

*What have been the key successes – and shortcomings – of regional development policy over the past 20 years, and what are the key lessons to be drawn?*

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# Outline

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1. Main trends and challenges regional policy
  - Global vs regional
  - Low density regions
2. Policy lessons regional development (back)
  - Evolving paradigm Regional Development Policy
  - Main lessons regional, urban and rural policy
3. Adapting policies and governance (forward)
  - Preparing for megatrends
  - No region gets left behind



# Structural changes OECD economies

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- Globalisation brought increased competition in manufacturing and tradable activities.
  - China, India, other emerging economies
- Tertiarisation of economic activity
  - Increase in share of services
- Emergence of Global Value Chains (GCV's)
  - TIVA



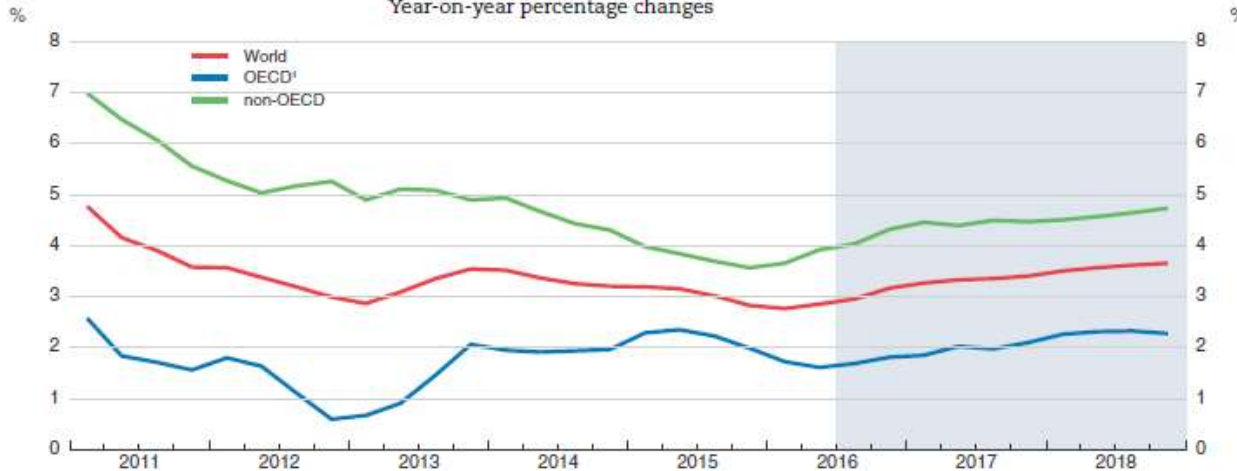
- Low productivity growth
- Growing inequalities
- Uneven impact across geography



# Global Outlook towards slower GDP and Productivity Growth

## Global GDP growth is set to rise

Year-on-year percentage changes



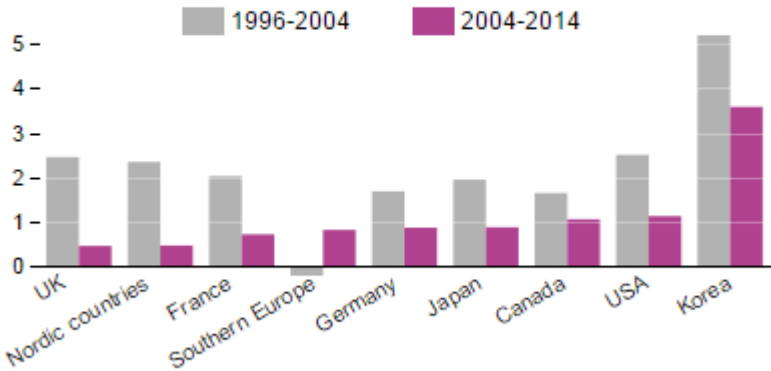
Source: OECD Economic Outlook 100 database.

### Global GDP growth 3%

- $\frac{3}{4}$  pp weaker than av. in the two decades prior to the crisis
- **OECD GDP growth close to 2%**

## Productivity slowdown in advanced economies

GDP per hour worked, % change at annual rate



Source: OECD, Compendium of Productivity Indicators 2016

### Slowdown in productivity growth in the wake of the crisis

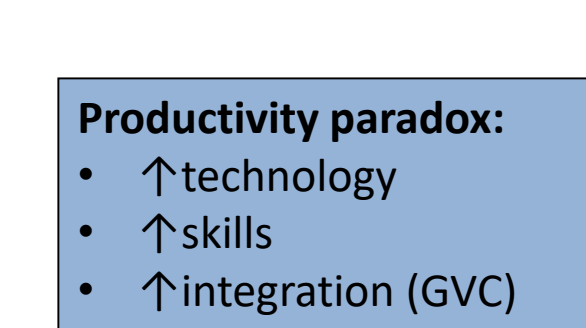
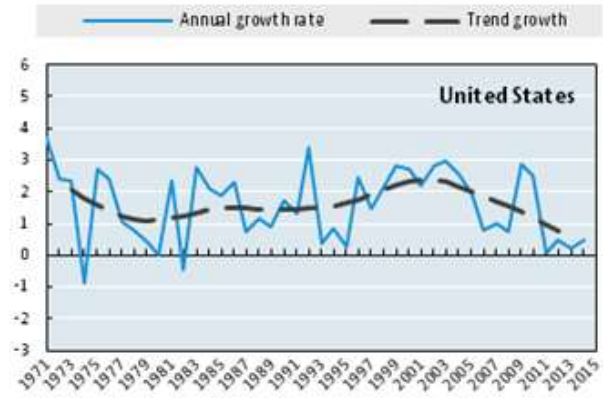
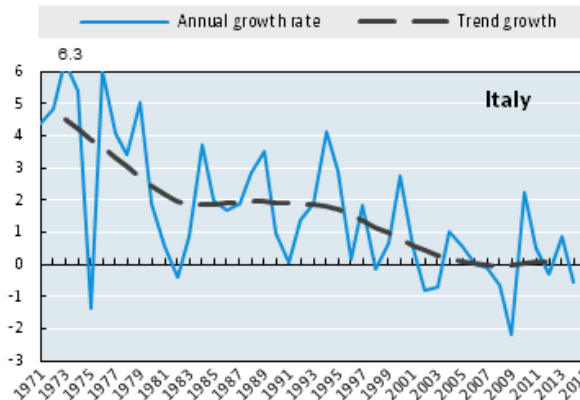
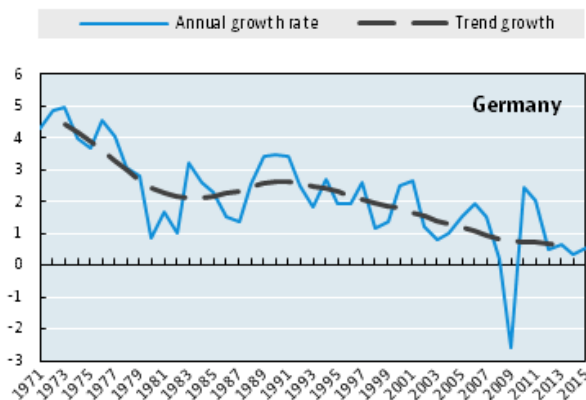
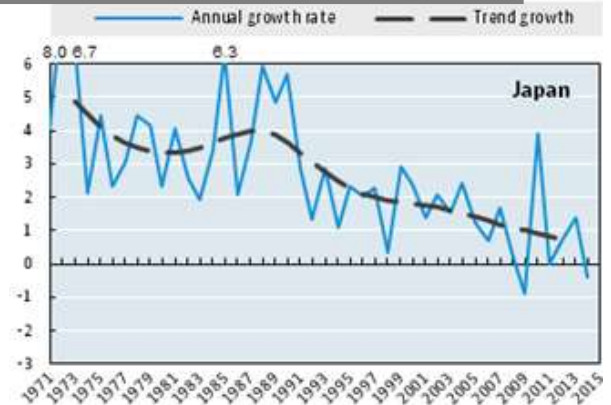
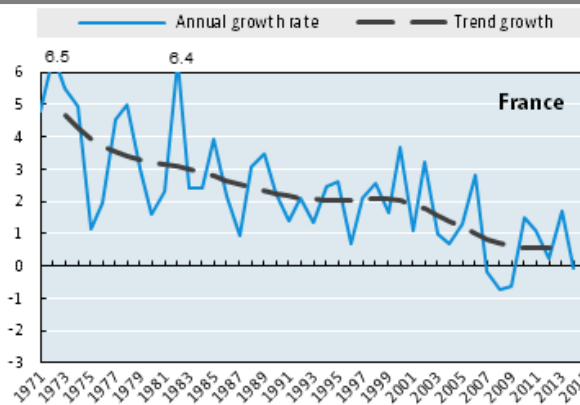
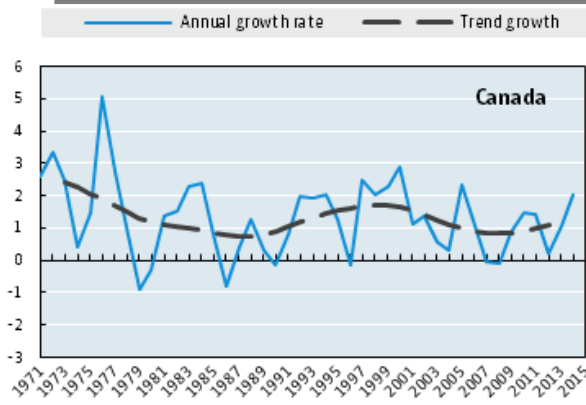
- skills mismatches, sluggish investment, and declining business dynamism



Hits **wages** → this may exacerbate income, wealth **inequalities** and **wellbeing**



# Labour Productivity Growth G7



## Productivity paradox:

- ↑technology
- ↑skills
- ↑integration (GVC)



# Tertiarisation of Economic Activities in OECD countries

## *Share of services to total output in selected OECD countries*

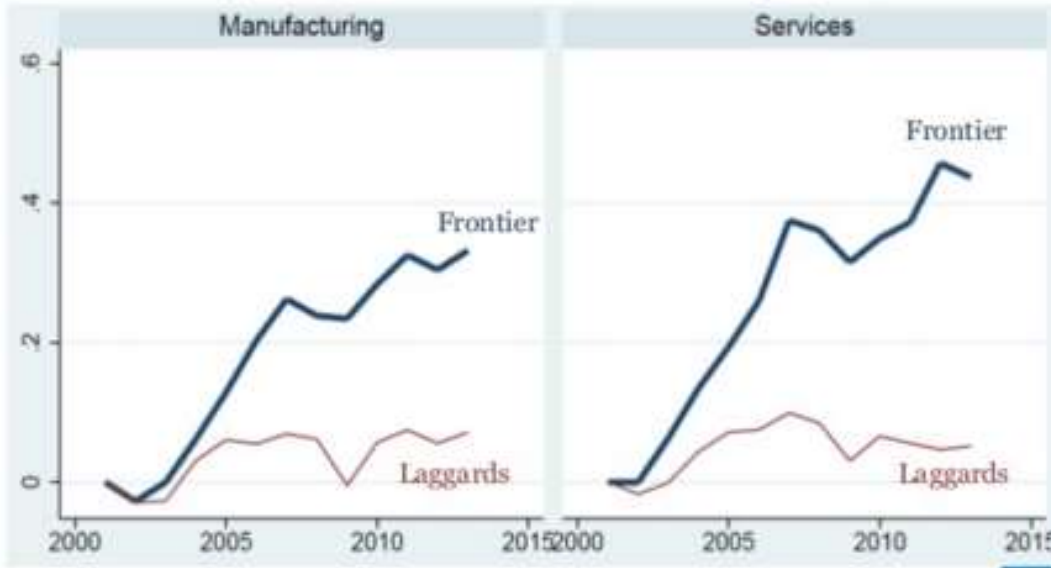


Source: OECD (2019), Value added by activity (indicator). doi: 10.1787/a8b2bd2b-en (Accessed on 23 June 2019)

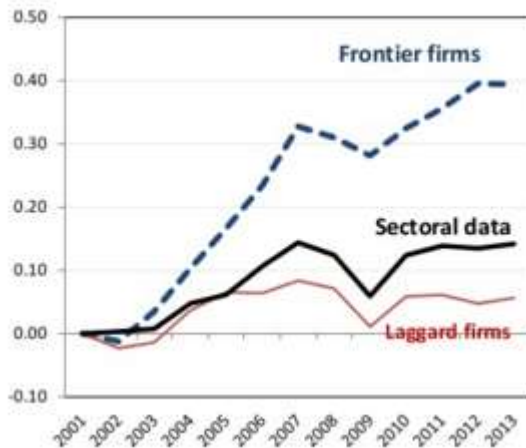


# Rising Gap in labour productivity between global frontier and laggards

Average of labour productivity across each 2-digit sector (log, 2001=0)



Average of labour productivity across each 2-digit sector (log, 2001=0)



Frontier firms forge ahead on productivity



- Disseminating innovation
- Adoption and absorption
- Networks

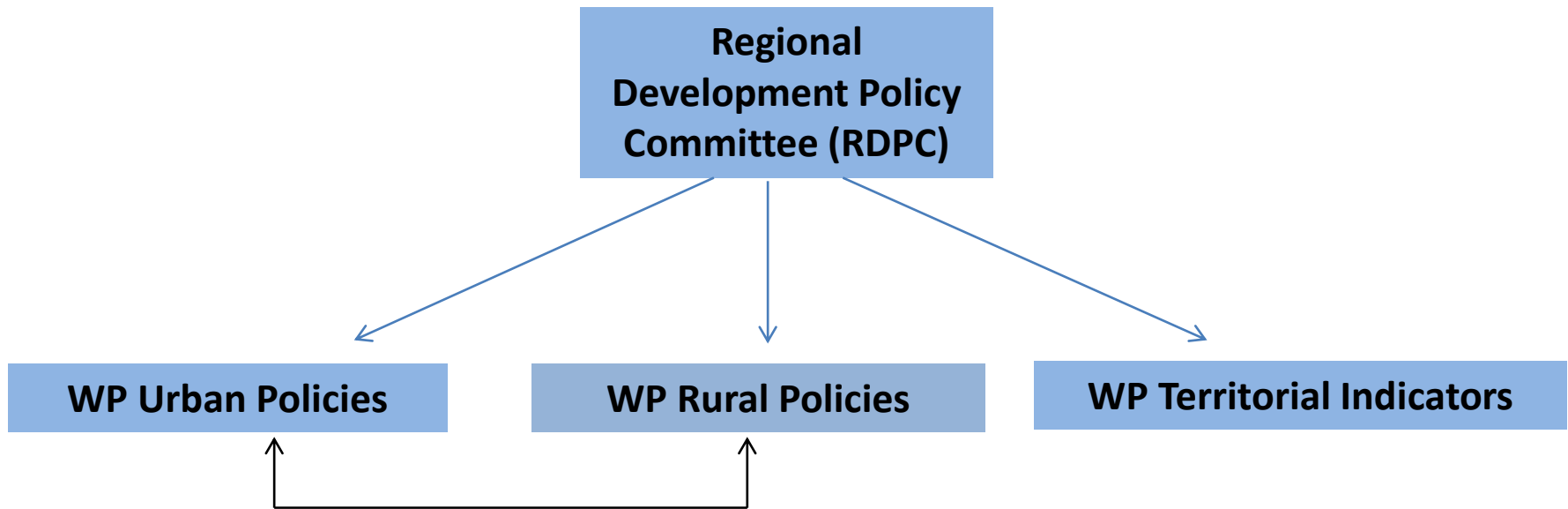


**Distributional Effects:**

- Firms
- People (workers)
- Places



# How is Regional Agenda Adjusting to these Global Challenges



The OECD Regional Development Policy Committee Policy (1999) is a unique committee that discusses regional development policies at an **international level**.





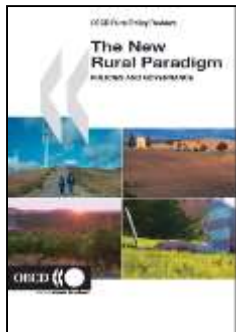
# 40 years of work on Rural Development



## REVIEWS

- Germany (2007)
- Mexico (2007)
- Finland (2007)
- Netherlands (2007)
- Scotland, UK (2007)
- China (2008)
- Italy (2009)
- Spain (2009)
- Quebec, Canada (2010)
- England, UK (2011)
- Chile (2014)
- Poland (2018)

2006



## CONFERENCES

- Siena, Italy (2002)
- Warrenton, US (2004)
- Oaxaca, Mexico (2005)
- Edinburgh, UK (2006)
- Caceres, Spain (2007)
- Cologne, Germany (2008)
- Québec, Canada (2009)
- Krasnoyarsk, Russia (2012)
- Bologna, Italy (2013)
- Memphis, US (2015)
- Scotland (United Kingdom) (2018)
- Seoul, Korea (2019)

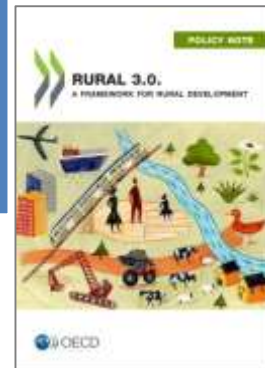


## THEMATIC WORK

- Rural service delivery (2010)
- Promoting growth in all regions (2012)
- Renewable energy (2012)
- Rural-Urban Partnerships (2013)
- Food security and nutrition (2016)
- Land use (2017)
- Northern Sparsely Populated Regions (2017)
- Mining and regional development
- Indigenous communities and rural development



2019

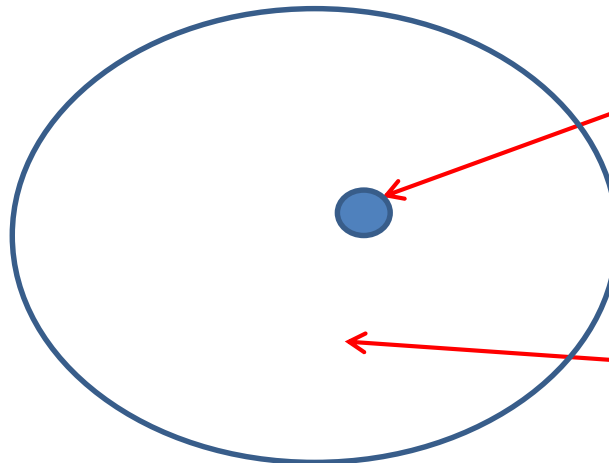




# What is rural?



Traditional definitions



Urban

Rural=non-urban

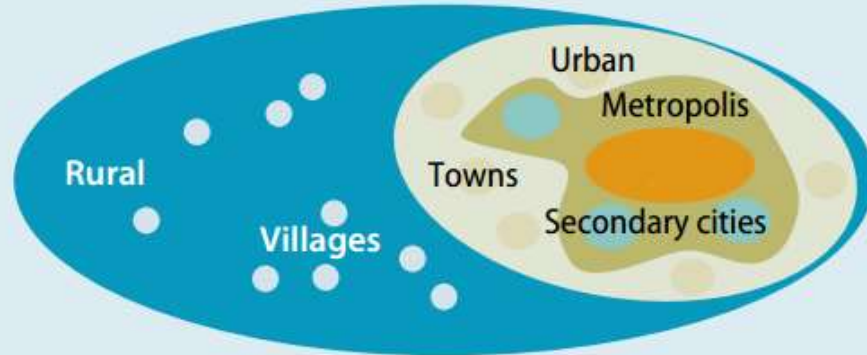


# Low density economies & globalisation

a. The simplified area economy



b. And a more realistic representation



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

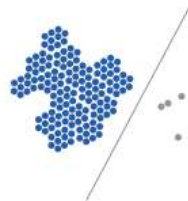
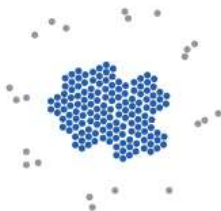


Three types of rural regions

Rural inside the functional urban area (FUA)<sup>1</sup>

Rural outside but in close proximity to the FUA<sup>2</sup>

Rural is remote from the FUA<sup>3</sup>



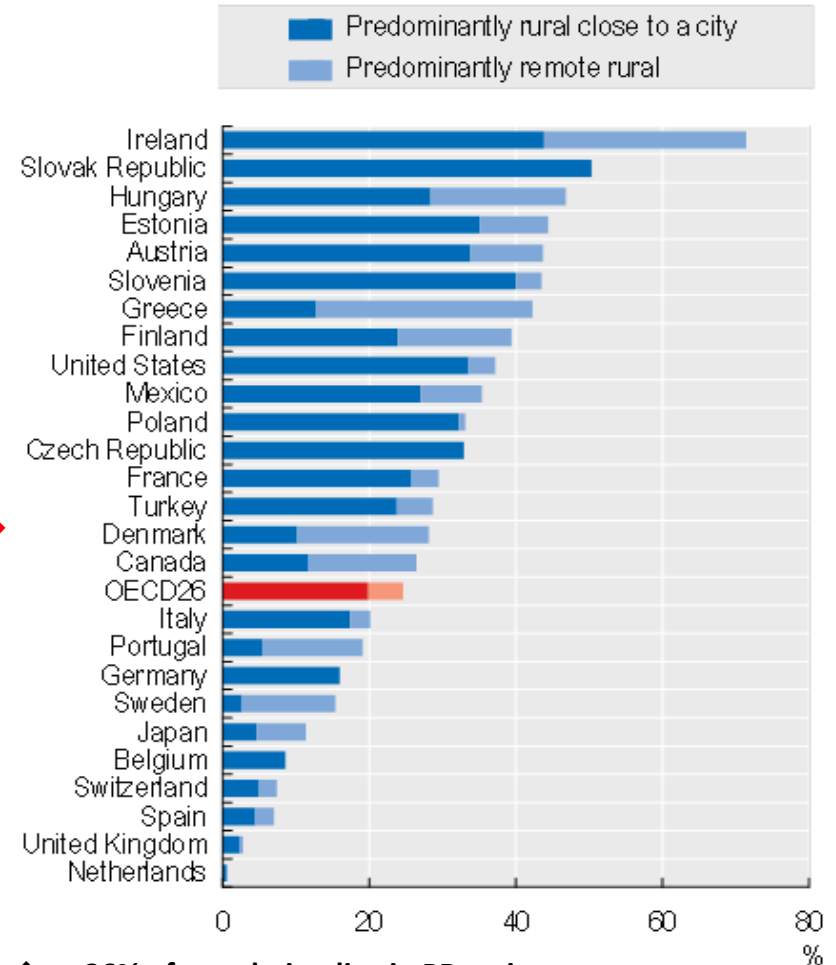
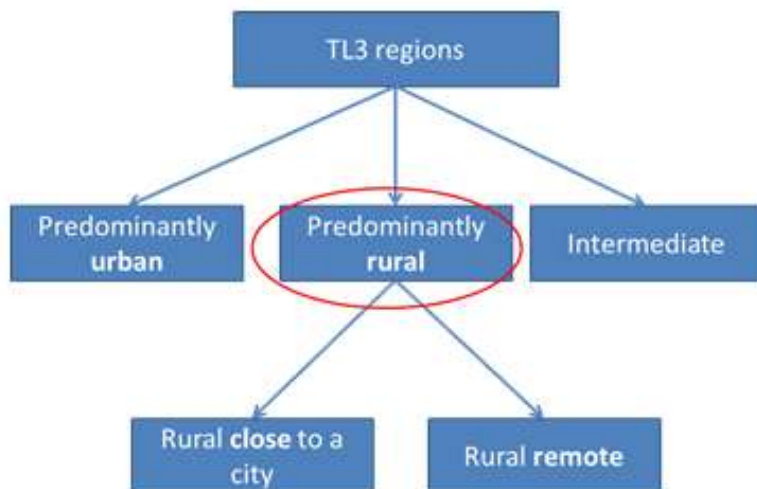
Challenges by type of rural region

Type	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>loss of rural identity</li> </ul>	<ul style="list-style-type: none"> <li>more stable future</li> <li>potential to capture benefits of urban areas 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>may be too far away for some firms, but too close for others</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>



# Urban and rural regions are increasingly integrated

## OECD regions typology



- ❖ 26% of population live in PR regions
- ❖ 20% in rural regions close to an urban area
- ❖ 6% in remote rural regions

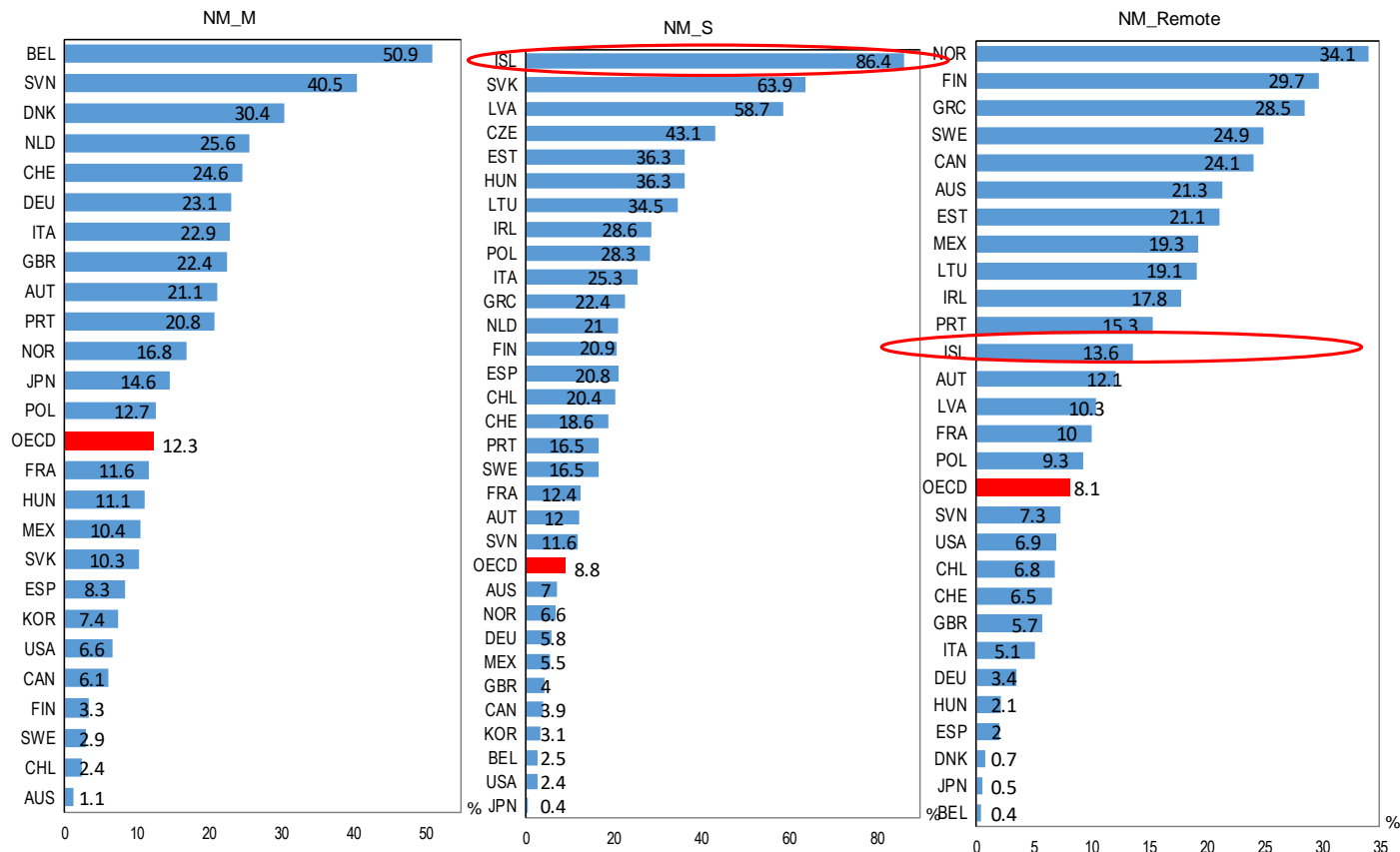
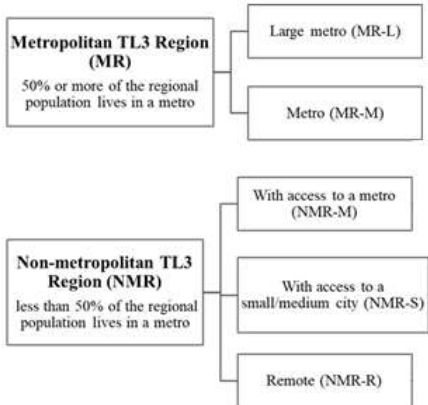


# Urban and rural regions are increasingly integrated

Low density economies in alternative typology outside metropolitan areas



- ❖ 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)





# Most OECD countries face an ageing and shrinking workforce in all types of rural regions ...

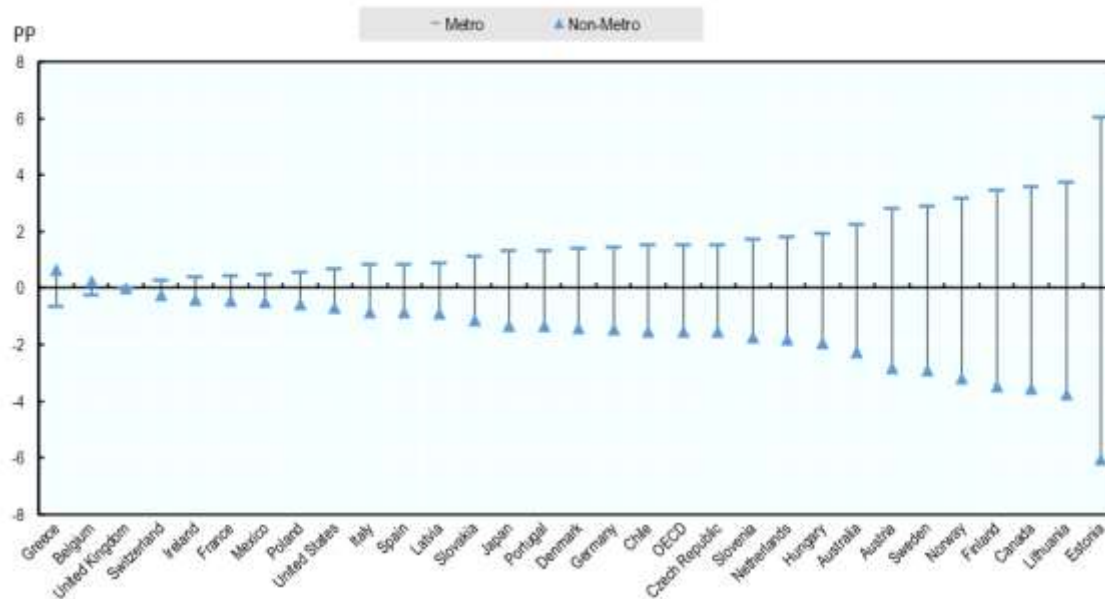
**Population growth in TL3 regions, 2001-2017**

	total change (thousands of people )	2001-2007	2007-2017	2001-2017
Metro Large	503 000	0.85%	0.81%	0.83%
Metro	347 000	0.57%	0.53%	0.54%
Non-Metro Close to Metro	145 000	0.33%	0.27%	0.29%
Non-Metro Close to S-M	105 000	0.37%	0.27%	0.31%
Non-Metro Remote	96 900	0.19%	0.35%	0.29%

Note: Latest data available: United States, Japan, New Zealand, Australia 2016, all other countries 2017.

Source: (OECD, 2019<sup>[4]</sup>) OECD Regional Statistics (database), <http://dx.doi.org/10.1787/region-data-en>.

**Population change by type of region, 2001-2017**





# Most OECD countries face an ageing and shrinking workforce in all types of rural regions ...

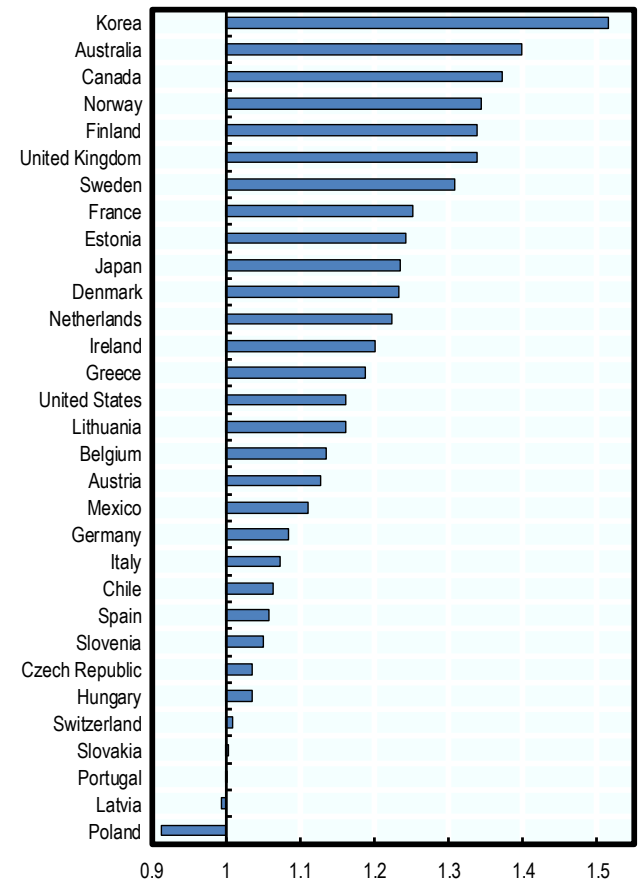
**Elderly dependency ratio trends across TL3 types of regions, 2002-2016**

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



*ageing pressures are more intense in non-metro regions*

**Elderly dependency ratio gap between Non-Metropolitan and Metropolitan regions, 2017**





# Ageing pressures are a challenge for a number of OECD regions

## TL3 regions with the highest elderly dependency ratios, 2017

Population aged 65 and over as a percentage of the population aged 15-64

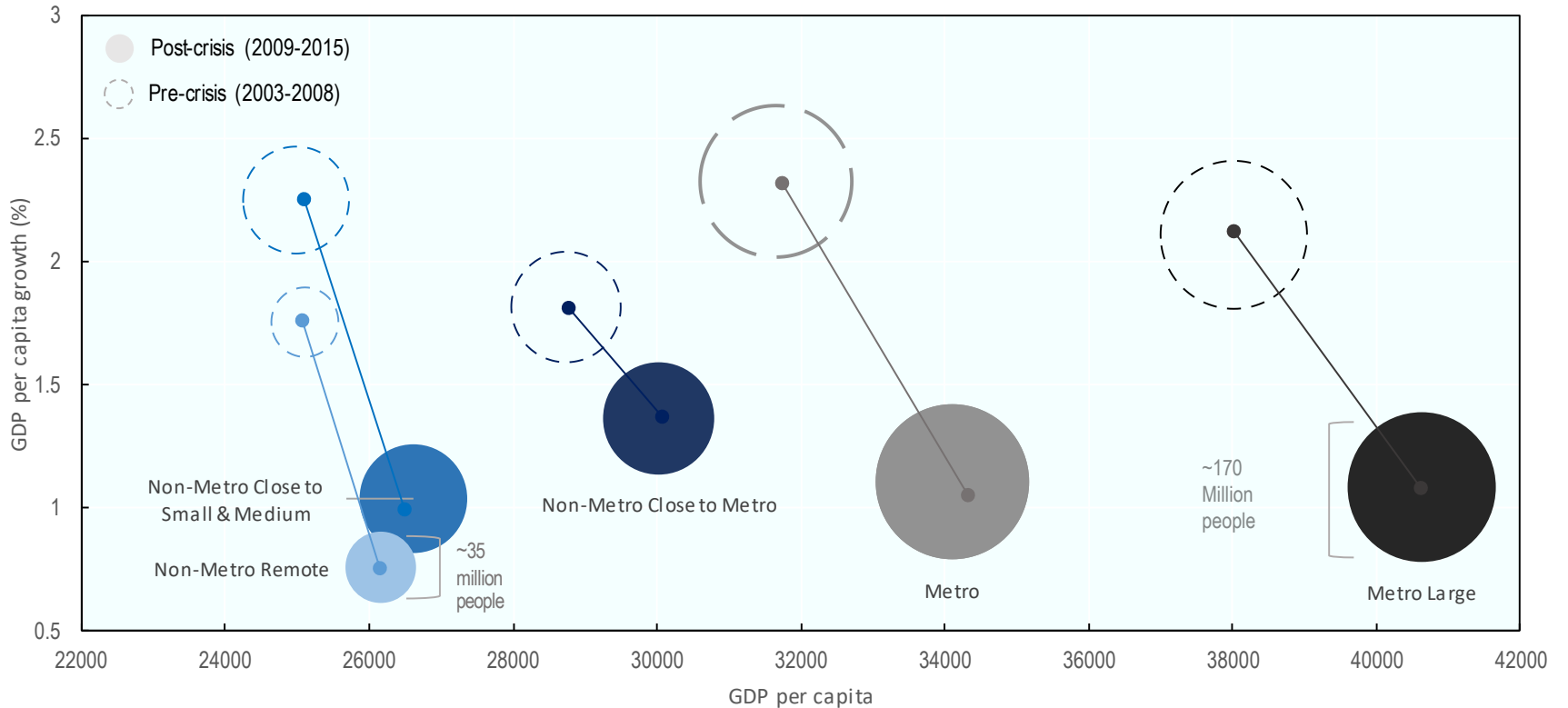
Region	DR	Region	DR	Region	DR	Region	DR
EL643	67.0%	JPB03	56.3%	JPE15	55.0%	JPH33	51.6%
JPB05	65.7%	JPB02	55.9%	DEG04	54.0%	FRC12	51.4%
JPI39	63.0%	JPE16	55.9%	FRI22	53.3%	EL541	51.3%
JPH32	62.0%	JPJ45	55.8%	JPJ43	53.3%	CA1304	51.3%
JPH35	61.0%	JPJ42	55.7%	ES113	52.9%	JPJ41	51.3%
CA3546	58.1%	US148	55.7%	DEE01	52.9%	UKK22	51.2%
CA1213	58.1%	BE258	55.6%	CA5907	52.9%	JPC19	51.0%
JPB06	57.8%	JPC20	55.5%	CA5929	52.7%	JPF21	50.8%
JPG30	57.7%	JPH31	55.3%	JPA01	52.7%	DEG0M	50.8%
JPI36	57.7%	JPI37	55.3%	JPG29	52.6%	UKH16	50.4%
JPI38	57.5%	JPJ46	55.2%	FRJ25	52.4%	FI1D1	50.4%
JPJ44	57.0%	CA3513	55.0%	JPE18	52.2%	DED44	50.2%
CA2411	56.4%	CA2435	55.0%	JPB07	52.1%	ES419	50.2%

*52 regions have elderly dependency ratios above 50% and in four regions (they are already above 60%.*





# Performance in GDP pc pre/post crisis



## Pre-crisis (2009)

- Metro L (121%)
- Metro (101%)
- NM\_M (89%)
- NM\_S (79%)
- R (78%)



falling behind



convergence

## Post (2015)

- Metro L (121%)
- Metro (100%)
- NM\_M (90%)
- NM\_S (78%)
- R (76%)



convergence

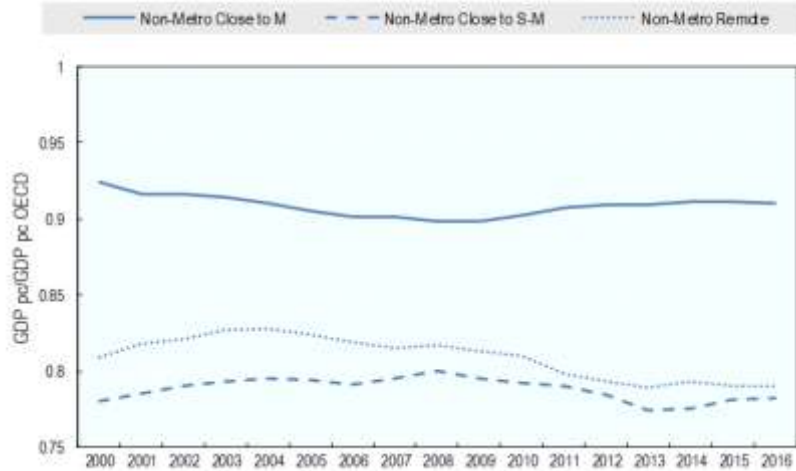


falling behind

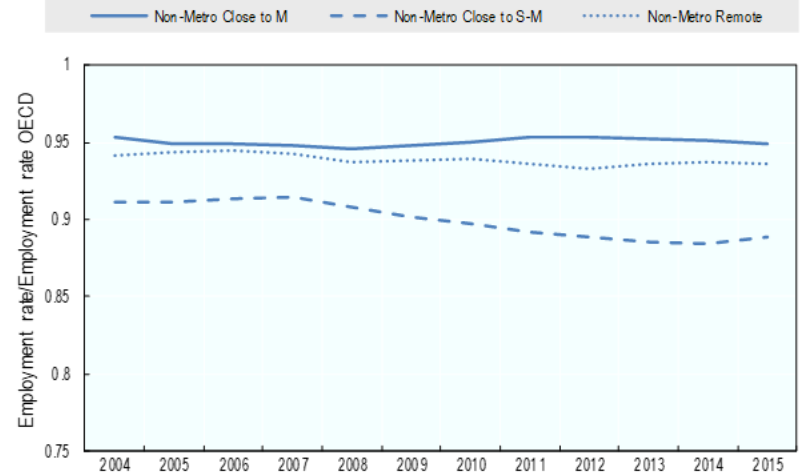


# Regions with close links to cities more robust to the effects of the global financial crisis...

GDP per capita gap by type of non-metropolitan region, 2000-2016

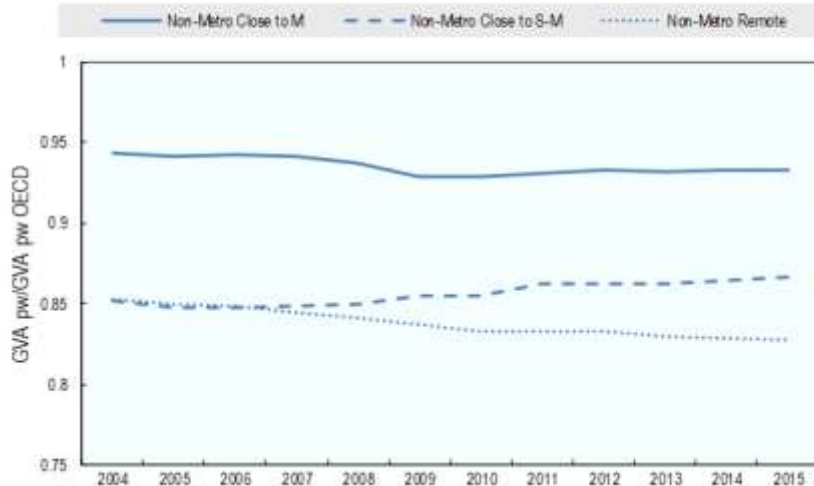


Employment rates

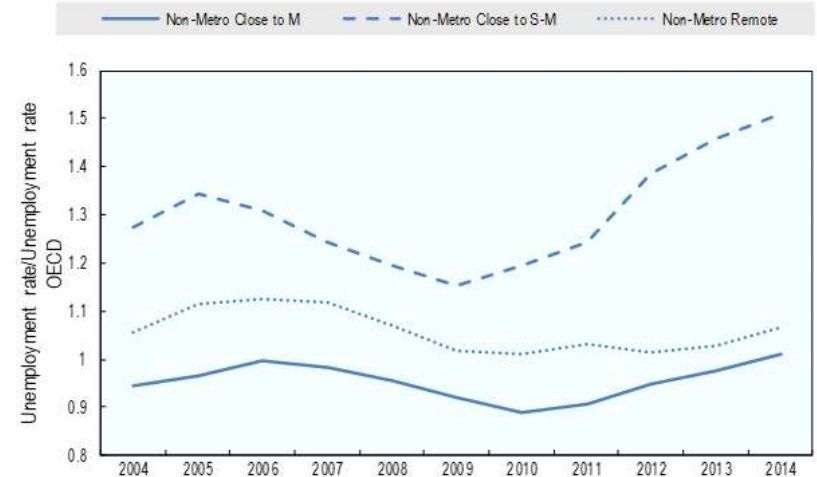


Productivity gap by type of region in 2004-2015, OECD

Productivity measured as GVA per worker



Unemployment rates

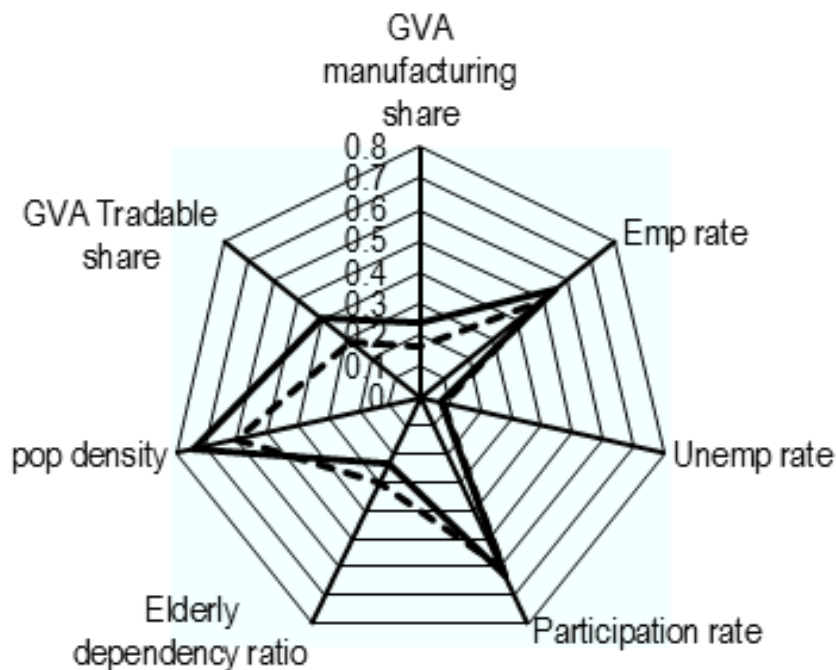




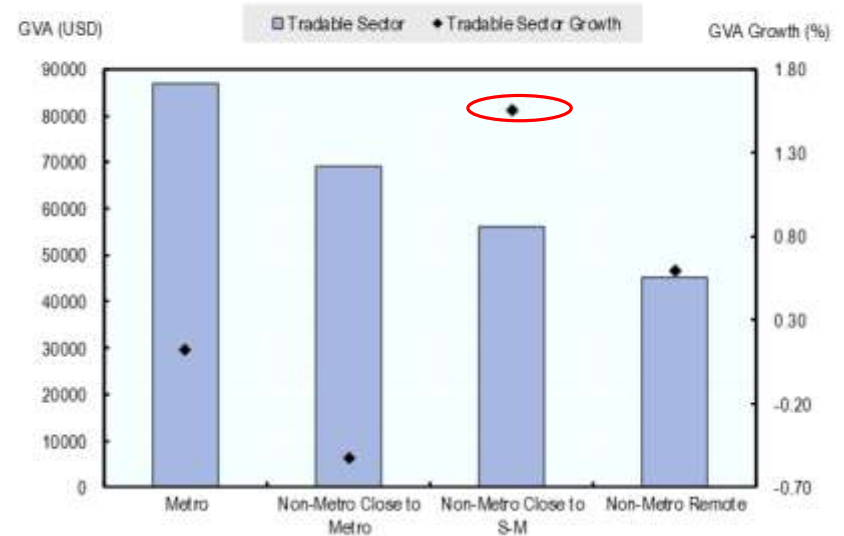
# What are the key drivers of productivity growth?

## Determinants of productivity growth before the crisis (2000-2008)

— PRC top  
- - - PRC bottom



## GVA by type of sector, 2001-2016

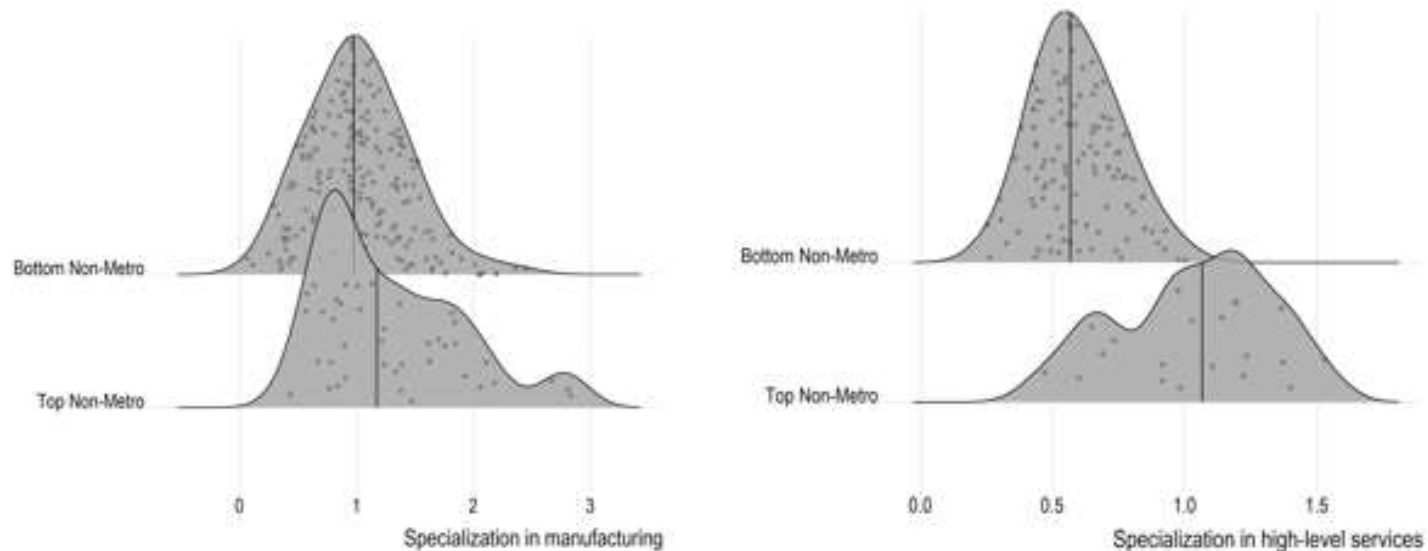


- **Tradable activities** are key for rural close to cities and remote rural
- A minimum level of **density** is key for economies of scale/scope and delivery of goods and services.



# Tradable activities both goods and services key for productivity growth

**Sector specialization by type of region and top and bottom non-metro regions, 2016**





# Summary findings

## OECD Rural Programme past 40 years

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### ❖ Quantitative studies

- OECD Regional Database
- New Rural Paradigm, performance of rural regions, linkages with cities
- Services, food security, mining, renewable energy, indigenous communities

### ❖ National Rural Policy Reviews across 12 OECD member and partner countries

- Peer Reviewers
- Knowledge Sharing Activities

### ❖ 21 Meetings on the Working Party on Rural Policy

- Shaping 11 OECD Programmes of Work and Budget
- 36 member countries sharing lesson on trends and policy responses

### ❖ 11 OECD Rural Development Conferences

- Involving international network of experts and policy makers
- Discussing frontier topics on rural development



# Summary of findings

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- 1. Places of opportunity:** One-fourth of the population and generate one-fifth of gross domestic product (GDP) across OECD countries. They contain the vast majority of the land, water and other natural resources in OECD countries.
- 2. Economic diversification:** Besides providing the vast majority of food, energy, and environmental services, rural places are also a growing source of manufacturing and service sector production.
- 3. Diversity of profiles, diversity of needs:** – location, resource endowment, demographic structure and proximity to cities are all factors that make up for this variability. This ought to translate into context-specific policy responses and place-based strategies to promote rural development.
- 4. Enabling productivity growth:** Tradable sector drives productivity growth, if built around diversification. Enable productivity growth by investing in skills, innovation, infrastructure, digitalisation and the business environment.
- 5. Smart specialisation is strategic for low-density economies:** Low-density economies cannot rely on the services sector as heavily as urban centres and cannot remain dependent upon primary activities with low value added either. Low-density economies can move up to higher value added activities by investing in their unique assets (absolute advantage).



# Summary of findings

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6. **Better together:** Rural and urban areas have mutual dependencies. Under a functional perspective, linkages have to be incorporated into spatial policies. It is call for greater collaboration between urban and rural areas in service delivery, public investment and management of public goods.
7. **Promoting bottom up approaches** Compensating lagging regions does not work, it creates dependency not development. Policy responses beyond “fixing” but rather working in partnerships with local and regional stakeholders
8. **Integrated policy approach:** A sectorial policy has better results when aligned with other sectors. Strong coordination mechanisms have to be in place in order to align sectorial policies, going beyond rural proofing.
9. **Institutions matter:** Efficient, effective and accountable local and regional institutions are needed to deliver place-based (Principles for Public Investment)
10. **Success is not a single number:** Success of rural areas must consider economic competitiveness, well-being of citizens and environmental sustainability. Multidimensional regional indicators are best apt to this task.
11. **Meet you in the middle:** National and regional strategies and coordination can enable bottom-up initiatives. Local stakeholders – citizens, organised civil society, private sector and municipal governments – ought to have greater access to data and be engaged in monitoring and evaluation of rural policies.



# Outline

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1. Main trends and challenges regional policy
  - Global vs regional
  - Low density regions
- 2. Policy lessons regional development (back)**
  - **Evolving paradigm three waves**
  - **Taking stock of lessons regional, urban and rural policy**
3. Adapting policies and governance (forward)
  - Preparing for megatrends
  - No region gets left behind





# An Evolving Paradigm

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- **1<sup>st</sup> Wave**
  - From compensatory framework (imbalances) to Competitiveness and growth potential (endogenous)
  - Productivity growth
- **2<sup>nd</sup> Wave**
  - Putting well-being at the core
  - Complementarities and tradeoffs links with aggregate
- **3<sup>rd</sup> Wave**
  - Understanding functional links
  - What is right scale of intervention



# 1<sup>st</sup> Wave – From Redistribution to Competitiveness

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- **(1999- 2006)** -- Changing Regional Development Paradigm.
  - Building evidence (Regional Database, typology)
  - Territorial Reviews, Regions at a Glance
- First Ministerial discussion in Martigny, Switzerland ***Innovation and Effectiveness in Territorial Development Policy*** in 2003
- Avoiding top-down policies based on subsidies and artificial creation of economic poles disconnected from local assets.
  - Focus to leverage regional opportunities
  - Focus on multi-sectoral approaches and multi-level governance.
  - Rural Development Conferences (2002)
  - New Rural Paradigm (2006)



# 1<sup>st</sup> Wave -- Paradigm Shift

	Traditional Regional Policies	New Paradigm
<b>Objectives</b>	Balancing economic performances by temporary compensating for disparities	Tapping under-utilised regional potential for competitiveness
<b>Strategies</b>	Sectoral approach	Integrated development projects
<b>Tools</b>	Subsidies and state aid	Soft and hard infrastructures
<b>Actors</b>	Central government	Different levels of government
<b>Unit of analysis</b>	Administrative regions	Functional regions
	Redistributing from leading to lagging regions	Building competitive regions to bring together actors and targeting key local assets



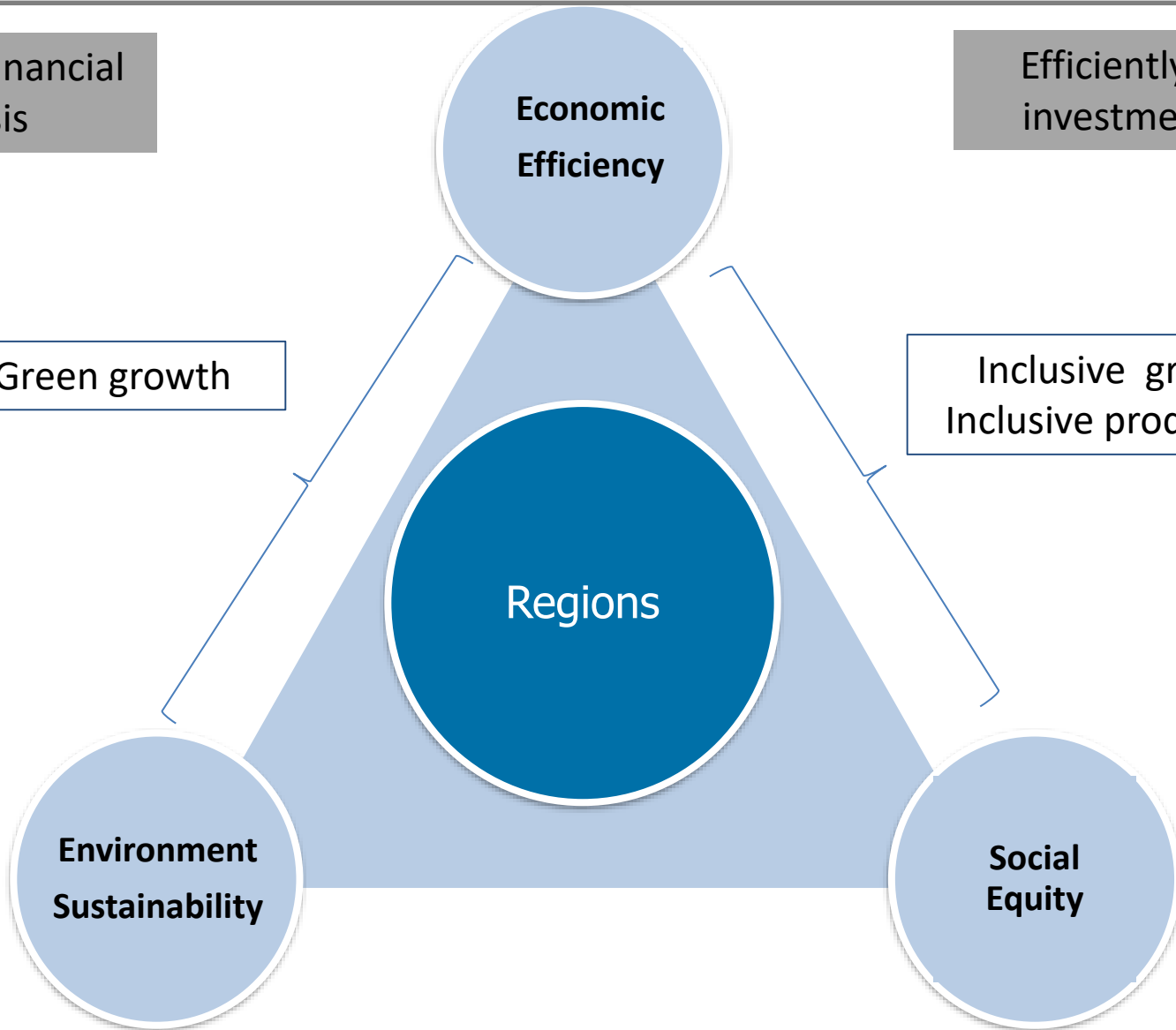
# 2nd Wave – Strengthening regional performance for national resilience

Global Financial  
Crisis

Efficiently of  
investments

Green growth

Inclusive growth,  
Inclusive productivity





# 2<sup>nd</sup> Wave – Strengthening regional performance for national resilience

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- **(2007-2012)** – How to make resources more effective
- OECD Recommendation ***Effective Public Investment across Levels of Government***
- Mainstreaming regional development
  - National performance derived from sum of regions and
  - Regional development a tool for national prosperity (ECO, ENV, DAF)
- New areas of focus:
  - Innovation/entrepreneurship, climate change, skills, and demographic change
- Focus on integrated multi-sector and place-based policies (RP is a policy of policies) to exploit competitive advantage and core economic strengths
- Second Ministerial Meeting (2009) at OECD, chaired by Finland, **“Investing for Growth: Building Innovative Regions”**



# 3rd Wave – Putting Regions and Cities at Centre of Inclusive Growth

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- **(2012-2018)** – Wellbeing and Inclusive Growth
- Sustained inequalities put wellbeing into policy agenda
  - Inclusive growth (synergies between urban and rural)
  - Development OECD How's Life in your Region
  - Launch of Champion Mayors for Inclusive growth as part of the OECD inclusive growth initiative
- Targeting people more effective “at the appropriate scale”
  - Functional Urban Area and Metropolitan Database
  - Links between governance and productivity
- Ministerial Meeting (2013) in Marseille, ***Regions and Cities: where Policies and People Meet***
  - Target geography of policy implementation and improving rural-urban linkages
- 2017 For the first time introduced regional issues at MCM
- 2017 World Observatory on Subnational Government Finance and Investment.



# Regional Outlook Reflects this Evolving Paradigm

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- **2012 : Building Resilient Regions for Stronger Economies**
  - Regional policy is part of structural package
- **2014: Regions and Cities Where Policies and People Meet**
  - Matching policies to the right geographical scale FUA
- **2016: Productive Regions for Inclusive Societies**
  - Opportunities in low density economies
- **2019 Leveraging Megatrends in Cities and Rural Areas**
  - Regional policies and future challenges and opportunities



# Taking Stock of Main Policy Lessons

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## Compensating lagging regions does not work:

- Creates dependency, not development
- Richer regions may become reluctant to support lagging regions

## OECD promotes ‘place-based’ policies focusing on:

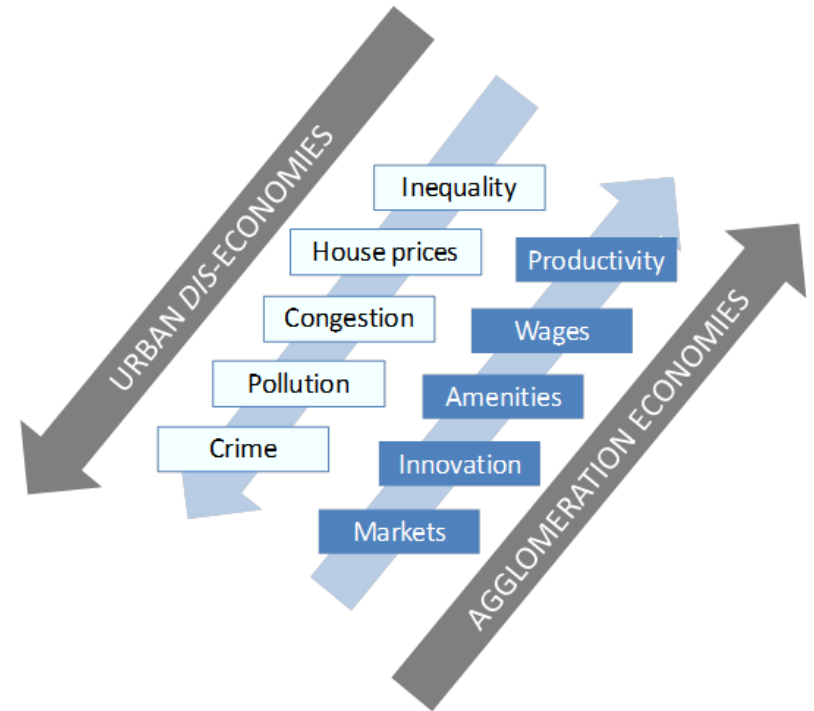
- Use of regional **specific assets** (or create absolute advantages to stimulate competition and experimentation across regions)
- Create **complementarities among sectoral policies** at the regional (or local) level
- Use of **multi-level governance mechanisms** for aligning objectives and implementation.





# National Urban Policy Framework

- The complex urban structure and strong presence of a large number of cities suggests that cities are **hubs for job creation, innovation, and economic growth**:
- But many **policy challenges**: congestion, high levels of pollution, social inclusion problems, etc.



- **Three key policy domains of integration :**
  - ❖ Housing, mobility and spatial planning
- **Integrating policies at functional scale**
- **Metropolitan governance is key**



# An Evolving OECD Rural Paradigm

## Rural Policy 3.0

	Old Paradigm	New Rural Paradigm (2006)	Rural Policy 3.0 – Implementing the New Rural Paradigm
Objectives	Equalisation	Competitiveness	Well-being considering multiple dimensions of: i) the economy, ii) society and iii) the environment
Policy focus	Support for a single dominant resource sector	Support for multiple sectors based on their competitiveness	Low-density economies differentiated by type of rural area
Tools	Subsidies for firms	Investments in qualified firms and communities	Integrated rural development approach – spectrum of support to public sector, firms and third sector
Key actors & stakeholders	Farm organisations and national governments	All levels of government and all relevant departments plus local stakeholders	Involvement of: i) public sector – multi-level governance, ii) private sector – for-profit firms and social enterprise, and iii) third sector – non-governmental organisations and civil society
Policy approach	Uniformly applied top down policy	Bottom-up policy, local strategies	Integrated approach with multiple policy domains
Rural definition	Not urban	Rural as a variety of distinct types of place	Three types of rural: i) within a functional urban area, ii) close to a functional urban area, and iii) far from a functional urban area



# Rural Policy 3.0

## People Centred Rural Policy

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1. Building effective and sustainable rural-urban partnerships: a strategy
2. Adding more value in tradable activities
3. Forward looking and embrace innovation
4. Innovation and strategic planning for services
5. Integrating national rural policies: isolated sectoral action may have unintended outcomes.
6. Implementing national rural policies, bottom up

### **3 actors:**

- Public
- Private
- Civil



### **3 objectives:**

- Economy
- Social
- Environment



### **3 types of rural:**

- Inside FUA
- Close
- Remote



# Outline

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## 1. Regional development policy (back)

- Main challenges in OECD countries
- Evolving paradigm Regional Development Policy
- Main lessons regional, urban and rural policy

## 2. Adapting policies and governance (forward)

- Preparing for megatrends
- No region gets left behind

## 3. Lessons and questions for Sweden

- Based on recent OECD studies



# The Way Forward: Fourth Wave?





# 4th OECD Ministerial

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- Addressing Megatrends of (future oriented policy)
- Inequalities not a by-product of spatial development dynamics
  - Persistent and sustained gaps not sustainable
  - Addressing regional inequalities and balanced development
- Regional Policies contributing to global agendas
  - SDG's (two thirds require cities and regions)



# Economies, Societies, Environment and Jobs changing in profound ways

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1. Globalisation
2. Rapid technological innovation
3. Digitalisation
4. Demographic change
  - Migration and population ageing
5. Ongoing urbanisation
  - Growth of megacities
6. Environmental challenges
  - Climate change, clean air, clean water and resource scarcity

**6 Megatrends**



# Megatrends bring Opportunities and Challenges for Wellbeing, Productivity and Jobs

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- Cities well placed to make the most of changes (globalization and technological change)
  - Benefits of agglomeration for productivity and innovation
- Rural areas can also benefit due to their resources for sustainable development
  - New and emerging technologies transform how they access markets and services, innovation and produce energy and goods
- Megatrends also generate uncertainty and potentially trade-offs between economic, social and environmental objectives
  - **Automation** with differentiated impact (14% at risk but 4%-40%)
  - Global distribution of production and **digitalisation** helped improve average living standards by not all places have benefited the same





# Megatrends bring Opportunities and Challenges for Wellbeing, Productivity and Jobs

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- Inequality challenges remain in both urban and rural
  - High rates of inequality in cities (pockets of concentrated deprivation)
  - Remote rural have struggled with less diversified economic base, distant cost, demographic challenges and lower services
- Increasing economic disparities may contribute to social and political divides
  - Difficult to address with spatially blind policies, place sensitive policies recognize differential impact on different places, in light of differences in social capital, identify and institutional organization
  - Policy will play a crucial role in determining whether megatrends will expand geography of opportunity or geography of discontent



# Policy Consideration

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- Support **long term strategic planning** and foresight activities that account for demographic change, environmental challenges, climate change and other megatrends
- Prepare workers and jobseekers for the **jobs of the future**
  - Appropriate training and education opportunities adapted to local and regional needs
  - Expanding life-long learning opportunities
  - Support schemes for workers in transition
- Leverage **big data analytics**, the internet of things, civic technology, virtual reality, artificial intelligence and innovations in service delivery to improve quality and access:
  - Rural remote
  - Distressed urban areas



# Policy Consideration

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- Connect all places to global economy by promoting the **digitalisation** of the economy
  - Address divides in access to digital infrastructure and skills gap for workers entrepreneurs and SMEs
  - Link cities with rural areas to support sharing of knowledge, innovation, resources and amenities and valorizing regional diversity
- Ensure **balanced development** across territories through integrated investments at the relevant territorial scale
- Develop **adaptive governance systems** that can respond to different capacities, improve functional of decentralization, governance and mobilise public engagement



# 4<sup>th</sup> Ministerial: Megatrends: Building Better Futures for Regions, Cities and Rural Areas

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- Declaration on **Policies for Building Better Futures for Regions, Cities and Rural Areas:**
  - ❖ Supported/endorsed by 47 countries (OECD and partner countries)
  - ❖ Welcome OECD Principles as a key tool for designing implementing and monitoring policies
    - [OECD Principles on Rural Policy](#)
    - [OECD Principles on Urban Policy](#)



# Key consideration for the Arctic/Iceland

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- Low density economy with potential for increased industrial development
- Significant share of indigenous people
- Identification of programs and strategies to benefit people and communities.
- Alignment of local and regional development approaches with community aspirations and creating mechanisms to share benefits.

Linking indigenous  
Communities with Regional  
Development

Mining Regions and Cities Initiative



# OECD Principles on Rural Policy





# OECD Principles on Urban Policy





## OECD Principles on Rural Policy -- next steps

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- Launching Rural Principles at 12<sup>th</sup> OECD Rural Conference in Seoul, 24-26 September, 2019
- Endorsement with key institutions
- Dissemination
- <http://www.oecd.org/cfe/regional-policy/oecd-principles-rural-policies.htm>
- Implementation



thank you

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# Principle 1: Maximise the potential of all rural areas



- Leverage the **unique assets of each rural area** to adapt and respond to emerging mega-trends (digitalisation, globalisation and trade, climate change, population ageing, and urbanisation);
- **Adapt policy responses to different types of rural regions** including rural areas inside functional urban areas (cities and their commuting zones), rural areas close to cities and rural remote areas.



## Principle 2: Delivery policies at the right geographic scale



- Implement rural policies **at different scales** that match with **functional relationships** (e.g. local labour markets, food chains, environmental services and amenities) based on current and future needs;
- Ensure that there are **effective government mechanisms** at the relevant scale to realise rural policy objectives; and
- Encourage efficient and effective **provision of public services and infrastructure** (e.g., shared services, integrated service delivery, e-services) to maintain quality and accessibility, address market failures, and respond to emerging needs, especially in underserved rural communities.



## Principle 3: Support rural-urban interdependencies



- Leveraging spatial continuity and **functional relationships** between rural and urban areas to inform public investment and programme design; and
- Carrying out **joint strategies and fostering win-win rural-urban partnerships**, as appropriate, to promote an integrated development approach.



## Principle 4: Set a forward looking vision



- **Improving well-being** for rural dwellers across economic, social and environmental objectives;
- Ensuring **responsibilities and resources across levels of government** are clearly defined and effectively aligned with national targets and strategies, place-specific needs, and the SDG's;
- Ensuring rural policy objectives benefit from **foresight studies**, are **measurable at different scales** (administrative and functional) and **connect to policy levers**;
- Providing **access to data tools** such as geographic information databases, smart data and small area data and strengthening capacity building in order to help national and sub national governments involved in rural policy-making prepare for demographic change, climate change and the transition to a low-carbon economy, digitalisation and the next production revolution;
- Promoting **integrated spatial planning** that considers such factors as environmental quality, waste management, natural resources development, community attractiveness, climate change mitigation and adaptation and population ageing and out-migration.



# Principle 5: Leverage benefit from globalisation trade & digitalisation



- Creating an **enabling environment** for rural areas to identify and invest in their areas of **competitive advantage** such as tradeable activities and adding value to rural assets;
- Investing in **digital connectivity** to enable the use of next generation technologies in rural areas such as cloud computing, artificial intelligence, the internet of things, and blockchain technologies among others; and
- Facilitating the **decentralisation of production** (e.g. renewable energy and 3D manufacturing) through supportive policies and regulations;



## Principle 6: Support entrepreneurship and job creation



- **Enhancing technological innovation and diffusion** to overcome the barriers of physical distance and lower density such as higher transportation costs and thin labour markets present in rural areas;
- Promoting **innovation and value-added activities** in established (e.g., agricultural and industrial production, logistics) and emerging (e.g., bio-economy, renewable energy, biotechnology, tourism) sectors;
- Supporting the **integration of local SMEs into global value chains** and the scope for diversification of rural economies through investments in entrepreneurial skills, infrastructure, and cluster initiatives;
- Supporting **entrepreneurs and SMEs in rural areas** to access capital (e.g., through finance support schemes, lending to microbusinesses);
- Connecting rural people & firms **with lifelong educational training, skills upgrading** in universities, research centres, manufacturing extension centres, ag. advisory services & vocational institutions.



# Principle 7: Align strategies to deliver public services



- **Assessing the impact of key sectoral policies** (e.g., transportation, health, education) on rural areas and diagnosing where adaptations for rural areas are required (e.g., rural proofing);
- Recognising where **policies and regulations create additional barriers** to the provision of public services in smaller places and responding with innovative solutions;
- **Incentivising innovative practices** such as flexible models of service delivery and leveraging advances in digital technologies to deliver e-services (e.g., e-health and remote education); and
- Developing **smart rural villages and towns** by promoting digitalisation complemented by training for public sector personnel and residents to navigate and use e-services.





## Principle 8: Strengthen social, economic, ecological and cultural resilience



- Ensuring the **sustainable management** of natural capital, land-use and enabling the creation of value from ecosystem services (e.g., flood protection services, increasing biodiversity on agricultural lands);
- Supporting a **comprehensive approach to climate change adaptation and mitigation** for rural areas (e.g., food production, soil management, water use), and developing robust systems for disaster response and recovery;
- **Decarbonising the energy sector** by taking advantage of renewable energy opportunities and supporting the shift to a circular economy (e.g. bio-waste, sustainable mining practices);
- Valuing, promoting, and preserving **tradition, heritage and cultural** assets;
- Ensuring that rural areas have **institutional capacity, good governance** and funding to fulfil their roles and deliver high quality of life for residents, from youth to seniors.



# Principle 9: Adopt a whole of government approach



- Engage with **all sectors and levels of government** to integrate national policies that improve the well-being of rural areas;
- Identify and address the **barriers to policy coherence** across ministries, public agencies and levels of government; and
- Set **incentives, regulations and coordination mechanisms** to mitigate conflicts, manage trade-offs (e.g., land use, mining, agriculture, energy and water); and
- Maximise **policy complementarities across sectoral strategies** through integrated and coordinated rural policies (e.g., coordinating transportation investments with health and education services).



# Principle 10: Promote inclusive development



- Engage a **diversity of stakeholder** voices, including those that are underrepresented and/or marginalised, in the policy process and empowering local and regional stakeholders to be partners in policy elaboration;
- Engage with the **private and not-for-profit sectors** and leveraging their expertise and resources to deliver better outcomes for rural areas; and
- Harness innovative mechanisms and digital technologies to develop **new ways of disseminating public information**, generating and using data, and consulting and engaging citizens in decision-making (e.g., participating budgeting, rural observatories).



# Principle 11: Monitor policy outcomes



- **Evaluating rural policy initiatives** and outcomes and communicating progress in meeting them in order to improve policy design and implementation;
- Developing **outcomes indicators** to assess & benchmark rural well-being through economic, social, environmental & other performance indicators;
- Providing **accessible data** that is easy-to use in order to help rural communities and stakeholders identify priorities and monitor progress;
- Exploring innovative methods of **data-collection** that address the challenges of confidentiality that are inevitably part of small-area analysis; and
- **Assessing the process and outcomes** of different steps of public engagement in order to learn, adjust and improve accordingly.

thank you

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