Cheshire and Merseyside Public Health Community

Position Paper

Response to Consultation on ‘Growing Regions, Growing Europe’

January 2008

Fourth report by the European Commission on Economic and Social Cohesion

The European Commission opened a consultation in September 2007 offering stakeholders the opportunity to comment on the Fourth report on Economic and Social Cohesion. This consultation response is supported by representatives working on public health within Cheshire and Merseyside, in particular, primary care trusts, local authorities, NHS trusts and wider health organisations.

The Cheshire and Merseyside Public Health community appreciates the opportunity to contribute to the debate on how EU Cohesion Policy should adapt to new and future challenges. We believe that EU Cohesion policy has had a positive effect in helping the European Union’s regions, including the North West of England to develop. The policy has contributed to the growth of GDP and the reduction of disparities between regions in the EU but there is still much work to be done and many new challenges to face.

1. The North West of England

The North West of England is a diverse region with a population of over 7 million people, the third most populated English region behind the South East and London. The region as a whole accounts for over 11 per cent of employment and over 10 per cent of United Kingdom GDP. The North West has five distinctive sub-regions, Cheshire, Merseyside, Cumbria, Lancashire and Greater Manchester.

The North West of England benefited from Structural Funds in the period 2000-2006 both through the Objective One area of Merseyside and through the Objective Two programme in other parts of the region. In addition the North West has participated in a number of Territorial Cooperation programmes, the 6th Framework Programme for Research, the EU Public Health Programme and many other European funding streams during this period. This has attracted large amounts of European money to the region, which in turn have often been a catalyst in bringing in further investment. For the 2007-2013 period, the North West ERDF programme consists of €300million for the ‘phasing-out’ area of Merseyside and €480million for the rest of the region.

2. Comments on the Fourth report on Economic and Social Cohesion

2.1 General

- The challenges and issues we face as the European Union, nations and regions, have significantly changed in the past decade.
- There is a growing body of evidence to suggest that economic development requires both human and social capital to work, in addition to investment in industrial infrastructure. European regional economic development efforts should therefore invest in improving human and social capital.
- According to the European Commission document, ‘The Contribution of Health to the Economy in the European Union,’ health and healthcare play a key role “in generating social cohesion, a productive workforce, employment and hence economic growth.” This same study comments that it is not only low-income, developing, countries and regions where significant economic benefits can be achieved by investing in improving health, but also high-income, developed countries and regions.¹

• We must not forget that economic disparities exist not only between regions in different countries but between regions within each Member State. The UK has the most severe economic disparities of all 27 EU countries. Central London is top of the EU table (3 X EU average economic output) whilst West Wales and the Valleys is almost four times poorer in terms of economic output.

2.2 Implementation

Given the fact that the challenges and issues we face as the European Union, nations and regions, have significantly changed in the past decade, we need to ensure that the implementation of Cohesion Policy reflects these changes so as not to become outdated. These challenges demonstrate the need to revisit the conventional definition of ‘cohesion’. For example environmental cohesion must be added to the traditional list of social, economic and territorial cohesion as we can no longer make decisions without looking at the consequences of our actions on the environment.

One further area that must reflect current challenges is the indicators used to assign structural funds. Currently only GDP per capita is used in assigning Structural Funds, which does not accurately represent the current totality of challenges facing European regions today. It is important to use other, more representative indicators, alongside GDP per capita, which will be able to provide a more accurate picture of cohesion within the regions and the territorial realities for each region within its own Member State and the wider EU.

An example of how this can be done is the Lisbon Strategy, the overriding policy framework within the EU, which aims to bolster economic growth and employment levels between 2000 - 2010 while at the same time maintaining high levels of social cohesion. Since the Lisbon Strategy reforms in 2004/5, public health is now recognised as having a contribution to growth & sustainable development. The indicator measuring health as a productivity/economic factor is the Healthy Life Years (HLY) indicator. This indicator measures the number of remaining years that a person of a certain age is still supposed to live without disability. It introduces the concept of quality of life to predominantly economic discussions and has now been included in the core set of the European Structural Indicators. The success of the Lisbon Strategy is now in part measured on the extent to which it has increased Healthy Life Years. The Cheshire and Merseyside Public Health Community would therefore welcome the use of the Healthy Life Years indicator as an indicator used to assign structural funds.

The use of this indicator would reflect the Health in All Policies approach as put forward by the Finnish Council Presidency in 2006, and would be in accordance with Article 152 of the Treaty of the European Union which states that “a high level of health protection should be ensured in the definition and implementation of all Community policies and activities.” The Health in All Policies approach aims to integrate health considerations into other policies and sectors beyond the health sector. Such inter-sectoral collaboration is based on the recognition that it not only improves population health, but that it also advances the goals of other policy areas by e.g. stimulating economic growth, social cohesion and employment.

Specific Questions identified in the Consultation

As a public health community, this response will primarily respond to the questions related to social cohesion and areas impacting upon the health of European regions and their citizens.

1. What lessons can be drawn from the experience of preparing the 2007- 2013 programmes? In this context and in the light of the analysis provided by this report, how far is cohesion policy adapted to the new challenges European regions will face in the coming years?

We agree with the European Commission in that:
• Now is the right time to seriously consider the new social and environmental challenges that the EU faces, such as demography, climate change and social inclusion.
• EU Cohesion Policy should provide opportunities to each EU citizen wherever they live by reducing disparities between regions.
• Cohesion policy should have a strong focus on addressing inequalities in the EU, through reducing social exclusion and poverty. In relation to this point we believe that it is important to recognise that these current and future challenges, identified in the Fourth Cohesion Report can impact both regions and individuals, potentially increasing inequalities at both levels.

However, we believe that, in addition to those already identified, there are other key challenges for European regions, which should be considered in the Fourth report on Economic and Social Cohesion, particularly health challenges.

• A person’s level of health is strongly correlated with his or her socio-economic status and the full set of social conditions in which people live and work (socio-economic determinants of health). Despite general population health improvements in recent years, health inequalities within and between EU member states and regions persist and in many cases have widened and continue to widen. While overall population health is improving, the health status of those who are better off is in most cases improving at a faster rate than those that are less well off, leading to a widening ‘health gap’ between socio-economic groups. This means that all individuals do not, in practice, have access to equal opportunities, one of the fundamental aims of cohesion policy.

• Substantial economic prosperity can be generated through higher productivity, a more flexible workforce and increased employment rates. By the same token, a lack of facilities needed to improve health of populations, to treat disease, and to rehabilitate those who have experienced disease represents a major barrier to economic development. Over recent years, there has been a growing body of evidence to show that a healthy population is a key component and important asset for regions when striving for economic prosperity. This essential role of a healthy workforce in generating economic wealth and prosperity was recently highlighted in the Community Strategic Guidelines on Cohesion 2007-2013, as was the need to invest in the improvement of health infrastructure and training within European regions.

We would also like to emphasise the importance of regional diversity in addressing these key challenges:
• To add value, Cohesion Policy must be relevant to all levels and should demonstrate that the local and regional levels have been listened to
• Due to the principle of subsidiarity it is essential that the local and regional levels feel ownership of the policy and that it complements their individual priorities.
• Local, regional and individual member states each have their own priorities and these differences must be appreciated. Action at the EU level should not inhibit them from achieving their priorities.

1.2 Given wide differences in birth rates, death rates and migratory flows at regional level, what is the role of cohesion policy in responding to demographic change?

• The European Commission Green paper “Confronting demographic change: a new solidarity between the Generations” suggests that by 2009 the size of the working age population will already be smaller than that of the size of the oldest cohort. In 2050 there are expected to be 66 million people aged 55-64 and only 48 million aged 15-24. This means that the working age population will start declining soon after 2010 and that the labour market will increasingly have to rely on older workers and increased migration to maintain the economic status.

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As the evidence above suggests, demographic change is becoming a barrier to growth for many EU regions. In order to address this barrier, Cohesion Policy has a role to play through the investment in young people which is crucial to the long-term sustainability of economic growth and productivity of any region.

One part of the solution is that the EU must look to increase the number of healthy years of work for workers. In particular, European regional economies facing slow or declining population growth cannot afford to lose potential labour resources due to preventable diseases and disability. Investment in health promotion, disease prevention and health infrastructure will help to maintain active participation in society for as many workers as possible, thus maintaining their economic contribution and reducing dependency levels. This has a direct effect on productivity and competitiveness, as well as having important positive spin-offs for quality of life in general. Cohesion Policy and Structural funds have a role to play in responding to this.

It is important to note that in order for people to stay in or move to a region, issues such as employment opportunities and quality of life are extremely important. Cohesion Policy should look to help regions to retain / attract workers, without increasing social and economic inequalities between regions.

1.3 To what extent is climate change a challenge for cohesion policy?

Climate Change is an extremely large and important challenge for the EU at all levels, including the regional level. It will have various, severe and disproportionate impacts not only in EU regions but throughout the world. These impacts will have both direct and indirect effects on humans and the environment, which will consequently lead to profound economic implications. Therefore it is vital that climate change is given adequate consideration in the context of cohesion policy.

The societal and health implications of climate change are of particular concern to the Cheshire and Merseyside Public Health Community, including: food provision; food-borne diseases; flooding; water resources; the quality of drinking water; increase of UV exposure; deterioration of air quality; increase in vector-born diseases: increase in tick-born diseases; increasing frequency of extreme weather events.

Climate change implications will dramatically increase the burden on regional health systems and provision of health services at local and regional level. Furthermore, since the implications of climate change will have disproportionate effects on EU regions, increased (economic, social and health) inequalities between European regions is a realistic prospect for the near future if early action is not taken. For example certain groups of the population i.e. low income groups are more vulnerable to the impacts of climate change and failure to act may simply contribute to increasing social inequalities in Europe.

Whilst the above still applies, Climate change presents a unique set of opportunities, especially in the field of innovative technologies. The EU level should do all it can to support innovative regional efforts to combat the negative effects of climate change.

It is important that EU cohesion policy recognizes the effect of the EU carbon footprint on human disasters which affect the health and wellbeing of European citizens. EU Cohesion programmes should therefore aim to contribute to the reduction of Greenhouse Gases in the atmosphere and should not add to the ever-growing climate change burden.

It is important to note that all impacts of climate change have not been pre-empted and therefore there is a risk that the implications of climate change and their related costs may be substantially graver than currently predicted. Consequently, the EU needs to be flexible in its approach.

Through cohesion policy the EU has an excellent opportunity to express its solidarity with regions that suffer most heavily from the consequences of climate change through introducing climate
change adaptation into existing policy analysis, policy development, evaluation and implementation.

2.1 How can cohesion policy better promote harmonious, balanced and sustainable development taking into account the diversity of EU territories, such as least favoured areas, islands, rural and coastal areas but also cities, declining industrial regions, other areas with particular geographic characteristics?

- Cohesion policy can be used as a lever to reduce social and health inequalities between regions and within EU Member States.
- In order to add value, Cohesion Policy must be relevant to all levels and should demonstrate that the local and regional levels have been listened to.
- Due to the principle of subsidiarity it is essential that the local and regional levels feel ownership of the policy and that it complements their individual priorities.
- Local, regional and individual member states each have their own priorities and these differences must be appreciated. Action at the EU level should not inhibit them from achieving their priorities.
- The regional and local levels are critical in ensuring sustainable development and reduced inequalities between regions. Welfare services are becoming increasingly decentralised and devolved to the regional and local level. They therefore have the mandate to address social and health inequalities. Therefore effectively reducing inequalities will depend highly on the willingness and ability of individual regional and municipal governments, a factor which also varies between regions.
- The policies where the EU has a clear competence - research, development and innovation, agriculture, competition etc. have the potential to increase the effectiveness of cohesion policy.

2.2 What are the impacts of the challenges identified in the report for key elements of social cohesion such as inclusion, integration and opportunity for all? Are further efforts needed to anticipate and counteract these impacts?

- As explained in questions 1.2 and 1.3 demographic change and climate change are both serious and current challenges which will impact on the EU as a whole and its individual regions.
- These current challenges will have an impact on inequalities within and between regions. Certain groups of people / regions will be at a greater disadvantage and greater risk (‘at risk groups’ such as the unemployed, young people, migrant populations etc) because of these challenges. It is therefore extremely important that Cohesion Policy continues to promote inclusion, integration and opportunity for all.
- Not all impacts of the challenges will be negative. Demographic change will include migration between European regions and will ensure a debate around inclusion, access to the labour markets, health services, housing conditions, education, language and integration.

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