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Challenges and opportunities for peripheral and sparsely populated regions

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Summary:

Peripheral regions and sparsely populated areas, as well as some mountainous zones and islands face particular handicaps due to their remoteness, inaccessibility and, often, the harshness of their terrain and climate. Whilst different in kind, these regions have much in common when it comes to challenges and opportunities and to the need to develop policies enabling them to fully participate in economic, social and cultural life.

Subsidiarity and the concept of local self-government is essential for these regions to develop efficient services and integrated infrastructures. It is also needed to provide the impetus for their sustainable development and exploitation of their natural resources. It also encourages policies for the protection of indigenous peoples and their lifestyles and languages which are part of the European heritage and are still to be found in some of these regions.

Cooperation networks between regions and across borders are key for the development of an economy which is robust enough not to be totally dependent on national or international centres. Polycentric development can offer a model for regions wishing to promote competitiveness whilst also enhancing territorial cohesion.

The challenges facing peripheral regions, sparsely populated areas and some mountainous zones and islands are such that their situation warrants special attention by public authorities.

R: Chamber of Regions / L: Chamber of Local Authorities
ILDG: Independent and Liberal Democrat Group of the Congress
EPP/CD: Group European People's Party – Christian Democrats of the Congress
SOC: Socialist Group of the Congress
NR: Member not belonging to a Political Group of the Congress



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Foreword

The concepts and definitions of periphery have shifted and evolved over recent decades as the European continent adjusts to fundamental changes in where it sees its boundaries lying following the collapse of the Berlin Wall. Furthermore, the impact of globalization and radically changed infrastructures is modifying the very notion of time, distance and space for the entire planet.

A peripheral region might exist in the centre of the European continent as well as be located on its outskirts. Whilst different in kind, these regions have much in common when it comes to challenges and opportunities and to the need to develop policies enabling them to progress in the same way as other regions of Council of Europe member states. This report goes into some detail about these challenges and opportunities.

The report underlines the importance of subsidiarity. The concept of local self-government is vital to regions to enable them to respond to the challenges of being sparsely populated, remote or disadvantaged in any other way. Self-government helps these regions to develop strong services and infrastructures for their inhabitants, to set up cooperation networks with other regions and to develop an economy which is robust enough not to be totally dependent on national or European centres.

Polycentric development and overlapping polycentric networks can offer a model for regions wishing to promote competitiveness whilst also enhancing cohesion. A new policy built on the concepts of European regions with increased self-government and a structure of polycentricism when it comes to spatial and economic planning is what is suggested in this report to provide the basis for a review by the Committee of Ministers of a recommendation on peripheral regions.

New information technologies have changed the ways in which information travels and the very concept of the workplace. For peripheral regions, if the necessary technological infrastructures are in place, these changes can offer opportunities for improved economic and social cohesion and help reverse the trend of depopulation.

Many peripheral and sparsely populated areas are rich in natural resources. At a time when global warming is high on political and environmental agendas, resources such as bio-energy and hydroelectric energy are valuable for Europe and developing such resources offers opportunities for peripheral regions. At the same time climate change is posing a real danger to the existence of some peripheral regions as islands and coastal regions are under threat as a consequence of rising sea levels.

In 2006 the Committee of Ministers asked the Congress to re-examine Recommendation R (87)10 on 'the development of islands or archipelagos as extreme examples of peripheral regions' with a view to indicating what changes would be needed to update the text. This report forms a part of that examination and suggests the need to advance a new concept of peripheral regions which includes not only geographically remote areas such as islands but also areas that are sparsely populated or are disadvantaged in other ways such as massive mountain areas.

In a next step, any new recommendation of the Committee of Ministers could also offer a focus for joint policy efforts between the Council of Europe and the European Union, to develop a tool for benchmarking on spatial planning policies between all member countries.

1. Background to the report

The particular handicaps facing peripheral and remote regions have been addressed in the past by the Congress. In 2005 the Congress prepared a report on "Outermost regions: a challenge to the balanced and sustainable development of European Territory". In addition to looking at ultra-peripheral regions, the report pointed out that a number of other regions suffer from major geographical and economic handicaps and that urgent measures are needed in order to help the development of, and provide support to, these European under privileged territories.

The recommendations following from this report were submitted to the Committee of Ministers in Recommendation 175 (2005) on outermost regions: a challenge to the balanced and sustainable development of European territory. In its reply to this Recommendation the Committee of Ministers invited the Congress to look at an earlier recommendation of the Committee of Ministers - Recommendation R (87)10 on the development of islands and archipelagos as extreme examples of peripheral regions and which forms part of the Council of Europe *acquis* – to assess whether this Recommendation should be updated and if so in which manner.

The issues under examination in this report have also been addressed in several Congress reports relating to mountain regions and island regions. In 2003, the Congress adopted Recommendation 130 (2003) on the European Charter for Mountains which highlighted the importance of social and economic cohesion as well as the importance of sustainable development to address the specific handicaps facing mountain areas.

In 2005, Recommendation 160 (2005) on coastal management and local and regional authority policy in Europe was adopted aiming to promote, *inter alia*, the integration and co-ordination of sectoral development strategies affecting coastal areas.

Recommendation (2007) 4 of the Committee of Ministers to member states on local and regional public services offers recommendations and guidelines to different territorial levels of governance on ways of promoting efficient and fair public services.

2. Challenges and opportunities facing peripheral and sparsely populated regions

Geographical issues

Both sparsely populated regions and peripheral regions are characterized by long distances to markets and to democratic decision-making bodies. They are also characterized by small-scale settlements, isolated labour markets and a low degree of diversification in economy, trade and industry. Regions facing these problems are to be found in Northern Europe, parts of Western and Central Europe, Eastern Russia, the Caucasus and Eastern Turkey.

The special challenges for the peripheral regions are defined by their remote location. Many peripheral areas also face handicaps due to their climate and their landscape. They may suffer from extreme weather and from harsh geographical conditions.

Political, economic and climate factors have led to ever-increasing migration of people trying to escape desperate situations. Some islands and coastal regions, particularly those in the Mediterranean, are on the frontline of illegal immigration and trafficking in human beings. These areas are carrying a disproportionate burden simply because of their geographical location.

Political developments in Europe

The situation facing sparsely populated and peripheral areas has changed significantly during the last decades. Parts of Northern Scandinavia and Eastern Europe have become members of the European Union while the countries of the former Soviet Union have opened up their economies to the global markets and made new trans-border connections and co-operation possible.

The political changes which have taken place in Central and Eastern Europe over the last decades have also led to fundamental shifts regarding which areas are now on the periphery and which are more central. Regions which used to be on the periphery of Western Europe now find themselves in the centre of Europe. For the Council of Europe, the admission of the Russian Federation and other countries of the former Soviet Union mean that the periphery now reaches Asia.

The opportunities for development of peripheral and sparsely populated regions is dependent on how their natural handicaps, difficulties linked to transport infrastructures, small labour markets and often their dependence on a single natural resource or production unit, can be compensated. This poses a democratic challenge to ensure that peripheral and sparsely populated regions are able to develop a strong culture of self-governance which will give them the possibilities and powers to handle their own situation and tackle their own problems without having to depend on centralised national decision making. To make peripheral regions attractive, planning and decision-making should be taken at the levels closest to the population thereby ensuring that they can make the best use of local natural and other resources.

Globalisation

Globalisation has had the effect of launching regions as actors on the global arena while challenging the role of nation states as regulators of the economy. Sparsely populated areas have different preconditions when confronted with global economic forces compared to the more central parts of Europe which can rely on their concentration of people and capital. In most situations the global integration of sparsely populated regions is to a high degree based on their capacity to export raw materials and natural resources.

Two main components can be identified in the particular challenges facing peripheral regions. On the one hand, increased global accessibility can have destabilising effects on small and fragile communities. On the other hand, national policies to maintain the population in outermost and sparse areas and preserve balanced settlement patterns are challenged by the international regulatory framework designed to avoid unfair competition.

The opportunities for these regions are closely linked to their potential to act as a partner in the global context. Therefore local and regional self-government is indispensable for regions to ensure that they are fully participating in the management of their resources to best benefit the local people and economy.

Climate change and energy policies

Global warming and climate change have reached the agenda of most national and international decision-makers. Many peripheral regions are very vulnerable to climate change. As a consequence of global warming, islands and coastal regions are threatened by rising sea levels, the permafrost of western Siberia is turning into a mass of shallow lakes and mountain glaciers are disappearing as the ice melts. Such regions should be undertaking risk analysis as well as putting in place prevention, mitigation and adaptation policies.

There is also a need to change energy production and energy use practices in order to reduce carbon dioxide emissions and to replace depleting mineral-based energy sources. Indigenous, diversified renewable energy sources such as wind energy, biomass, hydro energy, geothermal and solar power are increasingly being seen as offering a safe and reliable future for European energy requirements. Such energy sources have a three-fold benefit of being less destructive of the environment, reducing dependency on energy imports and improving security of supply.

Developing renewable energy production in peripheral and remote areas, islands and rural areas rich in natural resources can have a triple benefit. It increases the amount of clean, reliable energy available, it ensures provision of such energy in places where the cost of providing traditional energies is often very high and it creates employment opportunities in regions often experiencing high unemployment.

Demographic challenges

Population ageing is a phenomenon touching the entire European continent. However, many peripheral and sparsely populated areas are experiencing population ageing at an even greater rate than more central regions. They are also finding it particularly difficult to respond to the specific needs of an ageing population as efficiency thresholds are not reached for the provision of public and general interest services.

Many peripheral regions suffer from depopulation as young people leave to study and work in cities and urban areas. New opportunities to reverse this trend are offered by innovative tools such as e-learning, decentralised universities and specialised training centres linked to the local economy. In addition to this, some regions are considering support measures for young people who wish to return to these regions after completing their studies. In this context it is worth mentioning the attempts made by a locality in the far North to invite immigrants to move to their remote area as a response to depopulation and to the difficulties immigrants' face in finding a welcome in their adopted country.

Some peripheral regions are home to native, traditional peoples and cultures which are an integral and precious element of our shared European heritage and civilization. The increased exploitation of the resources of exocentric regions and the ever greater mobility of our societies mean that their lifestyles, identities and traditions are increasingly under threat.

Economic development issues

Local labour markets in peripheral and sparsely populated regions face particular handicaps. Because of their limited size, the range of competitive activities in such labour markets is smaller than in other parts of the territory. One can question whether there, in fact, exists a true competition between the centre and the periphery on a European scale. If one accepts that the centre and the periphery are complementary to one another, the peripheral regions and regional city centres can, given the right conditions, be motors for local and regional economic development.

However, approaching them with a top-down perspective can lead to results in contradiction with the objectives of the development policies. To give the peripheral and sparsely populated areas an opportunity to play a role in European development on their own merits it is necessary to consider them as links in a polycentric structure in Europe.

Local labour markets should be the objective of support schemes that facilitate economic conversion and encourage entrepreneurship without creating local cultures of economic dependence. They should make it possible for these regions both to build economic development from within and to take part in the global economy.

New communication networks

Deployment of infrastructure for broadband communication is crucial for the development of peripheral and sparsely populated areas. Access to the Internet is one of the most important tools for economic, social and democratic development. Reliable broadband communication has transformed the ways people communicate and the very notion of physical distance has been changed. Rapid internet connection means that tele-working, e-learning and tele-medical support are becoming daily realities. Furthermore, such technologies can offer opportunities to develop broader democratic consultation and access through e-democracy portals.

A further advantage of new information technology communication methods is that they reduce the need for inhabitants to travel from home, particularly for many administrative steps, thereby reducing individual transport and its subsequent costs and pollution.

Developing infrastructures

Infrastructures of peripheral and sparsely populated regions frequently fail to reach a necessary efficiency threshold thereby leading to low levels of investment, a lack of economies of scale and high logistical costs.

Transport infrastructure is one of the policy areas where peripheral and sparsely populated regions are the most handicapped. Local integration of remote and sparsely populated labour markets, with infrastructure creating wider, more diversified local labour markets, can increase the capacity to draw benefits from improved external accessibility.

However, improved infrastructure and reduced transport costs may in some cases create imbalances in the provision of goods and services as small local markets are made accessible to external actors.

Industrial actors in isolated and sparsely populated regions therefore face the double challenge of competing with the global industry on both the local and the global market.

If improvement of transport infrastructures is promoted at the regional level this would open up possibilities for population growth which would in turn create a more sustainable base for developing social services and the local economy.

Territorial authorities are playing an increasing role in the provision and safeguarding of public services at local and regional level. Such services are key to maintaining and developing social cohesion and to ensuring that the local economy can prosper. Integrated policies addressing the particular disadvantages facing peripheral and sparsely populated regions need to ensure the preservation and development of public services.

Tourism

Some of the regions addressed in this report, particularly the island and mountain regions, already have a highly developed tourist sector. However, in many cases they may need to concentrate their efforts on ensuring that the tourism they propose is sustainable for both the environment and the economy.

For many peripheral and sparsely populated zones, improved transportation and increased wealth and leisure time for some sections of the population mean that tourism now offers an opportunity for economic development. However, many such regions possess unique, pristine landscapes and biodiversity which are vulnerable and fragile. Several are also home to ancestral peoples whose culture is an invaluable part of our shared heritage and whose continued existence is threatened by the encroachment of globalised lifestyles. Controlled, sustainable tourism may offer much needed employment opportunities and, if properly managed, could participate in the maintenance of the landscape.

3. Towards new concepts for the periphery

The problems facing peripheral and sparsely populated areas are problems related to isolation, long distances, poor infrastructures and sparse population, all of which hamper a normal economic development. This section looks at the concepts underlying this report, in particular regional governance, polycentrism, and the reasons why any review of Recommendation R (87)10 needs to take account of a very different European framework.

Regional governance

A coherent strategy for the integrated and regionally balanced development of our continent needs to be based on the principles of subsidiarity and reciprocity. Cooperation at all levels of governance need to be developed in order to address the particular handicaps facing peripheral and sparsely populated regions and to ensure sustainable and equitable development.

Territorial authorities have a specific challenge to ensure that national and European public service obligations are respected and that the necessary infrastructures are put in place. For this to happen in an efficient manner, the different levels of territorial responsibility from European to local need to work in close collaboration.

Supporting local and regional self-government infrastructure in peripheral and sparsely populated regions helps strengthen their capacity to act on a national and global stage. A well-functioning democratic infrastructure also brings economic and social wealth to the regions.

The Congress of Local and Regional Authorities has developed instruments which aim to promote territorial cohesion. The European Charter of Local Self-Government provides local authorities with the opportunity to develop self-governance and to promote policies which would give peripheral and sparsely populated areas the capacity to address the very specific issues they have to address in an efficient manner.

In order to consolidate subsidiarity at regional level, the Congress of Local and Regional Authorities is preparing an instrument on regional democratization. To this end, an explanatory memorandum on 'Prospects for regionalisation in Europe' and a resolution on a Proposal for a European Charter of Regional Democracy will be submitted for discussion to the 14th Plenary Session of the Congress in May 2007.

Polycentric spatial development

A specific design of regional development models for Europe's peripheral regions based on a polycentric approach on the European territory is needed with a view to addressing growth disparities. By combining existing knowledge, economic and social groupings, one can encourage the growth of a larger number of centres of competitiveness or of services which may then network throughout the European territory with already existing growth poles and thereby promote a more sustainable development pattern.

The strategic perspectives are not primarily dependent on peripheral regions' relation to central parts of Europe, but on their potential for an advantageous integration in the global economy and a sustainable development of their local communities. Polycentric networks as spatial development policies should be designed to overcome historical barriers such as those related to national administrative boundaries, physical distance, poor communications and local cultural rivalries.

The European Convention on Transfrontier Co-operation offers a framework for certain polycentric networks. This Convention promotes cross-border agreements between different territorial levels intending to cooperate on issues of regional development, environmental protection and the improvement of public services. Interestingly, cooperation projects set up in certain peripheral regions of Council of Europe member states would be in a position to develop networks with countries outside Europe, for example between the far-eastern regions of the Russian Federation and her Asian neighbours, between the countries of the Caucasus and their middle-eastern neighbours and between the Mediterranean countries and north Africa and the near-east.

4. Review of Council of Europe recommendations

Recommendation R(87)10 focuses on only one type of peripheral region and their problems. From what has been said in this report it is clear that such an approach is no longer adequate. The problems facing some islands and some mountain regions are of the same nature as those facing peripheral and sparsely populated regions. A new holistic approach is required covering all the different peripheral and sparsely populated regions in Europe and covering all the handicaps they face as a result of their remoteness or inaccessibility.

The new concept of periphery as outlined in this report calls for an institutional framework which promotes decentralisation and subsidiarity. Such approaches are in line with existing instruments and recommendations of the Council of Europe. The European Charter of Local Self-Government (1985) emphasises the importance of an administration which is effective, autonomous and close to the citizen. Recommendation R(87)10 refers to the need for an institutional framework allowing peripheral areas to "enjoy in law and in practice sufficient autonomy to take the necessary measures to their endogenous potential and to carry out their own planning policy". These approaches are relevant to all the regions addressed in this report.

A revised recommendation could cover all the disadvantaged regions highlighted in this report: peripheral, ultra-peripheral, sparsely populated, mountainous regions and island and coastal regions. The scope of the recommendation could go beyond Recommendation R (87)10 and take into account the changes wrought by globalization, climate change and greater decentralization. The opportunities offered by new information technologies, new notions of spatial development, new development of energy and natural resources and updated concepts of sustainable economic development and tourism could be addressed as could the challenges facing such regions including depopulation, illegal migration and threats to the environment, biodiversity and landscape.

Conclusions

The very notion of peripheral has changed in recent years, particularly since globalisation and the new information technologies have transformed both our sense of distance and has enabled the dematerialisation of certain services and actions. Territorial policies, at all levels should ensure multi-centred and harmonious development by reducing regional disparities and removing obstacles to development, including obstacles which are linked to natural and geographical handicaps.

Climate change, which is a threat to our entire planet, is impacting on many peripheral regions, islands and mountainous areas in an increasingly obvious and perilous manner as rising sea levels, melting ice and snow caps have become a reality. Solutions to the core issues behind climate change must be found at international level but some the regions examined in this report may be able to provide keys to the way forward as they offer land rich in possibilities of both renewable energy resources and of less-polluting non-renewable sources.

The breadth of the territory covered by the Council of Europe member states means that the challenges and opportunities facing the peripheral, sparsely populated, island and mountainous regions discussed in this report are extremely varied. The problems facing, for example, Siberia with a harsh climate but mineral-rich are very different to the problems facing an island which may be able to attract tourists with a gentle climate and inviting coastline. Nonetheless, the solutions may come from encouraging self-governance at all the territorial levels and from promoting new spatial and territorial grouping and organisation which transcends traditional borders and creates new polycentric clusters.