



Position Paper
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General



A long-term Vision for the EU's Rural Areas

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**Towards stronger, connected, resilient, and
prosperous rural areas by 2040**

Executive summary

AK supports the efforts to strengthen rural areas, which also play an important role in the ecological and digital transformation of the EU. AK generally welcomes the goals set out in the analysis but sees the need for binding targets for the measures listed in this Rural Action Plan.

At the same time, AK recommends that the following aspects should be given appropriate consideration in connection with the “Vision for Rural Areas”:

- An effective public sector is of particular importance for rural areas. **The introduction of a Golden Rule for Public Investment** could ensure that public investments can be made to a sufficient extent – especially for climate protection and key areas of public services.
- The Covid-19 pandemic has shown that women in rural areas are particularly hard hit by distortions on the labour market. **Gender aspects** must therefore be given **greater focus** in order to achieve equal participation in the labour market.
- The requirement that rural areas must be attractive places to work must also apply to agricultural workers, who are often at risk of exploitation. Here, it is necessary to expand the control and (legal) **enforcement of labour protection regulations** and to link EU subsidies more closely to working conditions. This applies in particular to seasonal workers.
- Reconciling affordable housing, economic development and active soil protection is particularly challenging in rural areas. Among other measures, **a revitalisation strategy should be developed for the reuse of commercial and industrial wasteland** to protect valuable soil.

The AK's position

The Communication rightly begins by noting that many Europeans are worried “about the erosion of rural infrastructure and service provision”. Not least due to the neoliberal policy of deregulation and privatization pursued at EU level, rural areas have been additionally weakened in this respect. As a result, small post offices, regional railways, schools, courts, shops etc. have been closed in many regions. This, in turn, has led to a loss of jobs and public services, a greater requirement for mobility and, ultimately, a lower quality of life and increased migration away from these areas.

Against this background, AK shares the analyses on rural areas in the present Communication of the European Commission and the objectives derived from it. These include, in particular:

- The importance of social services for ensuring dynamic rural areas in order to provide important services for daily life, to maintain and create jobs in the region and enable women to combine work and family life. In turn, this will provide companies in the region with a well-qualified workforce. Since the providers of social services also buy locally, such as equipment and food, local demand and value creation are also increased.
- The creation of employment opportunities in the region, especially for women, young people and young professionals in order to prevent emigration.
- Combating the climate crisis and protecting biodiversity, because safeguarding our livelihoods is essential and the effects of the climate crisis hit socially disadvantaged people particularly hard.

While the goals are highly welcome, the measures set out in the “EU Rural Action Plan” chapter are far too vague. Binding targets are needed here.

- Substantial funds from the European Agricultural Fund for Rural Development (EAFRD) and from the European Regional Development Fund (ERDF) should be obligatory earmarked for the expansion of **social services** and for combating the climate crisis.
- Sufficient **financial security of municipalities** must be ensured in order to guarantee long-term financing of such measures beyond the funding period. Here too, targeted use of funds (e.g. through task-based financing, such as for **childcare**) must be ensured.
- The expansion of **public transport** as a key prerequisite for employment, quality of life and climate-friendly mobility must be promoted and linked to concrete budgetary resources.
- The facilitation of **remote working** offers rural regions the opportunity to facilitate employment and to reduce commuter flows. To this end, not only the technical prerequisites must be created (especially broadband expansion), but also appropriate provisions in labour and social legislation.
- A significantly higher proportion of funds from the **Common Agriculture Policy** (CAP) needs to be used for the **conversion** to organic farming. Conventional agriculture is a key contributor to greenhouse gases and loss of biodiversity. In many cases, workers suffer the negative effects of this policy, for example when they have to work outdoors on extremely hot days or live in poorly insulated, hot apartments without air conditioning due to low income. They can also be affected by the consequences of extreme weather events, such as landslides or floods.

EU Fiscal Rules, Golden Rule

Especially rural areas need an **effective public sector**. Public and private investments have a significant impact on employment and income opportunities, wealth distribution, environmental pollution etc. Public investment, in the form of public wealth, creates long-term value for people who are not wealthy themselves. For example, people who do not have a car make more frequent use of public transport. A higher public share of wealth can therefore at least partially offset private wealth concentration.

In recent decades, the increasing concentration of private wealth has gone hand in hand with an absolute decline in public wealth. That is partly due to a downward trend in investment rates and partly due to privatisation of public property. In Austria too, the top five percent of private households own more than all the regional authorities (i.e. federal level, states, communities) combined. In terms of dynamics, the data situation is poor, but for the government share of total net fixed assets alone, Statistics Austria records a decline from 20.6% in 1996 to 14.4% in 2019.

Public services are often organised by towns and municipalities. They are under intense financial pressure, not least due to the Covid-19 crisis. In Austria, for example, municipal investment fell by 3% in nominal terms in 2020, despite initial aid measures by the federal government. More money for municipalities is therefore a key prerequisite for an increase in public investment. One reason for too little public investment is the general pressure to cut spending in public budgets, which on the one hand results from a lack of revenue in times of crisis, but on the other hand has been politically reinforced for years and represents a structural problem in the form of rigid fiscal rules.

To enable the necessary expansion of public investments, a change in European and national fiscal rules is reasonable and necessary. At the very least, a **Golden Rule for Public Investment** should be introduced in which - analogous to private-sector accounting - net investments are excluded from the deficit calculation. Especially in times of crisis with extremely low or even negative interest rates, insisting on balanced budget amendments (such as the German "Schuldenbremse") is counterproductive.

The focus of public investment should not only be on **climate protection**, but also on key areas of **public services**, in particular housing, health and social care, education, childcare, public transport and active mobility. These sectors, whose essential nature

became evident in the Covid-19 crisis, significantly contribute to quality of life and can be used quickly and efficiently to safeguard and create jobs and for regional value creation.

Closer Attention to Gender Aspects

In view of the EU Gender Equality Strategy 2020-2025, it is necessary to mainstream gender aspects across all EU policy. In AK's opinion, the aims of the **EU's Gender Equality Strategy** should therefore also be addressed more extensively in the present Communication.

The Covid-19 pandemic in particular has shown that women in rural Austrian areas are even harder hit by the distortions on the labour market than women who live in urban areas. However, even before the crisis, some striking differences emerge, indicating that **for rural women, labour market participation faces even greater obstacles** than in metropolitan areas:

- The **rate of part-time work** among women in rural areas is higher than in urban areas. This is due to a significantly less developed childcare infrastructure in rural areas, as well as to the fact that the majority of jobs are part time, e.g. in retail and tourism.
- The findings of the AK monitor on re-entering to the labour market ("**AK-Wiedereinstiegsmonitoring**") also show that women in rural regions find it more difficult to return to work after parental leave than women in urban centres

In this respect, it is insufficient when the Annex in the flagship initiative "Social resilience and women in rural areas" addresses agriculture in particular when it comes to increasing the labour force participation of women. While the majority of women – and the majority of workers overall – **no longer work in the agricultural sector** in rural regions, the whole range of other fields of employment for women in rural regions is lacking.

Therefore, in line with the EU Gender Equality Strategy, there is a need for measures geared towards equal participation in the labour market, such as achieving a balanced participation of women and men in employment in the various sectors of the economy. The aim of diversifying the economy in rural areas should be advanced using **targeted (industrial policy) measures**. To enable labour market participation and access to high-quality jobs for women in rural areas,

further training and retraining measures adapted to the living conditions of women in rural areas are required (e.g. part-time training or training with **childcare provision**). Further measures to combat gender inequalities in the working world, such as measures to combat significant income differences between men and women, are of considerable importance. Corporate policy measures, such as an expanded range of **flexible working time models**, are also often less available in rural areas than in more urbanised areas.

An important prerequisite for reducing barriers to employment for women and for better reconciling work and family life is the **expansion of early childhood education**. Especially in Austria there are considerable regional differences in terms of both the provision of child-care places for children aged under 3 and all-day childcare options for children in all age groups (including school children). Particularly in rural areas, there are large gaps in the provision of suitable childcare places.

Also essential for gender equality, especially in rural areas, is the nationwide expansion of affordable, high-quality **long-term care services**, local professional, supportive infrastructure, such as community nurses, and flexible working (life) time models in companies.

AK welcomes the fact that investments to improve the compatibility of family and work (expansion of childcare, care) are also to be supported by the European Agricultural Fund for Rural Development (**EAFRD**). However, to what extent – if at all – Member States make use of EAFRD funds for that purpose should be examined thoroughly. An analysis of best-practice models would also be helpful.

Mobility obstacles are a further considerable impediment to equality on the labour market for women in rural areas and should be made a special focus. However, this is lacking in the flagship initiative to develop rural mobility. There is a need to include female realities of life, in which good accessibility of the workplace, care facilities, schools and shopping facilities by public transport is particularly important.

Rural Areas, Migration and Agriculture

The Commission recognises the need to ensure that rural areas are attractive places to live and work – and that diversification of the economy is necessary for this purpose. However, as mentioned above, it needs

to be taken into account that “rural” in this sense cannot be synonymous with “agricultural”. In many cases, even tourism hardly brings any high-quality jobs for the rural population. Under the current employment conditions, many locals have little interest in this industry.

The (Austrian) agricultural sector primarily employs migrants from both EU and non-EU countries. The entire sector is strongly characterised by **exploitation** of workers. We know from experience that working hours are too long, pay is too low and workers are often housed in inhumane conditions.

According to the Annex, a study on the working conditions of seasonal workers in the agricultural sector is planned, with the focus on examining the legislation in effect. In other words, a comparative law study is planned, what AK generally welcomes. However, in Austria it is not the legal foundations that are lacking. In July 2021, after years of negotiations, the Agriculture Work Act 2021 (LAG) came into force. Before that there was fragmented legislation at federal state level. In addition, there are collective agreements and a functioning labour law.

However, there is a lack of adequate **inspection and (legal) enforcement of labour laws that protect workers' interests**. The main reason for this is the massive under-staffing of the relevant agriculture and forestry inspectorates. In Vienna two inspectors are responsible for hundreds of businesses. In addition, the workers often do not speak the language of the country and are unfamiliar with the laws. Furthermore, they also do not know where to find help. According to AK, easily accessible advice for workers is needed first and foremost. They must be informed of their rights and be able to exercise their rights in their native language (with the help of AK and/or the trade union).

Currently this happens extremely rarely, because the entire sector is dominated by fear. If workers complain, they can be certain that they will no longer be employed in the following season. **EU funding should also be tied more closely to working conditions**, as f.e. called for by the Portuguese EU Presidency and the European Parliament.

Rural Areas and Young People

With regard to the measures listed in the Communication for promoting entrepreneurship and the social economy, the establishment of two initiatives is of prime importance: first, the creation

of **apprenticeship and (school) training places** for young people (where digital skills are also taught) and second, the **expansion of the digital infrastructure and public transport links** in rural areas.

With the **reinforced Youth Guarantee**, the Member States have committed themselves to ensuring that all young people under 30 are offered a high-quality job, further education or a high-quality training place. The needs of young people in rural areas are to be taken into account under this guarantee. In AK's view, particular attention should be paid to compliance with rules to protect young people, since especially training in the agriculture and forestry sector often involves heightened risks for young people.

The funding of the **expansion of broadband** in rural areas addressed in the Communication seems to be a sensible and necessary measure to meet the requirements of the reinforced youth strategy and thereby also the aim of flourishing rural areas. As a result, this could reduce the pressure for migration away from such areas, especially for young people. From AK's point of view, however, a massive **expansion of public transport**, as well as expansion of broadband, is necessary to make locations in rural areas more attractive. Young people in particular are reliant on a well-developed public transport system to meet their mobility needs.

Rural Areas and Transport

The negative developments described at the beginning, which have led to additional mobility constraints, can also be partially reversed, as isolated positive examples show. For example, **regional railways** are being reactivated and electrified. In addition, **digitalisation** offers the possibility of new service models in the fields of micro-public transport, post and parcel delivery services, food retail etc.

The dependence on one or even several cars poses major financial challenges for households in rural regions. Such challenges will tend to increase, due to environmental taxes and the high cost of buying electric cars. The medium-term goal should be an EU-wide mobility guarantee for everyone. Day-to-day journeys should be manageable without owning a car.

In any case, a guiding principle must be a settlement structure in which **practical alternatives to the car** exist. Thus, the – partly deserted – town centers should be strengthened instead of dedicating building land on the "greenfield". This requires customised and locally developed solutions, good coordination

between transport providers as well as provision of micro-public transport suitable for daily use. Furthermore, infrastructure investments in park & ride facilities, in the development of cycle and pedestrian paths and in charging stations for electric vehicles are necessary. When the relevant infrastructure is in place (e.g. theft-proof places to park bikes at stations or shops etc.), electric bikes could also play an important role in managing the "first or last mile".

Business oriented sharing systems are mainly offered in metropolitan areas, where they are profitable but not strictly necessary. In order for them to have a positive effect in rural areas, they would need to be integrated into the existing public transport or transport network systems in terms of fares and planning.. When introducing new forms of mobility, close attention must also be paid to ensuring good working conditions for the workers involved.

In addition, businesses must be made responsible for ensuring that employees and customers can reach them without a car. In general, there are good opportunities to electrified mobility in rural areas. In particular, the expansion of **photovoltaic systems** on roofs and carports can ensure climate-friendly individual mobility (electric cars, electric motorbikes and electric bikes).

In order to make the benefits of **teleworking** available to rural residents and thereby to reduce commuter transport, **co-working spaces** should be offered more frequently in addition to pushing for broadband expansion in small and medium-sized communities, with the costs to be borne by employers.

Land Use versus Affordable Housing

The challenge of reconciling affordable housing, economic development and active soil protection needs to be part of the long-term vision for rural areas in the EU. It is very surprising that this challenge, which affects growing numbers of rural areas in the EU, is not addressed in detail in the Communication.

The Commission intends to produce a study by 2022 on land use and to check what further incentives can be created for optimal land use planning and zoning. In view of the need to strike a balance between securing sustainable and high-quality arable land and **the need for affordable housing**, the study should take into account that many Austrian regions, for example, are currently burdened with very high land and real estate prices. In the state of Tyrol, to give a specific example, the mobilisation of high reserves of building land

predominantly fails not because of a lack of political will, but in many cases due to land owners leaving designated building land that could be developed unused for a wide range of reasons. We therefore call on the Commission to take the housing situation into consideration in its efforts to manage rural areas. In order to ensure the economical use of land and the provision of the necessary land for affordable housing, there is a need for an **active soil protection and regional planning policy** to take both interests into account. Land use can be reduced by making better use of already developed areas in town centres before designating new building land on the outskirts, or by avoiding urban sprawl through more effective land use planning.

Although it seems likely that many flats and houses in Austrian towns and municipalities are standing empty, there is little data on this. However, if housing becomes scarcer, rents also rise more sharply. Such data therefore need to be collected and the legality of introducing a **vacancy tax** should be examined.

The **revitalization** (redevelopment) of derelict industrial and commercial sites also represents an untapped potential for building land for housing and business settlement. This potential is likely to increase due to the transition to a climate-neutral economy based on the Green Deal.

Given the above, AK urges a systematic study of the possibility for reuse of commercial and industrial wasteland and the development of a revitalisation strategy on that basis. This would not only protect valuable soil but also generate positive economic effects. In addition, municipalities would be spared new investments in infrastructure.



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About us

The Austrian Federal Chamber of Labour (AK) is by law representing the interests of about 3.8 million employees and consumers in Austria. It acts for the interests of its members in fields of social-, educational-, economical-, and consumer issues both on the national and on the EU-level in Brussels. Furthermore, the Austrian Federal Chamber of Labour is a part of the Austrian social partnership. The Austrian Federal Chamber of Labour is registered at the EU Transparency Register under the number 23869471911-54.

The main objectives of the 1991 established AK EUROPA Office in Brussels are the representation of AK vis-à-vis the European Institutions and interest groups, the monitoring of EU policies and to transfer relevant information from Brussels to Austria, as well as to lobby the in Austria developed expertise and positions of the Austrian Federal Chamber of Labour in Brussels.