



Jobs creation in rural areas: economic & non-economic services of general interest

15th March 2016 (18:30-20:00) ASP 3H1

Brussels, European Parliament

- **Jean-Paul DENANOT**, Co-President of the Intergroup on Common Goods & Public Services
- **Mercedes BRESSO**, President of the Intergroup on Rural, Mountainous and Remote Areas (RUMRA)

Speakers:

- **Georgios MATHIOUDAKIS**, DG AGRI/H-1, European Commission
- **Thierry GUILLIEN**, Public Affairs Director, Primagaz
- **Håkan WIKLUND**, Strategist of Growth & **Maarit ENBUSKE**, Head of Labour Department, Municipality of Luleå (Sweden)

Jean-Paul DENANOT opened the Intergroup meeting by underlining the importance of public services and market services for rural areas, where more than 75% of the European population lives.

Deregulation and liberalisation exclude these territories from the private sector's investment dynamics. This can be illustrated by broadband access, which is quickly established in urban areas, whereas people living in rural areas are struggling to get it. Moreover, these areas meet several challenges such as the ageing population as well as depopulation, medical deserts and the crisis of traditional employment. It is therefore necessary to find innovative solutions in order to allow rural areas to stay attractive and to develop new models.

Mercedes BRESSO then explained that rural, mountainous and remote areas are particularly affected by the positive externalities stemming from public services. It is essential that local authorities may choose how to provide these services: either directly, or through a tendering procedure.

The situation of some services such as postal services, public transportation and health services is critical in several European regions. This situation requires finding an appropriate public-private mix. It is also possible to use services linked to the sharing economy, such as

carpooling or Uber (which is very controversial in big cities but would be very useful in areas where there are no taxi services).

European funds can help to develop new solutions meeting the needs of services in mountainous and rural areas; these zones can be revitalised thanks to teleworking and the establishment of innovative small enterprises. But first of all, some services have to be put in place, such as broadband access.

Positive externalities stemming from public services are necessary in order to improve the quality of life of people living in rural areas. It is therefore essential to find a way to ensure the transparency of the markets, the development of innovative solutions and the possibility of public support.

Georgios MATHIOUDAKIS reminded that the primary sector and the agri-food industry represent more than 44 million employments in Europe. Different measures support agriculture in remote areas, such as allowances for the establishment of young farmers in rural areas, for the modernisation of the equipment, or an aid to the processing and commercialisation of agricultural products.

The main objectives of the public sector are to promote growth and employment, as well as to improve living conditions remote communities. It is important to keep the investments in rural areas, and to attract new ones. Therefore, we have to ensure that broadband covers rural areas at the same speed and at the same cost than in towns and cities.

More than 72% of urban areas have broadband service, whereas only 26% of rural and remote areas obtain broadband access. The European Commission is aware that digitalisation is essential in order to modernise the sector and 21 billion € have been allocated in order to ensure broadband coverage in rural areas. Moreover, Broadband Competence Centres are progressively put in place in Member States in order to promote training as well as a better access to new technologies.

Thierry GUILLIEN explained that Primagaz is the French branch of the Dutch SHV Energy group, one of the largest Liquefied petroleum gas (LPG) companies in the world. LPG produces relatively little CO₂, and generates 20% emissions less than fuel.

Primagaz has the conviction that all French people can benefit from an efficient energy: today, about 27 000 towns and villages are provided with LPG.

Primagaz clients are foremost people living in rural areas. There are three main types of clients: those who use LPG for transport and mobility, industry and agriculture and for tertiary and residential services. This represents about 2 million users.

Finally, Primagaz is currently developing the synthetic product BioLPG, which will enter the market by the end of 2016 in order to increase the supply of renewable energy. This could allow a reduction of emissions, the energetic transition and decarbonisation.

Håkan WIKLUND presented an example of good economic development in the most northern part of Sweden. The Municipality of Luleå has about 76 000 inhabitants, and is still

growing. There is a diversified business community in Luleå, and the economic development is traditionally based upon industries such as mining, steel and paper industries.

EU funds (ERDF, ESF) have played a major role in this region. In order to foster economic development, the municipality has analysed what kind of industries will be important in the future and how to attract them to the city. The datacentre sector is growing in Sweden, and it is in Luleå that Facebook opened its first datacentre outside the US. This location was chosen for several reasons: its high speed broadband, the close cooperation with universities and its accessibility. It is indeed possible to travel easily from this city, which attracts young people thanks to universities and the urban lifestyle.

Maarit ENBUSKE illustrated how the municipality of Luleå is fostering job creation through the example of the SSAB project. This language project aimed to help people unemployed for a long time or having difficulties to compete for jobs. The project was the result of cooperation between the SSAB steel company, the Luleå municipality and the Public Employment Service. At the end of the process, 13 of the 15 participants got an employment at SSAB or at other local industrial companies.

The presentations of the panellists were followed by an exchange with the participants. They wanted to know how to create employment in other sectors than farming and how to prevent further desertification of rural areas. The role of digitalisation was also addressed; could it increase linkages between rural and urban territories?

Jean Paul Denanot underlined as a conclusion that it is necessary to consider rural and remote areas in a differentiated manner. Flexibility is very important because EU legislation cannot be applied in rural and urban areas in the same way.