



**Position Paper - 2019**

## **Southern Sparsely Populated Areas (SSPA)**

**On the EU post- 2020 Territorial Cohesion Policy**

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## Part 1. Introduction

The SSPA (**Southern Sparsely Populated Areas**) network is a European group of interest. SSPA members are from the 5 sparsely populated provinces (NUTS 3) found in Southern Europe (**Cuenca, Evrytania, Lika-Senj, Soria and Teruel**), recognised as such by the European Union for their **population density is lower than 12.5 inhabitants/km<sup>2</sup>**.

It came into being when Business Organizations of Cuenca, Soria and Teruel decided to join forces. It was founded **to fight against depopulation and its negative consequences**<sup>1</sup>. From its inception, the network has sought to reach out to all the territories, organizations and **entities- both public and private- that share their vision and mission**, incorporating all actors that may help them reach their objectives.

SSPA seeks fundamentally **to turn sparsely populated territories into attractive areas to live, invest, work and grow**, ensuring their future. To that aim, SSPA is to:

1. **Propose and support specific proposals and policies** that can be applicable to the reality of the EU's sparsely populated areas while helping substantially to revert the social, economic and demographic crisis that sparsely populated territories in Europe are experiencing.
2. **Promote and coordinate efforts of the different socio-economic actors** advocating for the adoption of EU policies and legislation aimed at fighting rural depopulation while achieving the socioeconomic revitalization of the hardest-hit rural areas.
3. **Raise awareness and disseminate among society as a whole the socio-economic opportunities** for SSPA territories as well as the policies and strategies best suited to reverse the process of depopulation, ageing and loss of economic activity these territories have been undergoing over decades.

### SSPA Milestones

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**September 2013** - First meeting of CEOE-CEPYME Cuenca, FOES and CEOE Teruel.

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**July 2014** - Spanish Congress of Deputies recognize Cuenca, Soria and Teruel as sparsely populated areas.

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**May 2015** - Meeting in Brussels with the cabinet of the Regional Policy Commissioner.

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**November 2016** - Constitution of the SSPA Network by the three organizations.

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**January 2017** - Accession of Evrytania region (Greece) and Lika-Senj county (Croatia) to the network.

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**May 2017** - Study visits of good practices in Scotland and in the NSPA territories.

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**November 2017** - Adhesion of the local action groups (LAG) of the three Spanish provinces.

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**March 2018** - Meetings with the European Commission to discuss the new post-2020 programming period.

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**January 2019** - Meetings with different MEPs to discuss the amendments on the proposal on the European Regional Development Fund and on the Cohesion Fund.

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**July 2019** – SSPA is a new member of the Intergroup on sparsely populated, mountainous and remote rural areas: Smart Villages for Rural Communities.

This paper includes SSPA's **contributions to the current policy-making progress regarding post 2020 economic, social and territorial policies**.

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<sup>1</sup> Full information on the activities and documents developed by SSPA can be found at: <http://sspa-network.eu/en/home/>

## Part 2. Territorial specificity of SSPA

By way of assessment it is necessary to list the major factors defining the social, economic and demographic structure of Southern Sparsely Populated Areas. These factors must be either fostered (strengths and opportunities) or minimized (weaknesses and threats) in order to guarantee the functional viability and demographic balance of these territories.

### Strengths

**Rural areas complement urban areas.** This complementarity is illustrated in aspects such as “space otherness” characterizing rural areas enjoying high **environmental quality** standards. This is an important factor for wealth generation and to battle against pollution and climate change. In the same line, these areas are rich in **cultural heritage**, preserving a crucial part of the European identity and variety. This space otherness also translates into a **productive specificity**. Environmental conditions, quality of life, as well as the availability of resources difficult to delocalise make sparsely populated rural areas the ideal location for the development of **an array of economic activities with a high capacity** to generate wealth and jobs that are sustainable, innovative and complementary to those found in urban areas.

### Weaknesses

Over the decades, these territories have been undergoing a **continuous population loss**. The structure of their populations is characterised by high aging and male rates far higher than the European average. Their demographic revitalization dependent almost exclusively on migratory flows. The **number of settlements** is high and the population is little, even under 500 inhabitants, therefore both economically and socially dependent. As a result of all mentioned above, the provision and quality of **basic services for the population** is significantly low, ensuing rural-urban gap in standards of living (education, health, social services or cultural and leisure amenities). Likewise, there is inadequate access for economic undertakings and the population in general to **communication infrastructures** (roads, railways) or **info-structures** (broadband and mobile phone services).

### Opportunities

The attraction and retention of population in depopulated areas is only feasible through an **economic development providing an alternative** to the current one. It must be more competitive and diversified and therefore in accordance with the fundamental principles of a global economy. Therefore, it is necessary to ensure that those populations are provided with quality **basic services, infrastructures and connectivity**. As for the involvement of human capital it is essential to recuperate the role played by the **local action groups** as driving forces for the necessary shift in mentality. Their role in the social and economic sphere must be reinvigorated by making use of bottom-up models of participation as set out in the LEADER approach.

### Threats

The **current rural development model** has been proving inefficient in its implementation with regards to the national programmes for rural development as well as the ESI funds-in particular, the EAFRD- in its attempts at stopping the process of population loss and in its contribution to fostering a social and economic rebalance. To a large extent, we find policies focused on the farming sector, therefore with little capacity to generate added value, jobs and ensure that the socioeconomic and demographic shift.

To sum up, the regeneration of rural areas requires, to a large extent, **changes in policy, regulations and legal provisions at all levels**.

## Part 3. Background references

The reform of the cohesion policies beyond the 2020 horizon is already being debated. One of the themes under discussion is the insufficient support for the demographic challenge, which includes the sparsely populated areas. The demographic challenge involves guaranteeing the welfare, the social cohesion of the population and favouring a balanced economic well-being. During these years, different institutions have taken steps forward in this subject and it is appropriate to recall some documents.

### Resolution of the European Parliament

Some of the proposals of the *Resolution of the European Parliament on the deployment of the cohesion policy instruments by regions to address demographic change (2016/2245 (INI))* of November 14, 2017<sup>2</sup> are considered particularly relevant. For example, it calls for **a greater coordination of EU instruments** to ensure a more comprehensive approach to demographic change and to address it in the next programming period as a priority area in the final regulations and guidelines to support Member States. The **necessary identification of regions faced with demographic challenges at NUTS 3 and LAU level**, seen that subsidies at NUTS 2 level often conceal socio-territorial, intra-regional and even supra-regional inequalities. The resolution includes the call for the establishment of **a legal framework** within the future Common Provisions Regulation (CPR) in order to recognise regions facing severe and permanent demographic challenges. The future cohesion policy should include **specific measures for the areas most affected** by demographic challenges.

### Position Paper by MEP Florent Marcellesi

Likewise, it is pertinent to highlight the *Position paper on future social, economic, social and territorial cohesion policies and the effects of demographic change [...]*<sup>3</sup>,” drafted by the team of the MEP Florent Marcellesi. This document proposes a **definition of the concept “severe and permanent handicaps”** of local communities that facing an important loss of their population (severe) for a long period (permanent). It also recommends **the modulation of those advantages** granted in accordance with the definition. Moreover, it propounds a **reorientation of the EAFRD** so that economic diversification in the rural areas is given priority, while reinforcing the current system.

### European Parliament amendments

The European Parliament incorporated amendments to the *Proposal for a regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund (COM(2018)0372 – C8-0227/2018 – 2018/0197(COD))*, such as the need to intervene through structural funds in policies to combat depopulation, as well as **specific aid to the zones** (NUTS 3) that have an evident continuous loss of population. Among the articles, one states that **at least 5% of the ERDF** resources available at national level under the Investment for jobs and growth goal shall be allocated to integrated territorial development in non-urban areas with natural, geographic or demographic handicaps or disadvantages or which have difficulty accessing basic services. As well, in the case of the ERDF, it establishes that *in* programmes that are co-funded by the ERDF, special attention shall be paid to addressing the challenges faced by areas facing severe and permanent natural or demographic handicaps and challenges such as those referred to in Article 174 TFEU. In particular, **NUTS level 3** areas or clusters of local administrative units (LAUs) with a population density of below 12.5 inhabitants per km<sup>2</sup> for sparsely populated areas shall be subject to specific regional and national plans<sup>4</sup>.

<sup>2</sup> <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2017-0427+0+DOC+XML+V0//EN>

<sup>3</sup> <https://aragoneneuropa.files.wordpress.com/2018/02/position-paper-primavera-europea2.pdf>

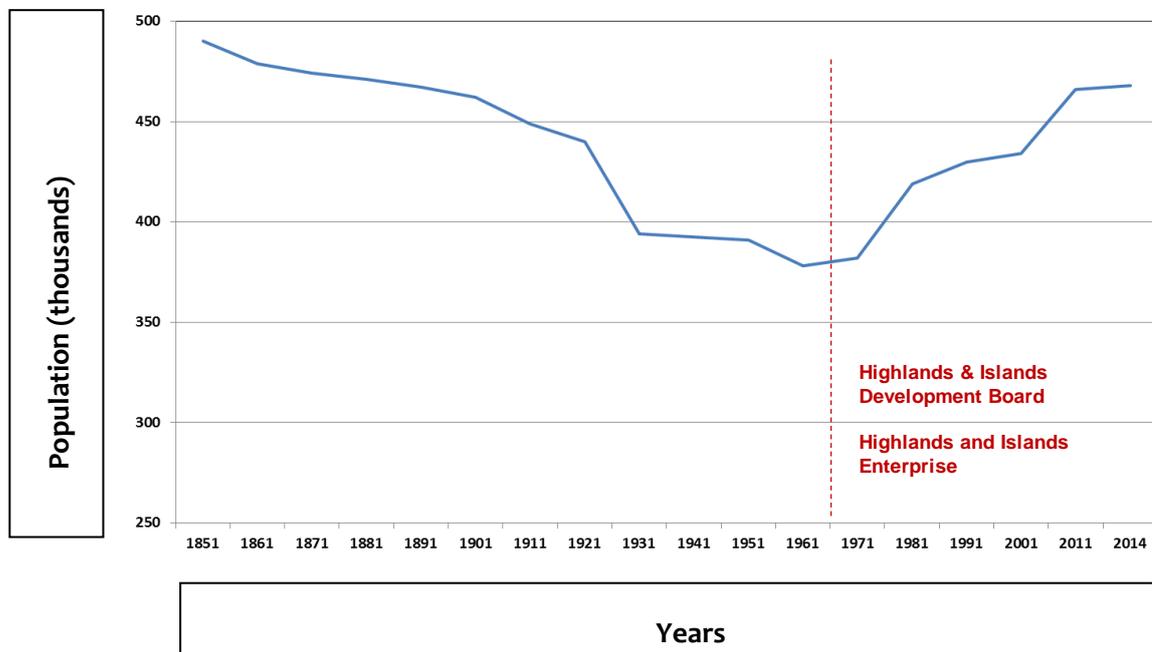
<sup>4</sup> [http://www.europarl.europa.eu/doceo/document/A-8-2019-0094\\_EN.html](http://www.europarl.europa.eu/doceo/document/A-8-2019-0094_EN.html)

## Report on the Scottish Highlands and Islands

This fourth source is a successful model of how to recuperating large rural areas with severe natural and demographic handicaps<sup>5</sup>: the Scottish Highlands and Islands region. Such model was studied in the report “*Successfully combatting rural depopulation through a new model of rural development. The Highlands and Islands Enterprise Experience*”<sup>6</sup>, by a group of technicians composed of 3 representatives per each of the 5 southern European sparsely populated territories within the framework of the European Commission TAIEX-REGIO instrument.

The development strategy for the Scottish Highlands and Islands builds on a **holistic approach** and is not based in only one aspect or sector. This comprehensive approach is based in **five key components**: adequate access for the population and economic undertakings to infrastructures and basic services; a supply of quality and affordable housing; high connectivity to telecommunications networks; a consistent regulatory framework suited to the realities and needs of the rural areas; development of opportunities and appropriate incentives acting as framework for the entrepreneurial spirit, the retention of talent and attraction of qualified and dynamic people. The need for a **coordinated intervention with actions of a very diverse character**. This falls within the purview of an **agency for territorial development**, enjoying sufficient autonomy to reach its objectives. Among key factors we find: a medium- and long-term planning; a presence and action all over the territory; a permanent cooperation with other public and private actors; an efficient control and evaluation of the actions being placed. This agency keeps a direct presence in the territory through local agents whose aims is to identify and generate activities to create growth, as well as to foster entrepreneurial undertakings, to provide guidance to local communities and to implement the array of development strategies at a local level.

Figure 1. Evolution of the population in the Scottish Highlands and Isles (1851-2014)



<sup>5</sup> Between 1961 and 2011 the population in the Scottish Highlands and Islands increased by 22% while the population in Scotland as a whole grew by 2% only.

<sup>6</sup> <http://sspa-network.eu/wp-content/uploads/HIE-SSPA-Report-complete-document-1.pdf>

## Part 4: SSPA proposal

Bearing in mind the social and political responsibility the European Union and its Member States hold in order to guarantee that all their citizens may enjoy adequate services and infrastructures while preventing the depopulation of large swathes of territory, we estimate that in the post 2020 scenario the EU should articulate measures seeking **to achieve true cohesion, integration and sustainability for these territories**. With that goal in mind, we propose **an array of measures to successfully address the demographic challenge** for the most disadvantaged areas of Europe: the sparsely populated areas and territories with severe and permanent handicaps in demographic terms.

### 1. Definition: the concept of depopulated areas

SSPA proposes that the **concept of depopulated areas and territories with severe and permanent handicaps be clearly defined**, and that the concept of sparsely populated areas be qualified, at the NUTS3 level, in the European cohesion policy for the next programming period. A wider, diversified and holistic approach with the objective of rural development and a model for the application of funds aiming to achieve the cohesion, sustainability and integration of all the territories of the EU should be adopted.

Likewise, and concurring with the proposal of the European Parliament and the one of MEP Florent Marcellesi, we propose a mandatory modulation of all co-financing rates for the projects developed in depopulated areas as well as in the Sparsely Populated Areas in accordance with the definitions. Contrary to the MEP Marcellesi's proposal, we propose that those sparsely populated areas with fewer than 12.5 h/km<sup>2</sup> may also benefit from the **specific budgetary allocation**<sup>7</sup>, as it exists for the outermost regions and the sparsely populated regions of Northern Europe<sup>8</sup>. Furthermore, SSPA reckons that such funds should be of **a targeted nature** in order to ensure is effective use on projects specifically conceived to tackle the demographic challenge in these areas.

### 2. The scale and the scope: new thematic focus for diversification of economic activities

In line with all mentioned above, SSPA strongly advocates the introduction in the ESI Funds a **new objective for the diversification of economic activities in rural areas**, through the investment in infrastructure, retention of businesses and strengthening local communities. The aim of this objective is to end with the disparities between these areas and the rest of Europe. This thematic focus should include key elements such as growth and smart, inclusive and sustainable territories.

This new objective would strengthen the foundations of the chapter dealing with the **economic diversification** in rural areas currently present in the EAFRD. As in the proposal of the EP, it would make compulsory to direct a percentage of the ERDF and the SEF to those actions. This way, such funds would have a **higher impact** out of the bigger populations than at present.

### 3. Better cooperation and coordination: multi-level governance and territorial agencies

The implementation of this diversification should be achieved by means of a policy of economic and demographic development, **horizontally coordinated by all stakeholders**. Thus, public administrations and local actors alike must work on the creation and implementation of shared strategies adapted to local realities, based on the principles of citizen participation and multi-level governance. The Scottish experience proves how efficient and results-driven the work of specialized agencies involved in the development of the territory in economically and demographically fragile areas can be.

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<sup>7</sup> Specific budgetary allocation as laid down in article 92.1.e CPR (Common Provisions Regulation).

<sup>8</sup> Protocol n° 6 Accession Treaty 1994,(Article 2)) as defined in article 349 TFUE.

Given the diversity of administrative competences within each of the member states, SSPA believes that each particular case will require **evaluating the adaptation of the best formula to implement with an integrated approach**. Notwithstanding, the characteristics of this agency or body should be in line with the ones found in the Highland and Islands Enterprise, not only enjoying **a high degree of organisational autonomy but also in all that regards its everyday functioning** as presented in part 3. It has been demonstrated its effectiveness in management, planning, execution and monitoring of the strategies and actions implemented, as well as its role of integrating and coordinating the activities of social and economic agents working in the rural areas of these territories.

#### **4. Lines of action: connectivity and telecommunications**

Bearing in mind the key aspects highlighted in the SWAT analysis, one of the priority objectives to be achieved in terms of connectivity is the universal access. SSPA considers essential that the different administrations involved in the design and implementation of policies in the field of connectivity acquire the commitment to set it as a priority objective. Only in this way, it is possible to **guarantee universal and quality access, available to all citizens**, regardless of where they live or where they are on time. This access to a decent telecommunication **should be comparable to the one of the urban areas**, that is to say an access to an updated connectivity (5G).

Without this condition, research and implementation of new formulas for providing services to the population cannot be promoted. In fact, these areas do not have a good provision of basic services. That is why tools such as e-health or telecare can be the way to guarantee sufficient and quality educational, health or social services. Housing, basic infrastructures, support for rural business and entrepreneurship and creation and attraction of human capital are some of the targets the new rural development policies should also aim at.

#### **5. Lines of action: change of the image of the rural areas**

The rural and sparsely populated environment is often described as a territory without opportunities. This image makes people in big cities think that these areas are **not a life option**. In addition, this vision weakens the trust and self-confidence of the rural population on their prospects for living and prosper in their homeland.

For this reason, it is important **to transmit the reality and advantages** offered by rural areas differently, promoting the treatment of this matter in the classroom, as well as its image in the media. This type of action is necessary to influence the self-esteem of the members of the rural communities, as well as to boost economic activity and social commitment.