



# Lessons from OECD countries:

*What needs to be taken into account in  
a rural vision?*

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ENRD Thematic Group Rural # 2040  
Building a “Long Term Vision for Rural Areas”  
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# 1. Diversity of Rural Places require distinct needs

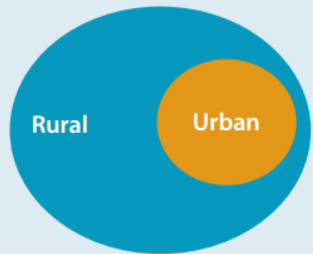


In a FUA

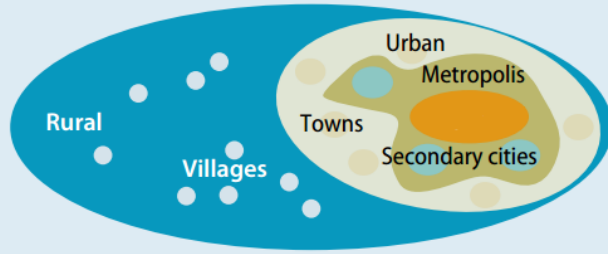
Close to / with a town

Remote

a. The simplified area economy



b. And a more realistic representation



Challenges by type of rural region

Type of region	Challenges	Opportunities
Rural inside a functional urban area (FUA)	<ul style="list-style-type: none"> <li>loss of control over the future</li> <li>activities concentrate in the urban core</li> <li>managing land value pressures</li> <li>matching of skills</li> </ul>	<ul style="list-style-type: none"> <li>more stable future</li> <li>potential to capture urban benefits while avoiding the negatives</li> </ul>
Rural outside, but in close proximity to a FUA	<ul style="list-style-type: none"> <li>conflicts between new residents and locals</li> <li>avoiding sprawl</li> <li>competition for land and landscape</li> </ul>	<ul style="list-style-type: none"> <li>potential to attract high-income households seeking a high quality of life</li> <li>relatively easy access to advanced services and urban culture</li> <li>good access to transport</li> </ul>
Rural remote	<ul style="list-style-type: none"> <li>highly specialised economies subject to booms and busts</li> <li>limited connectivity and large distances between settlements</li> <li>high per capita costs of services</li> </ul>	<ul style="list-style-type: none"> <li>absolute advantage in production of natural resource-based outputs</li> <li>attractive for firms that need access to an urban area, but not on a daily basis</li> <li>can offer unique environments that can be attractive to firms and individuals</li> </ul>

Source: (OECD, 2016<sub>[2]</sub>)

Source: *Global Monitoring Report 2013, IMF/World Bank*

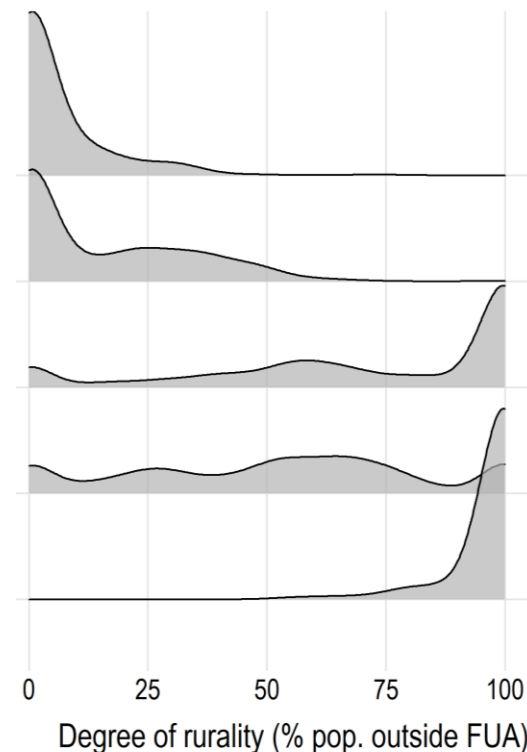
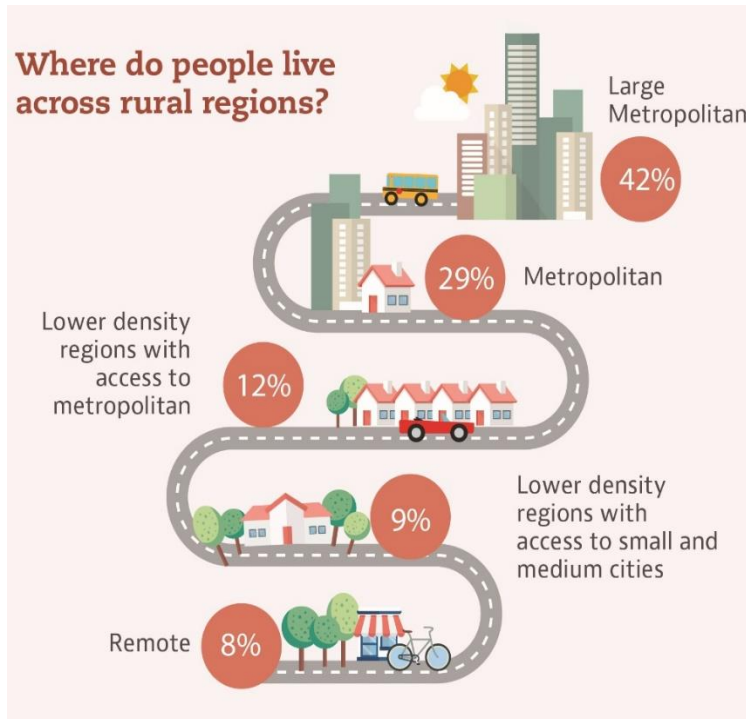


## 2. Strong interdependence between urban and rural

A typology of regions to emphasise linkages



- ❖ 29% of population live in NM regions (347 million)
- ❖ 21% in NM close to an urban area (250 million)
- ❖ 8% in remote regions (97 million)



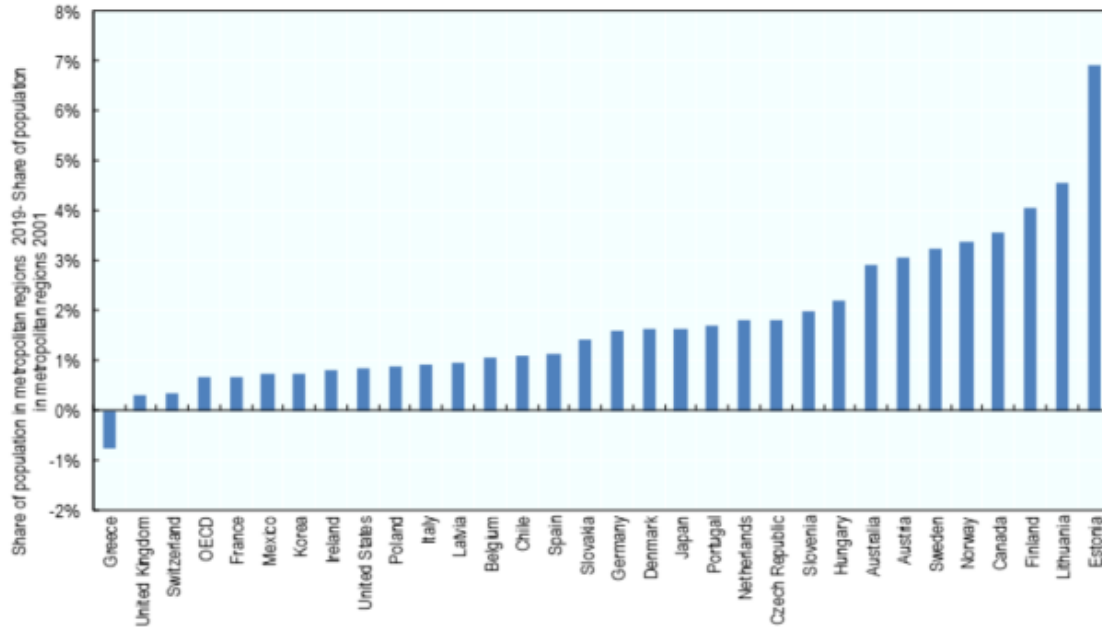
### *Many shades of rural*

- Large metro regions are clearly more urban
- Remote regions clearly more rural
- Regions in between are rural to different degrees
- Rural is a bit everywhere



# 3. Stronger demographic pressure in rural places

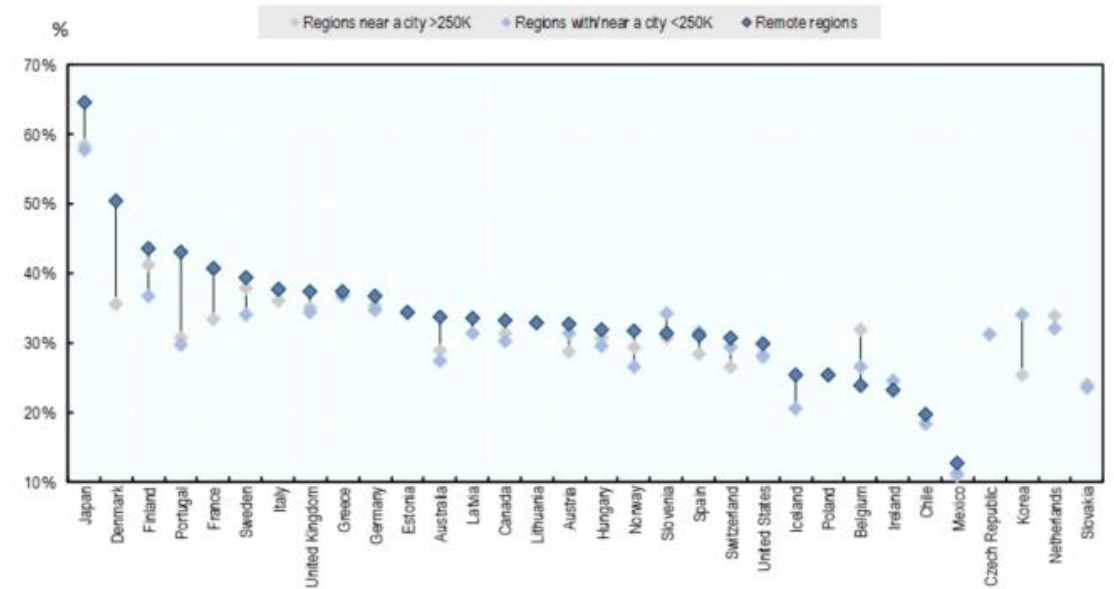
The share of population in metropolitan regions increased in the last two decades



Note: Metropolitan regions includes regions with a city of at least 250 thousand inhabitants. Based on available data for 2 147 TL3 regions.  
 Source: (OECD, 2019<sub>[7]</sub>) OECD Regional Statistics (database), <http://dx.doi.org/10.1787/region-data-en>.

Elderly dependency ratios are larger in remote regions in most OECD countries

Share of +65 population with respect to working age population (15-64 years old), 2019



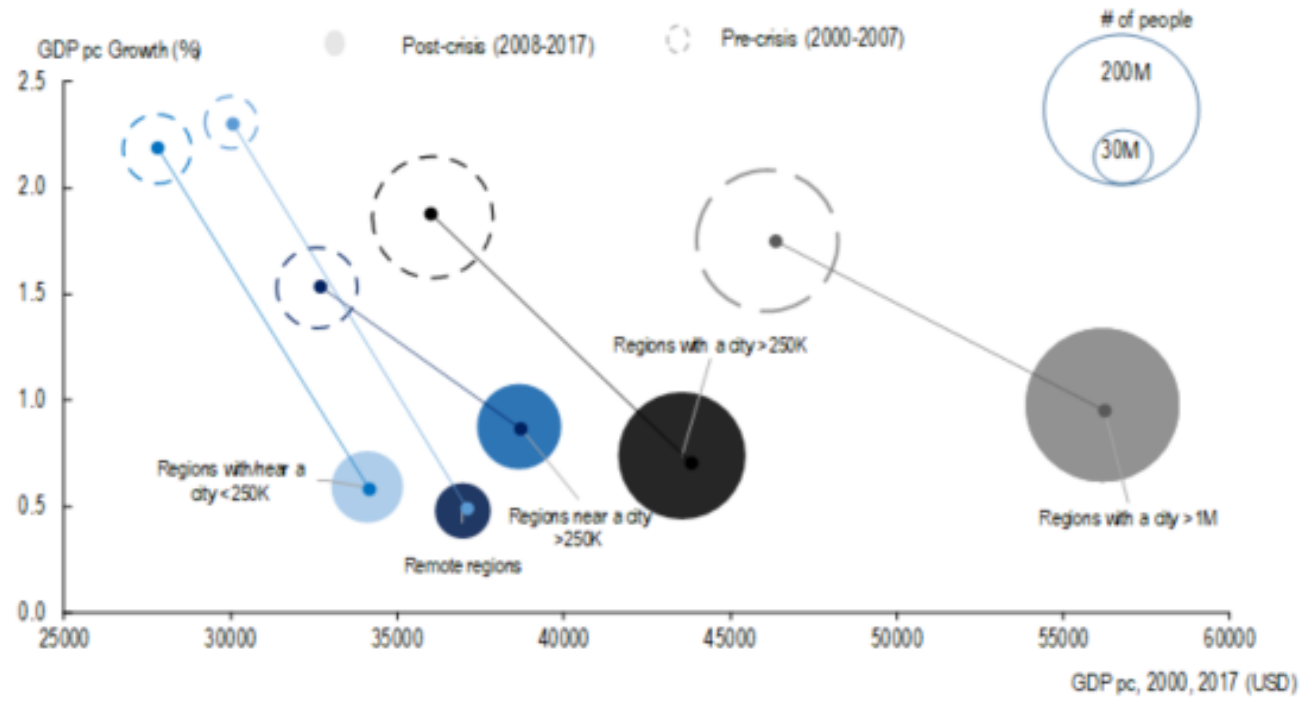
Note: Based on available data for 2 147 TL3 regions.  
 Source: (OECD, 2019<sub>[7]</sub>) OECD Regional Statistics (database), <http://dx.doi.org/10.1787/region-data-en>.



# 4. Growing divides since the global financial crisis

## The global financial crisis brought convergence to a halt

Size of the bubble proportional to population in initial and final year



Note: 2017 extrapolated values for France and Japan based on 2001-16 regional growth rates. Based on available data for 1 530 TL3 regions in 28 countries. GDP is in USD PPP with base year 2015.

Source: (OECD, 2019<sub>[2]</sub>) OECD Regional Statistics (database), <http://dx.doi.org/10.1787/region-data-en>.



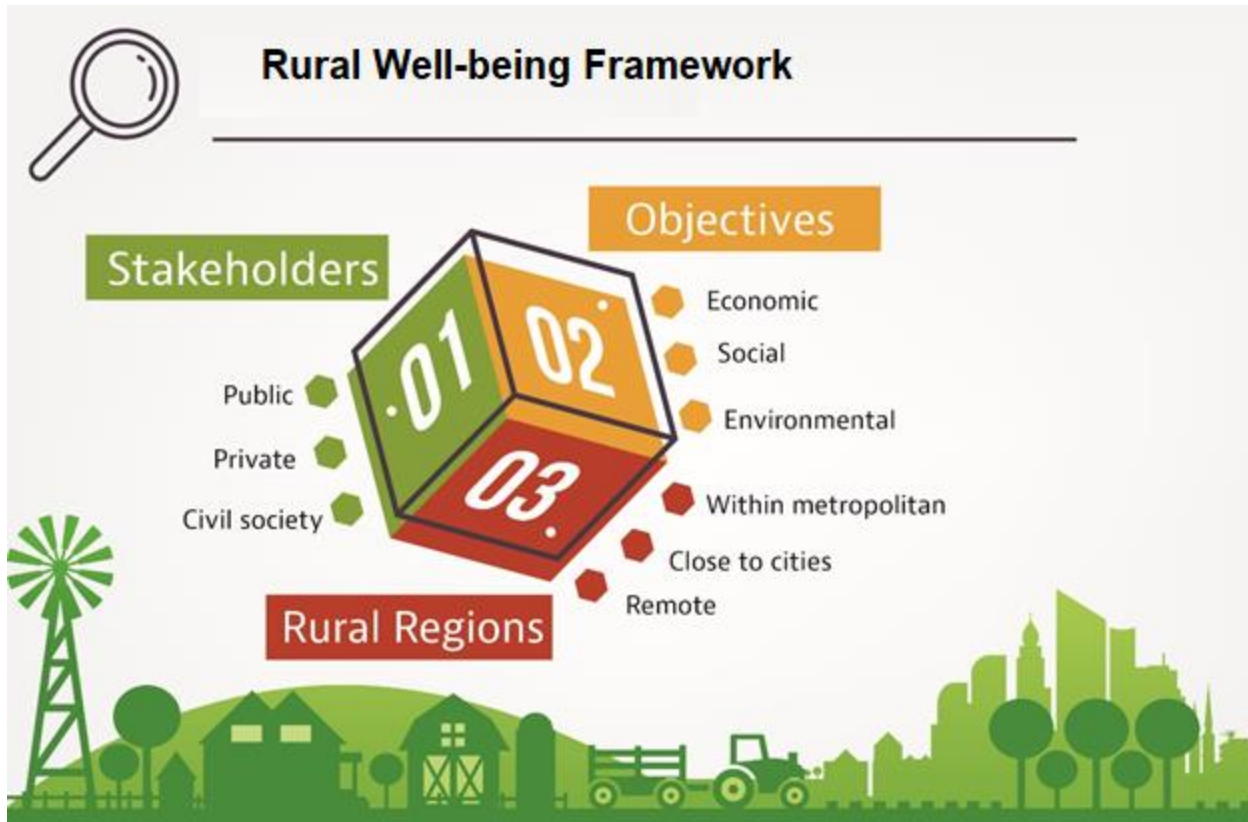
# 5. Megatrends conditioning opportunities & policies

Structural transformations	Implications for rural policy	Opportunities for rural regions
Global shifts in production and rise of the service industry	Increased competition from <b>emerging economies</b> calls for policies to shift focus from <b>low cost to product differentiations</b> and <b>niche markets</b> . GVCs need to be considered in policy making	Access to the world as a market. Openness to foreign investment and promoting linkages between local start-ups and SMEs and MNEs may strengthen the performance and growth of <b>high value added tradeable activities</b> . Exporting technical services and expertise to emerging markets may become a key growth driver for rural economies.
Well-being as a priority	Citizens demand good living standards and reduction of inequalities, this requires integrated and <b>holistic policy responses</b> .	Differentiated concept of well-being provides improved understanding of rural assets, like natural environment, housing space more social capital, and greater food security. Delivery of <b>services</b> is essential.
Rural Urban linkages	Globalisation increases relations between rural and urban regions, through infrastructure and networks, policies need to be integrated and highlight win-win scenarios.	Especially beneficial for rural places close to cities, not only through infrastructure links, but also through corporate relationships (e.g., supply chains), market pervasion and communication networks.
Technology and Digitalisation	Fast paced technological innovations demand dynamic policies that <b>respond to changes</b> and connect rural firms, SMEs and research institutions to developments that benefits rural regions	Technologies associated with <b>digitalisation</b> , create new jobs, new ways for services and transport, change demand in labor force and way of life in rural regions that can improve attractiveness and value creation
Demographic Changes	New policy areas arise from the need to provide <b>long-term and sustainable solutions</b> taking into account ageing and population growth as well as the need of attracting and retaining young people and newcomers. Greater focus needs to be placed on healthcare, transportation, and digital connectivity and skills.	Developing the silver economy and investigate ways to keep elderly integrated into economic and community activities. Social innovations can be used as a tool to find new solutions to societal challenges with the goal of enhancing societal well-being.
Climate Change and the transition to a climate neutral economy	<b>New priority areas</b> and objectives for rural policy to limit temperature increase to 1.5 C above pre-industrial levels and foster transitions using and safeguarding rural assets (i.e. land, biodiversity etc.)	Development potential arising through of green industries that contribute to climate change mitigation and adaptation. Rural places can take advantage through investment and technologies associated with renewable energy and the circular economy.





## 7. Rural Well-being : Geography of Opportunities



Emphasis on:

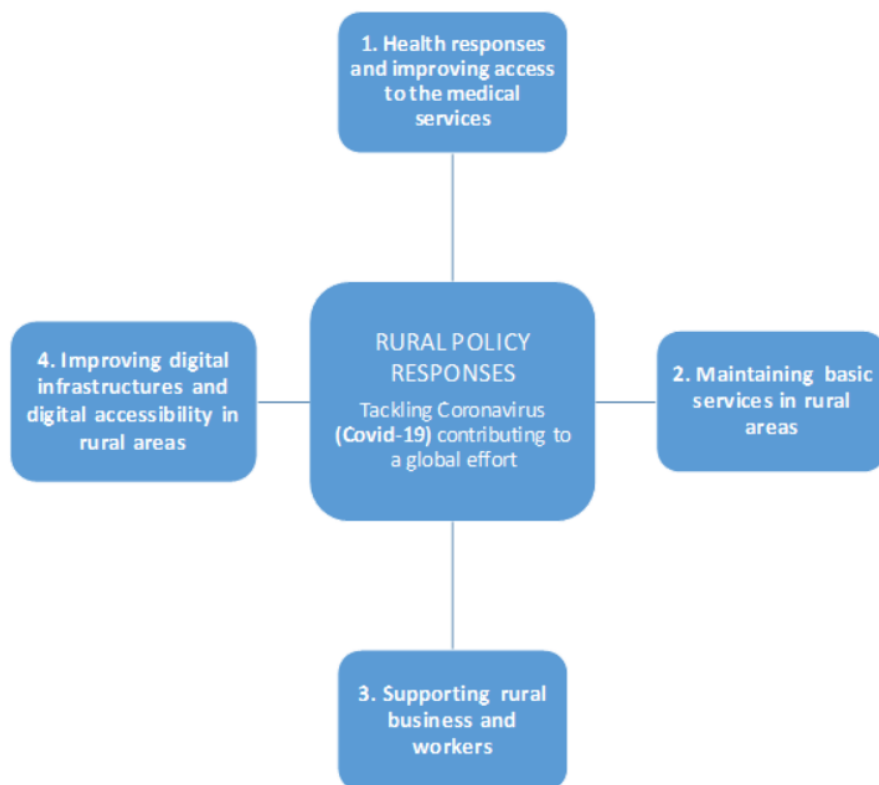
- ✓ **Partnerships** between government, the private and civil society
- ✓ Building **linkages** between rural areas and cities

A people-centred approach will help ensure rural areas can embrace change and build positive futures



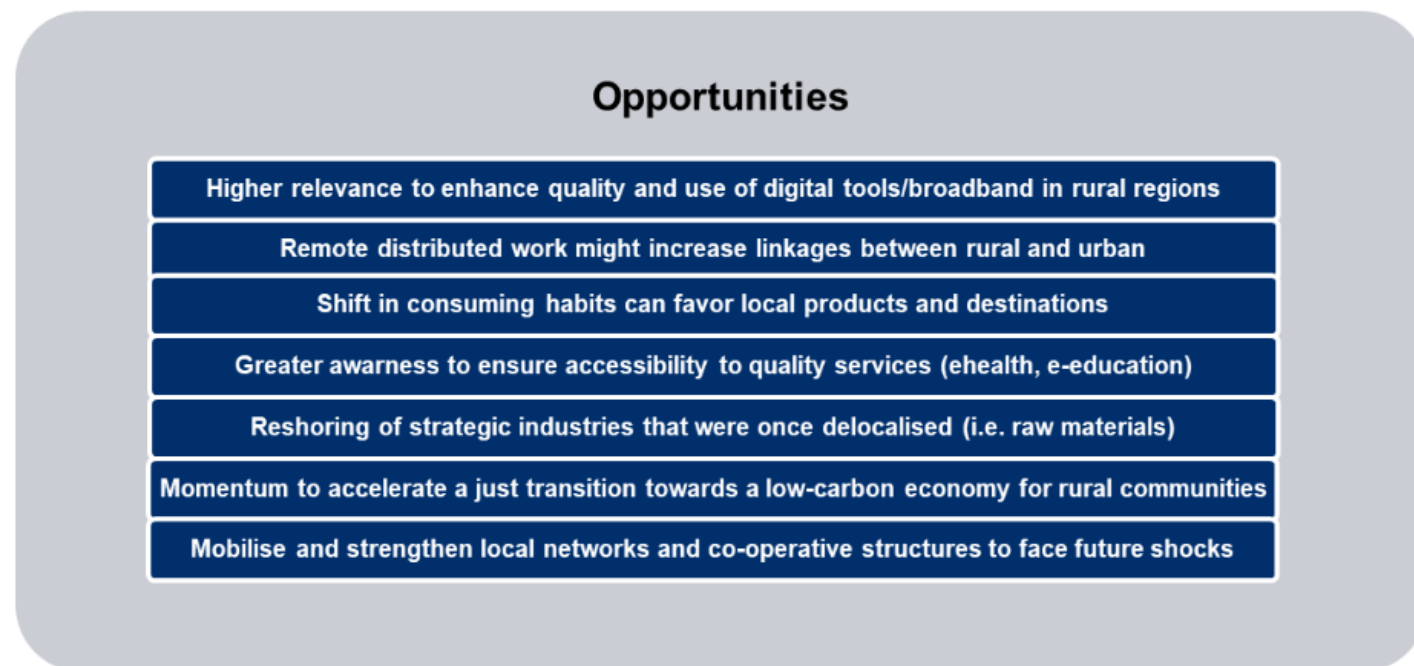
# 8. COVID 19 – the “New Normality” in rural places

## COVID-19 broad areas of response for rural regions



Source: Own elaboration

## Opportunities emerging with the COVID-19 crisis



Source: Own elaboration

[https://read.oecd-ilibrary.org/view/?ref=134\\_134479-8kqoi6epcq&title=Policy-Implications-of-Coronavirus-Crisis-for-Rural-Development](https://read.oecd-ilibrary.org/view/?ref=134_134479-8kqoi6epcq&title=Policy-Implications-of-Coronavirus-Crisis-for-Rural-Development)





# 11 OECD Principle on Rural Policy

