



“Rural-urban linkages and partnerships: OECD perspective and first insights”

web page: www.oecd.org/regional/rurban

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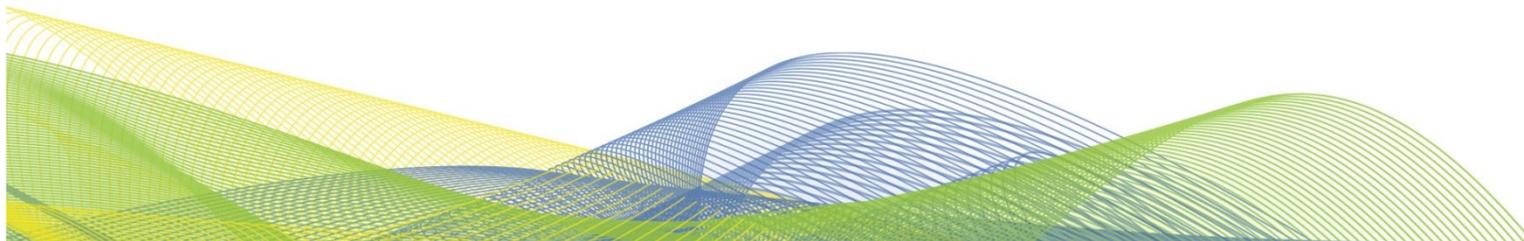
**Directorate for Public Governance and Territorial Development,
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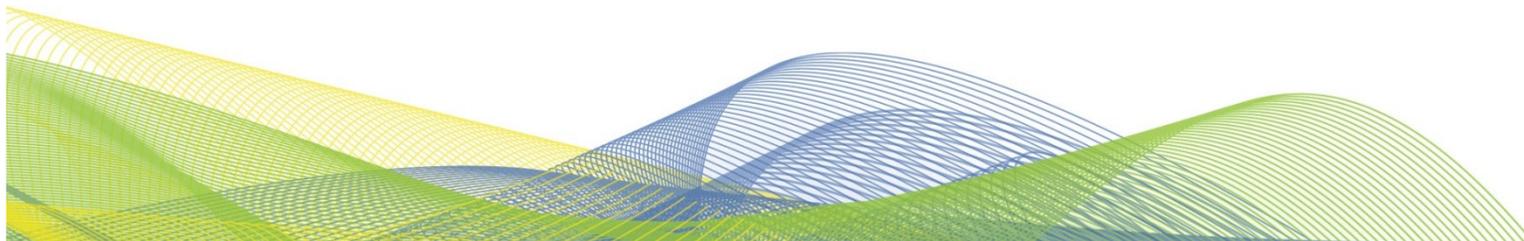
Outline of the presentation

- Aims of the project
- Policy relevance
- Methods and framework
- First insights on the interdependencies between rural and urban areas



Main objectives of the project

- Assess the role of “rurban” partnerships to respond to the specific needs of urban and rural areas, to strengthen the economic conditions of regions and the delivery of services to urban and rural dwellers
- Understand the role of public policy to improve the outcome of these partnerships



Policy relevance of urban-rural partnerships

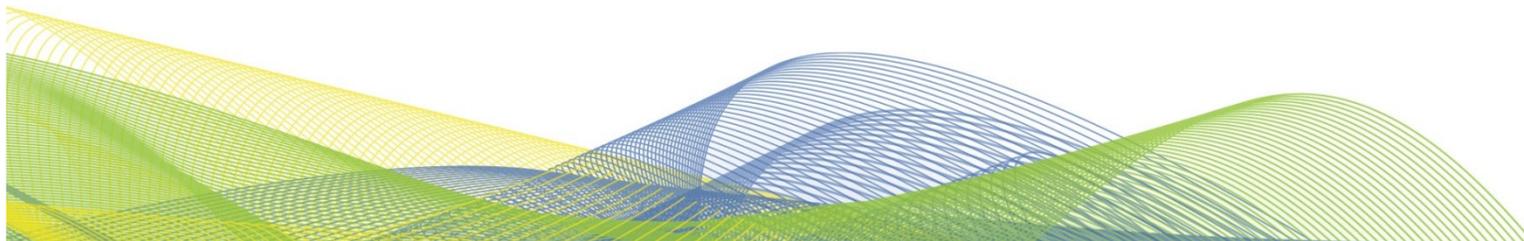
- ✓ Rural and Urban areas are increasingly integrated, especially within functional regions
- ✓ this integration can be dealt with through effective partnerships that take the most from both areas, with benefits also for the whole functional region
- ✓ appropriate coordination policies can be found to increase the coherence between the functional integration of the territory and the level at which the policy making process is organized
- ✓ appropriate units of analysis should be recognised to implement policies for regional development and for the provision of services
- ✓ best practices can be identified to help regions to find appropriate governance structures that fit with the local context and that exploit the complementarities between urban and rural areas



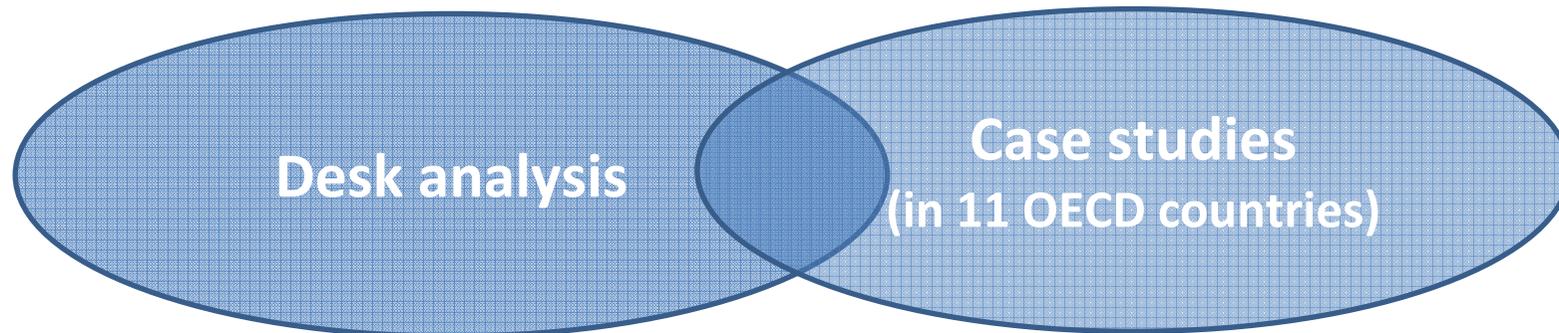
The benefits of “Rurban” partnerships:

Rurban partnerships could:

- ✓ strengthen economic conditions in the regions
- ✓ manage rural and urban concerns in a comprehensive and targeted way
- ✓ help build regional cohesion and policy coherence
- ✓ ensure better service delivery to urban and rural dwellers
- ✓ foster new opportunities and new forms of cooperation



Methods and framework (1)

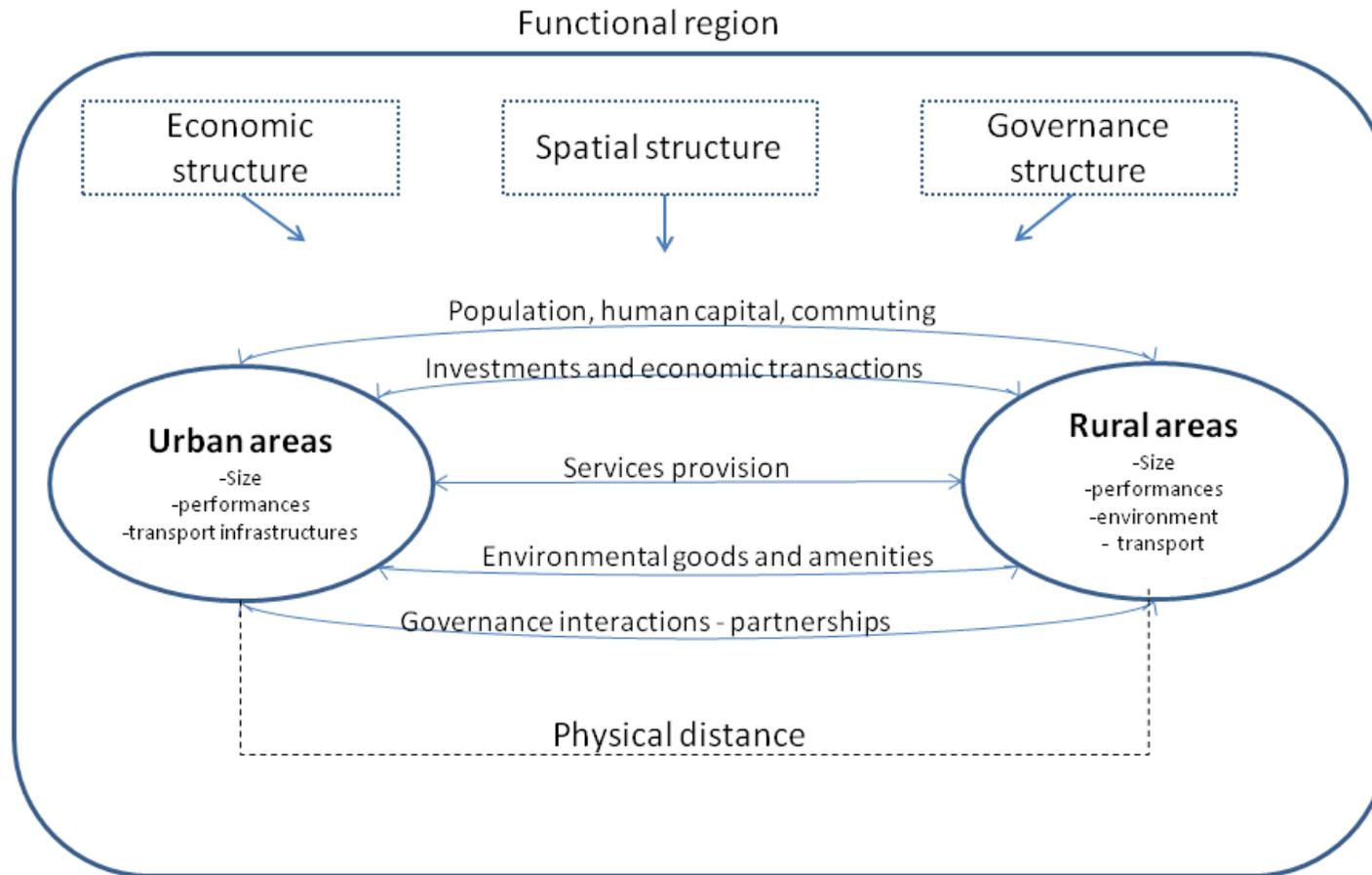


- ✓ Providing an original framework to analyse urban and rural relationships
- ✓ Identifying linkages and focus on functional regions
- ✓ Measuring and mapping different linkages

- ✓ Identifying formal and informal rural-urban partnerships
- ✓ Assess the role of partnerships for regional development
- ✓ Should they be further supported? and how?



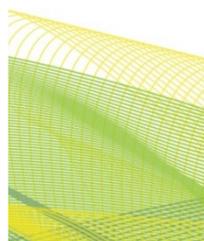
Methods and framework (2)



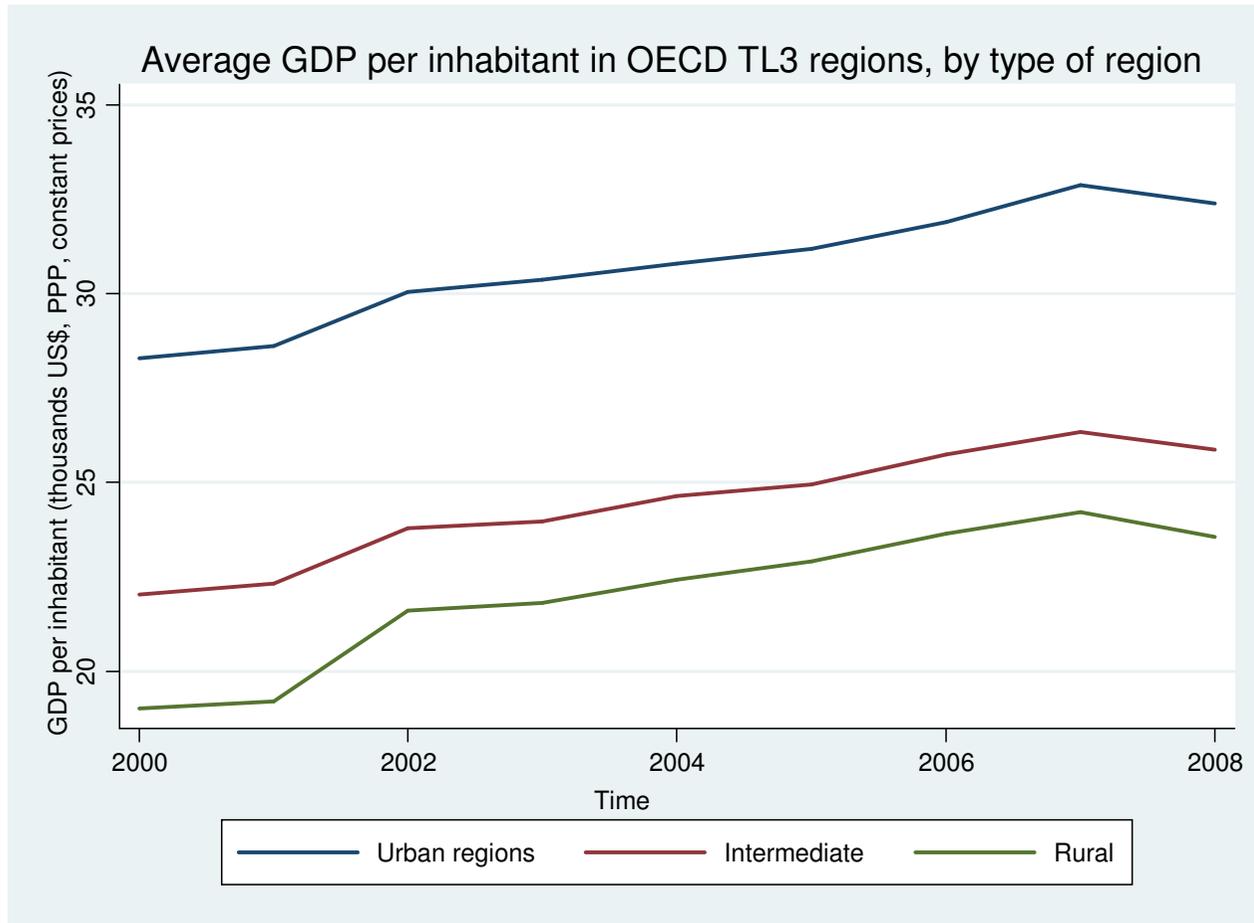
✓ Urban and rural areas are interlinked through a broad set of linkages, which are different on the base of the characteristics of the whole functional region

Methods and framework (3)

Spatial Dimension		Functional Dimension
Three different regions where rural areas have different roles:		Five closely linked interactions:
Metropolitan regions	<ul style="list-style-type: none"> • Germany (Nuremberg) • France (Rennes) • Czech Republic (Prague) • Russia (Krasnoyarsk) 	1. demographic linkages;
Networks of small and medium-sized cities	<ul style="list-style-type: none"> • Australia (Geelong Region) • Netherlands (Brabant) • Italy (Forli-Cesena, Emilia Romagna) • <i>United States (Kentucky)</i> 	2. economic transactions and innovation activity;
Sparsely populated areas with market towns	<ul style="list-style-type: none"> • Portugal (Castelo Branco) • Spain (Extremadura) • Finland (Saarijärvi-Viitasaari Region) • Poland (WestPomeranian Region Region) 	3. delivery of public services;
		4. exchanges in amenities and environmental goods;
		5. multi-level governance interactions.



No convergence, *on average*, between urban and rural regions



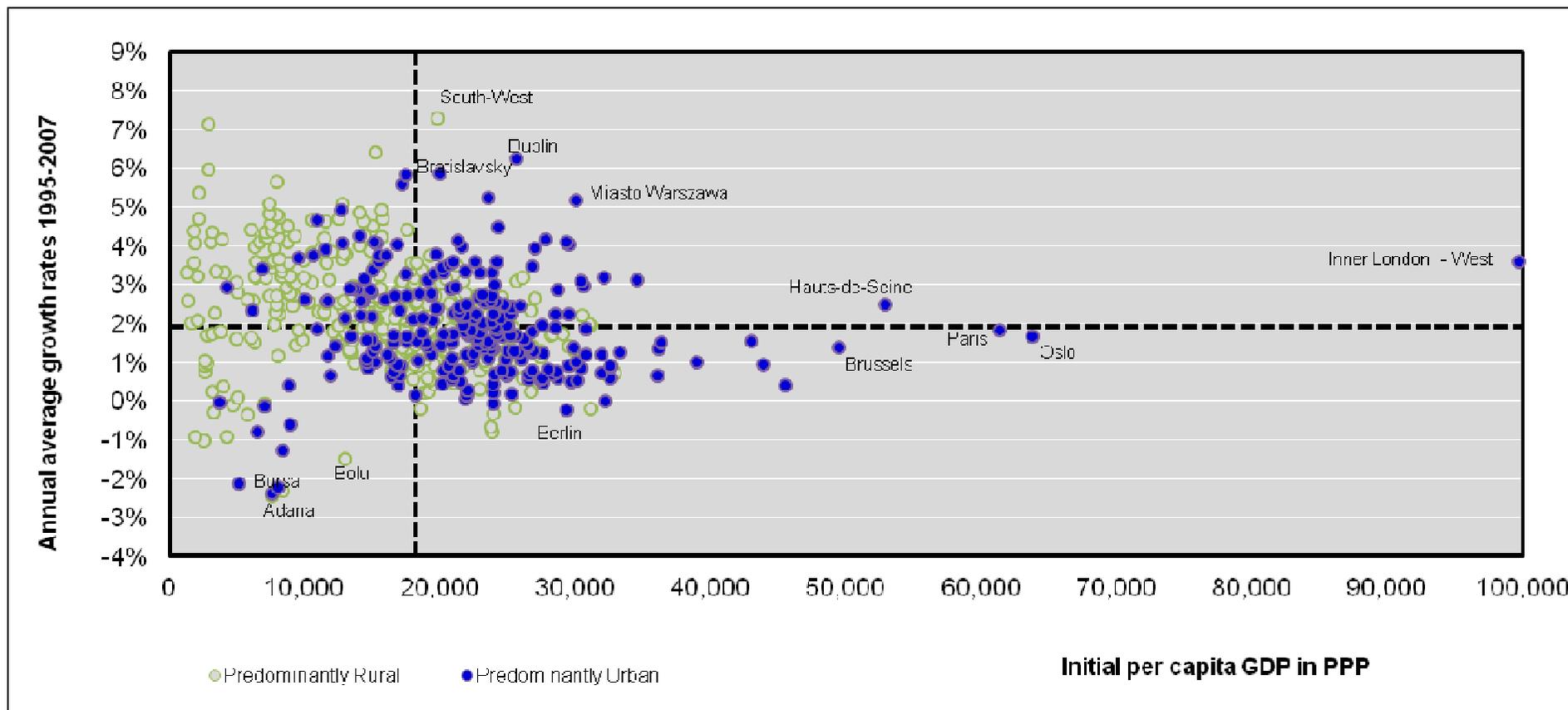
- ✓ GDP per capita is much higher in urban areas than in rural and intermediate areas.
- ✓ the gap between the levels of GDP slightly decreases, and only at the beginning of the last decade
- ✓ on the whole, there is not a strong pattern of convergence in terms of GDP per capita

U.S., Canada, Chile, Mexico, Israel and Island are excluded from the analysis for reasons of data availability



However, many rural regions show high growth rates

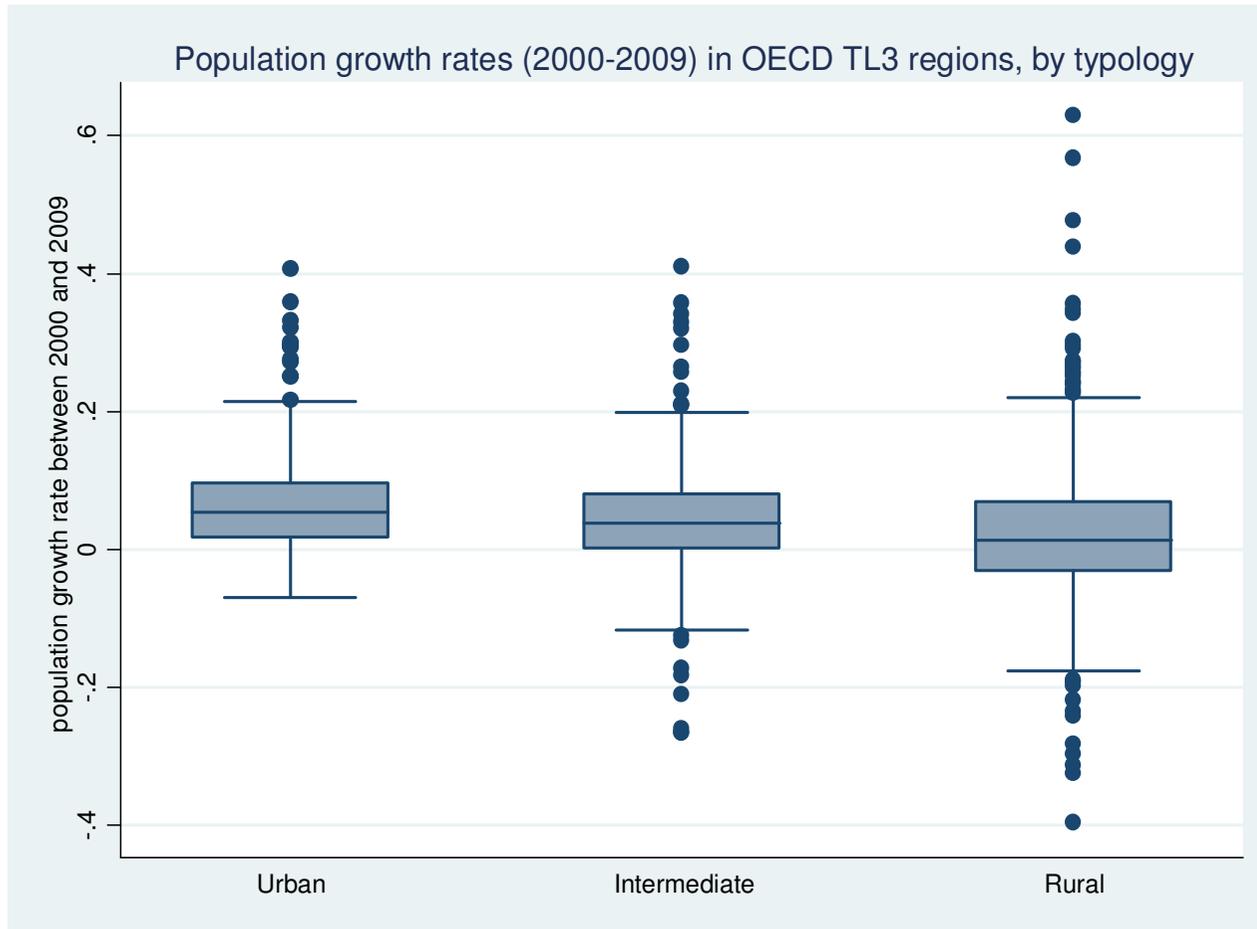
Opportunities for growth are observed in all types of regions



Source: *Regional Outlook, OECD (2011)*



In terms of population growth, rural regions show the highest variability



✓ Opportunities for growth, both in terms of population and GDP, are observed in all type of regions

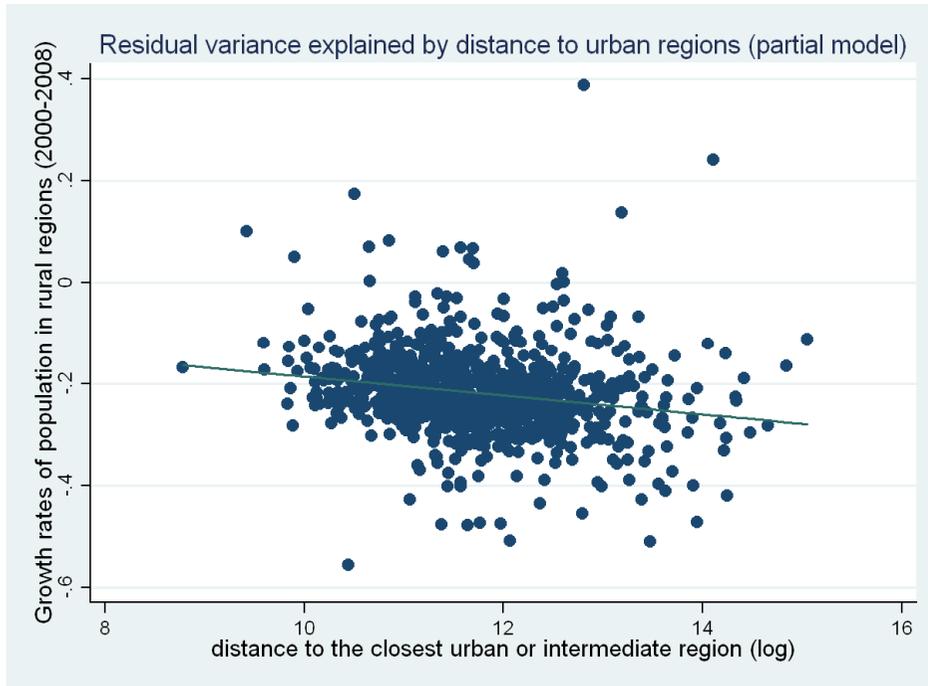
✓ the variability of growth rates is much higher in rural areas than for the other types of region

✓ part of this variability can be explained by looking at the role of the relationships with Urban or Intermediate regions (urban-rural linkages)

U.S., Canada, Chile, Mexico, Israel and Island are excluded from the analysis for reasons of data availability



Rural regions closer to urban regions show better performance in terms of population growth

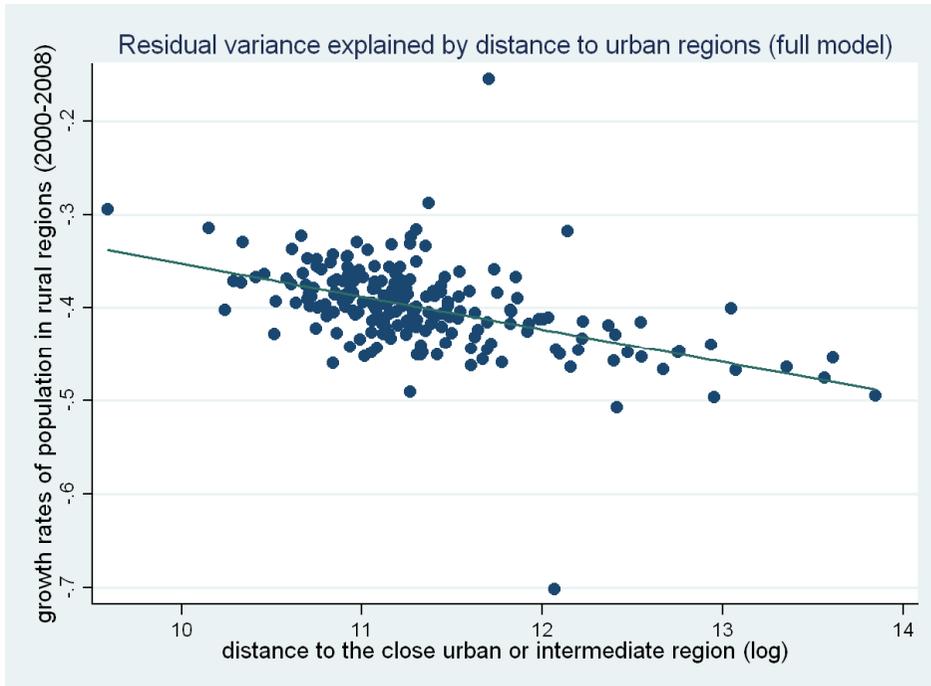


$$\beta = 0.018^{***}$$

868 obs.

Controls:

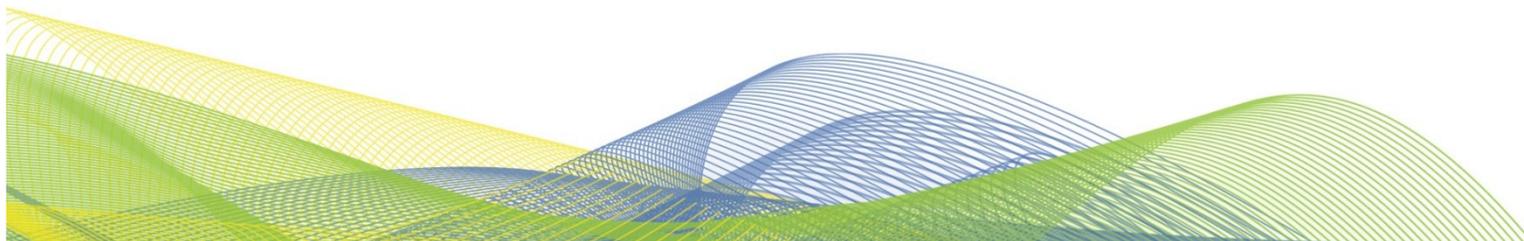
country dummies, socio-demographics



$$\beta = 0.035^{***}$$

206 obs.

Full set of controls (including spillover, industrial structure, unemployment, country dummies, socio-demographics, spillover effects, etc.) ↓



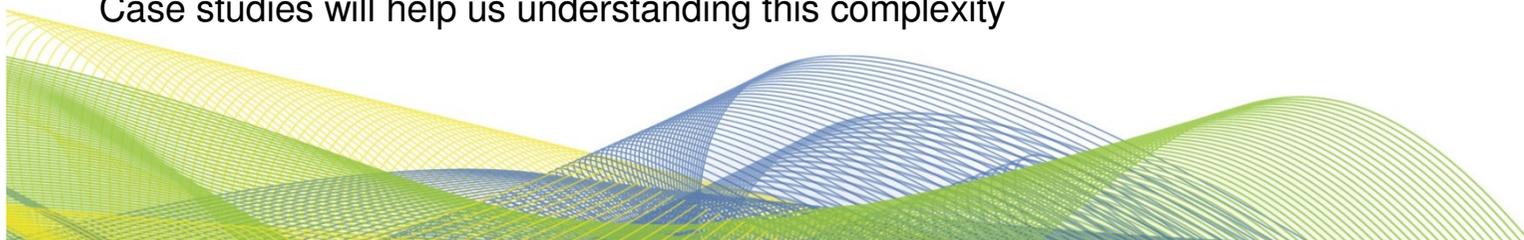
Rural regions closer to urban regions show better performance in terms of population growth

Preliminary results on 206 OECD TL3 rural regions:

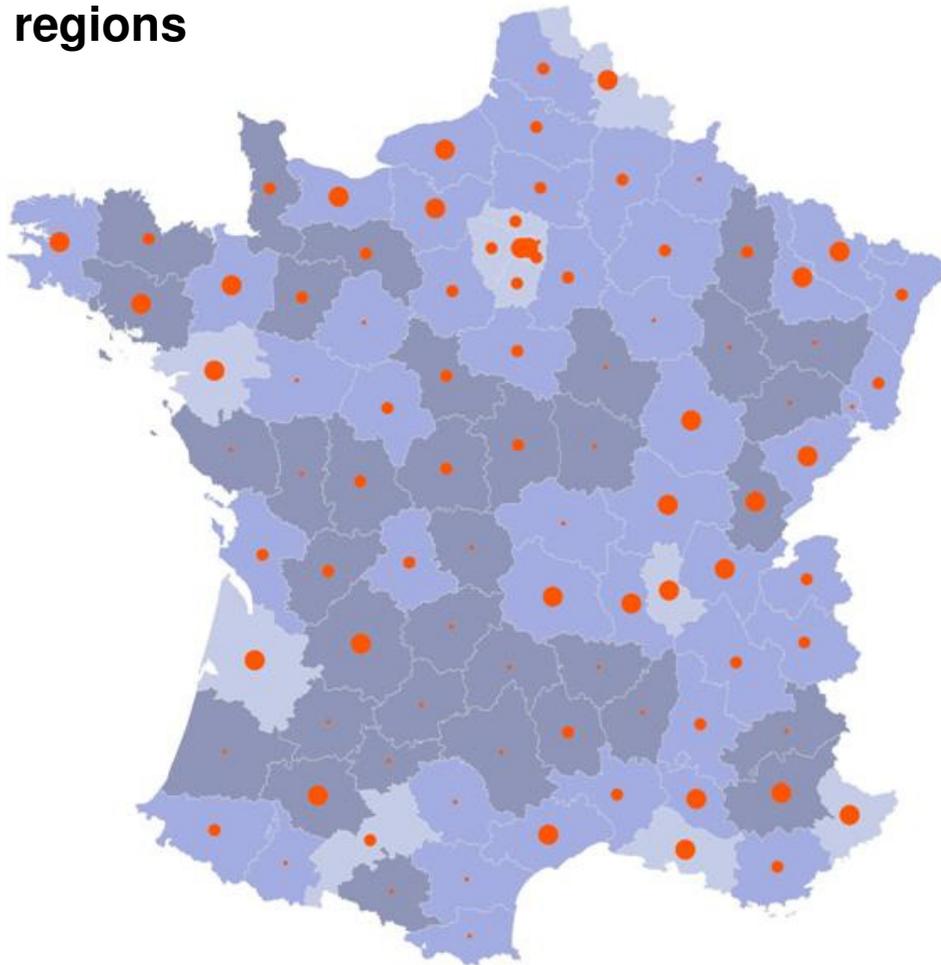
- ✓ rural regions grow more, *ceteris paribus*, the more connected they are (the smaller the distance) to the closest urban or intermediate region.
- ✓ the closeness to urban regions has a higher effect than the closeness to intermediate regions
- ✓ this effect of distance tends to be lower for very high distances
- ✓ there are also positive growth spillovers from urban to rural regions
- ✓ there is an interaction effect between spillover and distance: the lower the distance, the higher the (positive) growth spillover effect

However, the complexity of the topic asks for a specific focus on relationships within functional regions

Case studies will help us understanding this complexity



Access to public health services is differentiated between urban and rural regions



Public Hospitals in France
Number of Public Hospitals by TL3 OECD Regional Typology, TL3

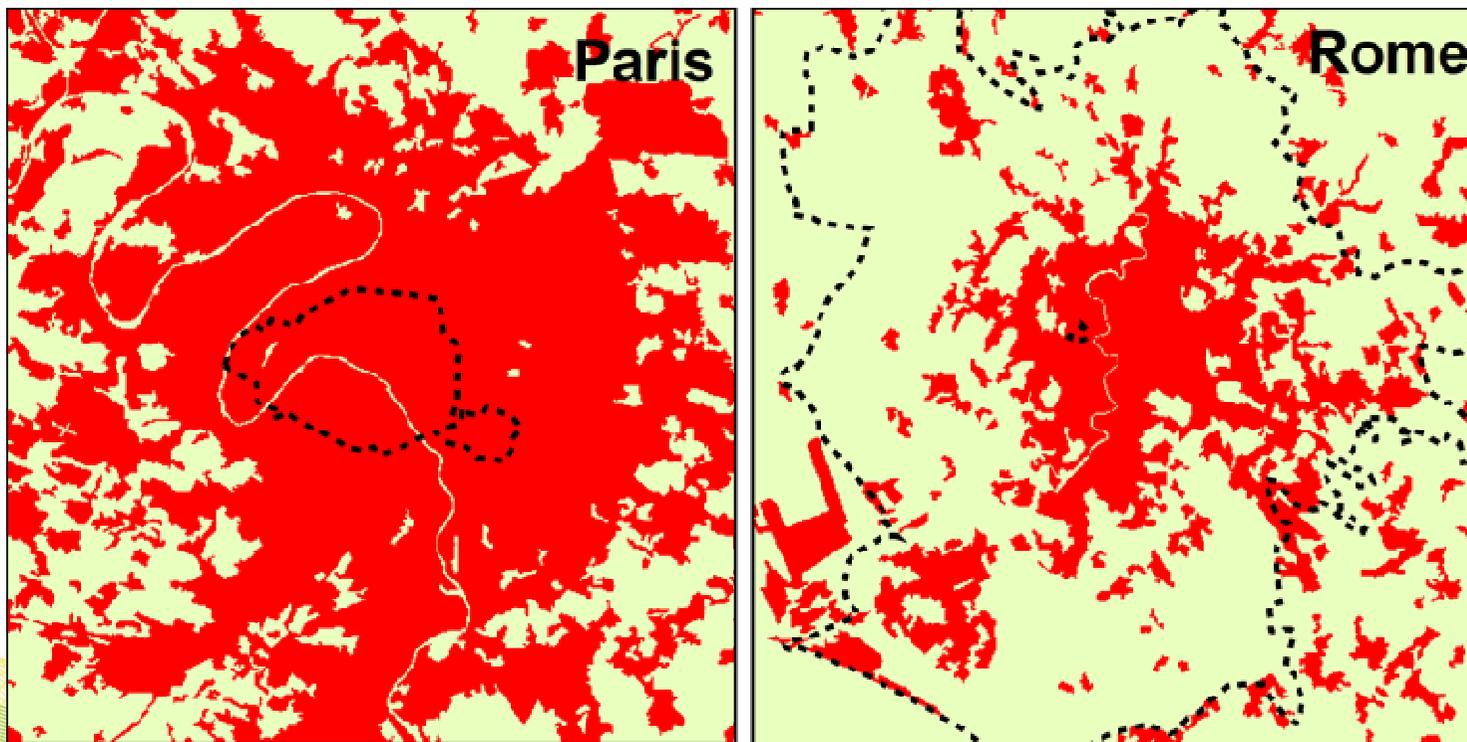
● 0 - 7	■ PU
● 8 - 13	■ IN
● 14 - 45	■ PR

Can partnerships be helpful to better organize public services so that they are accessible for both rural and urban dwellers, being at the same time financially sustainable?



The governance dimension of urban-rural linkages (1/2)

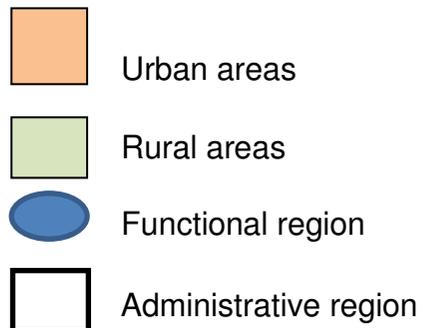
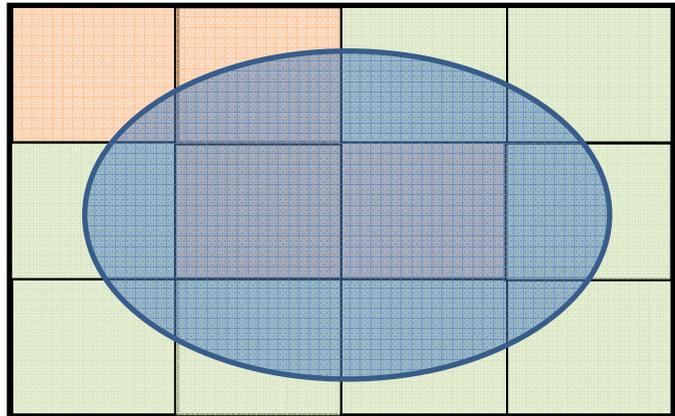
- ✓ The distinction between urban and rural areas has decreased and the two areas are increasingly integrated within functional regions
- ✓ These functional regions do not necessarily overlap with administrative boundaries (e.g. see the example of Paris and Rome)



Legend: Non-urban (green), Urban (red), Administrative unit boundaries (dashed line). Scale: 0, 5, 10, 20 km.



The governance dimension of urban-rural linkages (2/2)



✓ Urban-rural interactions can be dealt with through a governance structure that overcomes a sectoral and fragmented approach and that makes *the space of policy and the space of the economy to overlap*

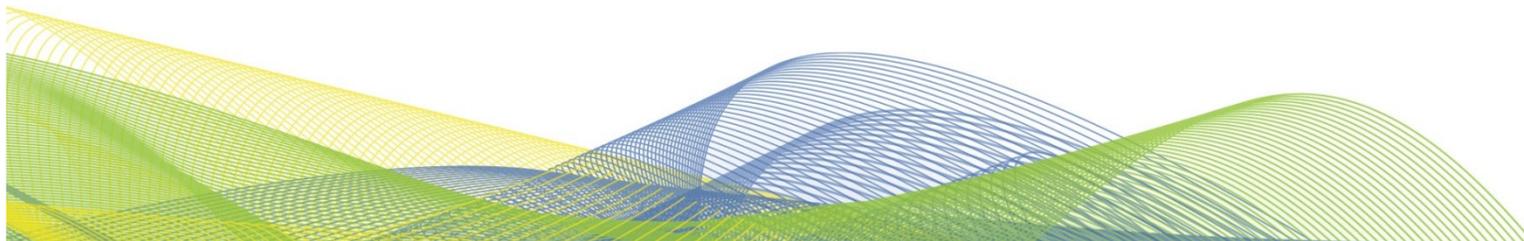
✓ The governance of these interactions should take into account several issues (coordination gaps):

- different actors (public/private)
- different levels of government
- different incentives to cooperate (need to align objectives)
- financial sustainability of the partnership



Further steps

- ✓ Analyses on case study regions are currently being carried out to assess how rural-urban partnerships can be beneficial for both urban and rural areas
- ✓ are these partnerships useful to promote inclusive growth and sustainability within regions?
- ✓ the project will also deal with the way policy can help rural-urban partnerships (and how potential new policy instruments can promote functional regions)



Case studies preliminary observations

- ✓ **Strong Leadership:** leadership plays an important role in bringing Urban and Rural Municipalities together (e.g. Germany, Italy)
- ✓ **Strong partnership buy in:** partnership working is viewed as the optimum way to do business (e.g. Italy, Germany, US)
- ✓ **Strong territorial identity:** The existence of a **territorial identity** helps to foster partnerships (e.g. Italy, Germany)
- ✓ **No single model of collaborations and partnerships:** complex landscape of Rurban partnerships in some cases result in high transaction costs and partnerships, sometimes engaging large number of players (e.g. Italy)
- ✓ **Shared regional responsibility:** Rural- Urban collaborations leads to improved ownership of the region: the responsibility (e.g. Germany)
- ✓ **Power sharing inner structure:** one-voice one vote approach to power sharing in a Rurban partnership is one way to ensure that the partnership functions (e.g. Germany)



Thank you

