



European Economic and Social Committee – Public Debate

Insularity and socio-economic development: The role of civil society in addressing the challenges that islands are facing

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First of all I would like to thank you for the platform provided today to discuss this important subject and for the invitation extended to INSULEUR to present its views. We are here today because of our concern for the islands in which we live. We, as civil society organisations have an important role to play in shaping the future of our islands. To this end I welcome the preliminary draft opinion on the ‘Main challenges faced by EU islands, and mountainous and sparsely populated areas’ which I believe follows other opinions issued by the EESC and addresses important problems and issues faced by islands. The COVID-19 pandemic has brought to the fore such issues and problems. To this end I believe we have come to a point where these issues need to be addressed. We cannot procrastinate further.

Civil Society is generally defined as “all forms of social action carried out by individuals or groups who are neither connected to nor managed by state authorities.”¹ In this context civil society organisations play an important role as mediators between public authorities and citizens. Apart from this civil society on islands also tries to fill important gaps left by the State in many areas, be it economical or social.

Today we are discussing the role of civil society in addressing the challenges we are facing on our islands in relation to the issues being outlined in the preliminary draft opinion. But, what are these challenges being faced by islands from a socio-

¹ ‘Civil Society’ (2022), *EUR-Lex*. Available at: <https://eur-lex.europa.eu/EN/legal-content/glossary/civil-society-organisation.html#:~:text=Civil%20society%20refers%20to%20all,nor%20managed%20by%20state%20authorities>. [Accessed 21 June 2023].

economic perspective? These are already tackled very well in point 3.4 of the Draft Opinion. However, I would like to highlight further their importance.

- **The Cost of Being an Island.** In a book published by the Government of the Balearic Islands in the European Union, Carles Manera Erbina highlights that:

The cost of gaining access to the market is much higher in the case of island economies: the transportation of goods alone is between two and four times more expensive than on the continent. Therefore, the moving of raw materials, the higher warehousing costs of stock, and of the deterioration of fresh produce and delays caused by the non-realisation of sea voyages due to weather conditions, are crucial factors which have a direct effect on the competitiveness of island production.²

- **The dependency on specific economic sectors.** Outlining the economic development trajectories of islands the following patterns could be earmarked: (a) the decline of the contribution of the agricultural sector, (b) an uneven de-industrialisation pattern, and (c) the growth of the services sector spurred principally by the growing importance of tourism in islands.³ The latter is a concern which INSULEUR has flagged multiple times especially with the onset of the COVID-19 pandemic. Island economies are dependent on tourism heightening their fragility, as their economy is dependent on the uncertainties that such a highly volatile market brings with it. As highlighted in a report prepared for the European Parliament's Committee on Regional Development: "The COVID-19 pandemic has had a devastating economic impact on islands relying on the tourism sector as their main economic activity"⁴
- **Insularity as a determining factor of islands's socio-economic development.** In its recent review of the island of Gotland, the OECD (2022) provided a very interesting analysis of islands from a socio-economic perspective. From an economic viewpoint it identified the following

² Carles Manera Erbina, 2023, 'An attempt to characterise islands: an analysis for the Western Mediterranean', in Government of the Balearic Islands (ed.), *Insularity in the European Union*, Graficas Planisi S.A., Palma, p. 41.

³ Ibid., p. 46

⁴ Diána HAASE, & Andreea MAIER, 2021, Research for REGI Committee – Islands of the European Union: State of play and future challenges, European Parliament, Policy Department for Structural and Cohesion Policies, Brussels, p. 30.

challenges: (a) the lack of a critical mass both as regards market size and production; (b) geographical isolation and transport costs; (c) issues related to the integration with national communication and energy networks; (d) low levels of innovation; and the (e) lack of qualified labour and professional development. On the other hand it also highlighted the following opportunities, these being: (a) the diverse tourism offer present on islands; (b) the high quality and diverse food production; (c) the entrepreneurial spirit and resilient mindset; and (d) the blue conomy. From a social and institutional perspective the following challenges were identified: (a) an ageing population, outgoing migration, and “brain drain”; (b) the high costs of services; and (c) the diseconomies of scale which results in higher unit costs to create the necessary infrastructure and provide the required public services. On the other hand from a “social and institutional” viewpoint the following opportunities were identified: (a) a better quality of life; (b) close social ties and community support structures; and (c) the attractiveness of the territory and their distinctive cultural heritage.⁵

To this end INSULEUR agrees with point 3.10 of the Draft Opinion which is proposing that the GDP criterion should not be the only one to determine the degree of development on islands. This aligns itself with a discussion that INSULEUR is having tomorrow together also with the EESC which will discuss specifically the need for data indicators for islands. There needs to be an evidence based approach which should determine the policy approach for islands.

But what is the role of civil society in addressing the challenges that islands are facing? In answering this question I would like to quote from an Opinion of the European Economic and Social Committee (2017), which had highlighted that:

In addition to firm political support, the challenges that EU Islands will have to face during the coming years will also require a greater participation of civil society and social partners in the process towards a "new strategy for islands"⁶

⁵ OECD (2022), *OECD Territorial Reviews: Gotland, Sweden*, OECD Territorial Reviews, OECD Publishing, Paris, p. 30

⁶ Opinion of the European Economic and Social Committee (exploratory opinion) EESC-2016-05508-00-00-AC *Islands in the EU: from structural handicap to inclusive territory*. Available at:

I believe that this statement is very much relevant today. But what role should civil society take:

- **Advocacy and Representation.** Civil Society Organisations should work towards raising awareness about the specific challenges faced by islands and lobbying for policy changes and support from national governments and the EU, ensuring that the voices and needs of island communities are heard and taken into account in decision-making processes. INSULEUR is one such example providing a voice to represent businesses on islands at an EU level. Reacting for example to the proposed revocation of the tax exemption on aviation and maritime fuel, INSULEUR argued that this will contribute to the reduction of the demand for air travel among passengers to EU islands having a significant negative impact on EU islands⁷, economies and competitiveness, given their dependency on tourism. It also highlighted how this proposal will affect the freedom of movement of people living on islands, as it will be increasing the cost of travel. INSULEUR also argued that this will impact maritime transportation and consequently increase the cost of transporting goods to and from islands.
- **Empowering and engaging island communities.** Civil society organisations also facilitate dialogue and collaboration between various stakeholders, including local governments, businesses, and residents, to ensure that policies, projects and initiatives are inclusive and responsive to the specific needs of islands.
- **Civil Society as a Catalyst for Positive Change.** Civil society on islands has been an important element to raise awareness and take action about environmental protection, including the preservation of the islands' ecosystems, and introducing sustainable practices such as in waste management, and renewable energy solutions.

⁷ The OXERA report highlights that “Assessment of the Impact of the Fit for 55 Policies on Airports commissioned by ACI Europe also warns that “as demand for direct intra-EU flights will be predominantly impacted compared to direct extra-EU flights, the EU’s regional and secondary airports are bound to be most affected – hurting in particular regions highly dependent upon the tourism industry”.

- **Civil Society’s efforts to retain and promote islands’ cultural identities.**
The voluntary sector on islands most often has been very active to retain, shape and promote an island’s cultural identity through local festivals, and other cultural endeavours.
- **Knowledge Sharing and Networking at a local, national and international level.** Civil society has a wealth of experience, accumulated throughout the years, in their area of competence. It then shares this knowledge both with the local community and also with national governments, especially when it comes to finding effective policy solution for particular challenges. However, civil society organisations can also be effective at a supra national level when they join forces for a particular cause, and INSULEUR is a case in point, as it brings together the chambers of islands in the European Union.

To this end we believe that the upcoming opinion of the EESC should also tackle in the governance perspective the formal engagement of civil society organisation on islands in the policy making approach. Currently representation is left within the remit of the Member State concerned, and civil society organisations on islands are not always involved leading to proposed policy solutions which do not tackle the challenges faced by islands.

While the role of civil society is extremely important in addressing the challenges islands are facing, it is also important that the European Union addresses these challenges by creating a flexible policy framework and approach which recognises, delineates and embeds once and for all the insular dimension. The COVID-19 pandemic has shown that when the European Union was able to adapt its approach to tackle particular challenges it was capable to overcome them. However the rigidity with which islands are being treated is weakening the very good work that civil society organisations, such as INSULEUR are doing on the ground. The State Aid Framework and the current De Minimis rules, is for example one such policy approach which does not recognise the specific challenges faced by islands. We are in a situation whereby it is left completely within the discretion of the Member State to recognise the specific challenges faced by its islands. Alternatively, when the

Member State tries to address the challenges faced by islands it is stopped by specific rules such as the De Minimis Framework which limits the possibilities by how much it can assist islands.

Civil society organisations such as INSULEUR at an EU level, and its member Chambers at a national level have a wealth of knowledge and expertise in their area of competence. It is therefore important that both the EU and national governments involve and engage with civil society organisations to come out with policy solutions which can really benefit islands. Thank you very much for your attention.
