masterplan für den ländlichen Raum' [Master plan for rural areas], Austria.

General recommendations for EU policy

27. calls on the European Commission to take the same approach as national governments and entrench the goal of equivalent living standards at EU level, putting Article 174 and Article 349 TFEU into effect;

28. emphasises the Member States' discretionary power with regard to services of general interest. In line with the principle of subsidiarity, a European framework should only complement measures taken at the national, regional or local levels;

29. calls for a European long-term strategy on territorial development, taking into account interactions between agglomerations, urban areas and rural areas;

30. calls on the European Commission to not only consider the Member States' economic development, but also to take into account and recognise efforts made with regard to services of general interest, especially in less densely, or sparsely, populated areas or outermost regions where people are widely dispersed;

31. believes that creating appropriate structural conditions in all Member States and all local and regional authorities is vital for the sustainable socioeconomic development of the European Union. The Structural Funds can make a significant contribution in this regard, but must not remain the only means of promoting balanced development. All policy areas, including the vision for rural areas announced by the European Commission, should contribute to this cross-cutting objective;

32. stresses that such an objective would require detailed consideration of the territorial impact of EU measures, at both the pre- and post-legislative stages;

33. therefore recommends that the 'urban proofing' of EU policy measures proposed in the Urban Agenda for the EU be widened to 'territorial proofing', i.e. an integrated assessment of their feasibility in more densely (i.e. urban) and more sparsely populated (i.e. rural) areas, taking into account the specific features of those areas, and that it be complemented by a territorial impact assessment. This would ensure that regulatory provisions have a targeted effect and do not further promote uncontrolled urbanisation or counter-urbanisation;

34. believes that greater attention should be paid to small and medium-sized towns as anchor points in sparsely populated areas. Municipalities supply essential services of general interest and provide the public with critical infrastructure that significantly improves the attractiveness of rural areas;

35. emphasises that cities still face major challenges as well and therefore need the financial and organisational support of the European Union. The different types of locality must not be played off against each other. The Urban Agenda for the EU and the resulting partnerships are good examples of potential cooperation between the EU and local levels of government;

36. encourages the European Commission to enhance the systematic gathering of comparable statistical data for the evaluation of the development of rural areas below NUTS 2 level, without increasing red tape for municipal authorities;

37. advises the chairs of the European Parliament intergroups to fully involve CoR representatives in the work of the intergroups on urban and rural development so as to promote discussions on specific challenges;

38. notes that any working and expert groups that the EU sets up in future must include a good balance of representatives of authorities at different levels and of various sizes from urban and rural areas. Approaches developed for and by cities are not generally transferable to smaller authorities due to their different organisational and financial situations;

39. calls for all European Commission directorates-general and the European Parliament committees to fully take into account interactions between urban and rural areas and create coherent EU policies that work for all types of area in a balanced way;

40. calls for all European Commission directorates-general and the European Parliament committees to better recognise the benefit of institutional and functional cooperation in areas such as planning, mobility, the environment, provision of services of general interest, and public investment. This cooperation will allow economies of scale and strengthen links, as well as territorial, economic and social cohesion, between urban, peri-urban and rural areas which are part of the same functional area or region;

41. calls for a comprehensive approach at EU level which addresses the challenges for cross-border cooperation of cities, regions and municipalities and amplifies the potential of this cooperation for reducing disparities between different types of settlements;

Recommendations for EU regional policy

42. believes that EU regional policy should focus primarily on laying the structural foundations for balanced growth in all localities, in pursuit of convergence and development in the regions of the EU. Sustainable and sustained socioeconomic development can only happen in places where the necessary conditions are in place for individuals and businesses. In this respect emphasises the need for stronger incentives for businesses in rural areas;

43. considers that the goal of equivalent standards of living should also be taken into account in the thematic focus of the European Structural and Investment Funds (ESIF), as well as the European Agricultural Fund for Rural Development (EAFRD). The ESIF should provide support for the required local and regional infrastructure and public services in all regions. Removing the EAFRD from the common provisions on the Structural Funds is counterproductive in this sense, since the separation makes coherent, multi-fund support in urban and rural areas unnecessarily difficult;

44. takes note here of the specific allocation for urban areas under the European Regional Development Fund (ERDF), while also pointing out that such an allocation also requires a counterpart on a comparable scale for rural areas. In the long term, it would be more appropriate to provide for a specific allocation for comprehensive provision of services (broadband infrastructure, hospitals or healthcare, transport infrastructure, etc.) that contribute to balanced territorial development and to promoting the resilience of all local and regional authorities. This would promote a basis for individuals and businesses to locate outside of urban centres as well, which would in turn create jobs and reduce the pressure on people to move away to cities;

45. believes that, in view of the limited economic viability of public services in more sparsely populated areas, Structural Fund support should primarily take the form of grants;

46. believes that more Structural Fund support must go to introducing and maintaining the technological infrastructure, both telecommunications and digital services, necessary to guarantee equal development between areas. To achieve this, public-private partnerships will be promoted, with the public sector playing a leading role in implementing investment activities for this purpose;

47. asks the European Commission to address the issue in the upcoming 8th Cohesion Report, which is expected in September 2021;

48. calls for stronger links between the new Territorial Agenda 2030 of the EU and the new Cohesion Policy 2021-2027 in order to provide Cohesion Policy with a territorial strategic guiding framework to achieve a Green and Just Europe where no territory would lag behind;

Recommendations for other policy areas

49. believes that EU transport policy rules should also be framed to better ensure balanced human settlement. This includes public transport planning, rail transport and the deployment of ride-sharing services. So far, ride-sharing services have primarily been based in urban areas because the lower population density in rural areas makes them less remunerative there. In the long term, comprehensive provision of appropriate transport services should be considered, by means of public service obligations where necessary;

50. points out that EU transport rules (particularly those relating to emissions and climate) often present much greater challenges to public transport operators in rural areas than to their counterparts in urban areas. Switching to low-emission technologies is also not currently possible everywhere, due to technical requirements and market availability, particularly in areas that are less densely populated and have mountainous terrain. This is particularly the case for buses, due to higher costs, limited ranges and sometimes also longer charging times. However, EU funding is made available primarily for urban mobility, as higher pollution levels tend to be recorded in cities. To create and maintain efficient public transport everywhere, the rules should either provide for different measures for different types of locality or should provide additional funding for places where financial resources are particularly hard to find (such as rural, remote and outermost regions, and island and mountain areas);

51. points out that mobile working also played a significant role before the COVID-19 pandemic. Digital government services can also only be offered and used where both providers and users of such services have high-speed broadband connections;

52. believes that, when rolling out broadband and mobile telecommunications or 5G and 6G, the goal should always be universal availability while complying with European emissions standards. Such work should primarily be carried out by the private sector. In places where for financial reasons fibre optics can be rolled out extensively only with the help of public funding, local and regional authorities should be put in a position where they can provide this in a legally certain and targeted way.

Brussels, 14 October 2020.

The President
of the European Committee of the Regions
Apostolos TZITZIKOSTAS
