



# Rural Well-being:

## *Geography of Opportunities*

Jose Enrique Garcilazo, OECD

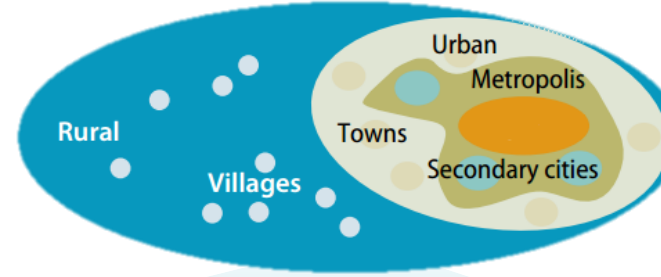
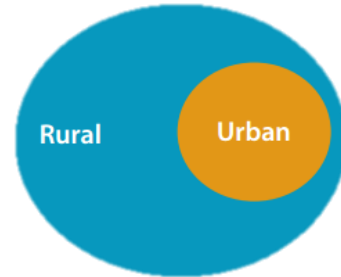
Building a Long Term Vision for Rural Areas  
13 October, European Week of Regions and Cities



# 1. Rural places are diverse and they each require a distinct approach

The simplified area economy

...and a more realistic representation



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



## Rural inside a functional urban area (FUA)

- Loss of control over the future
- Activities concentrate in the urban core
- Managing land value pressures
- Matching of skills

## Rural outside, but in close proximity to a FUA

- Conflicts between new residents and locals
- Avoiding sprawl
- Competition for land and landscape

## Rural remote

- Highly specialised economies subject to booms and busts
- Limited connectivity and large distances between settlements
- High per capita costs of services

## Challenges

- A more stable future
- Potential to capture urban benefits while avoiding the negatives

- Potential to attract high-income households seeking a high quality of life
- Relatively easy access to advanced services and urban culture
- Good access to transport

- Absolute advantage in production of natural resources-based outputs
- Attractive for firms that need access to an urban areas but not on a daily basis
- Can offer unique environments that can be attractive to firms and individuals

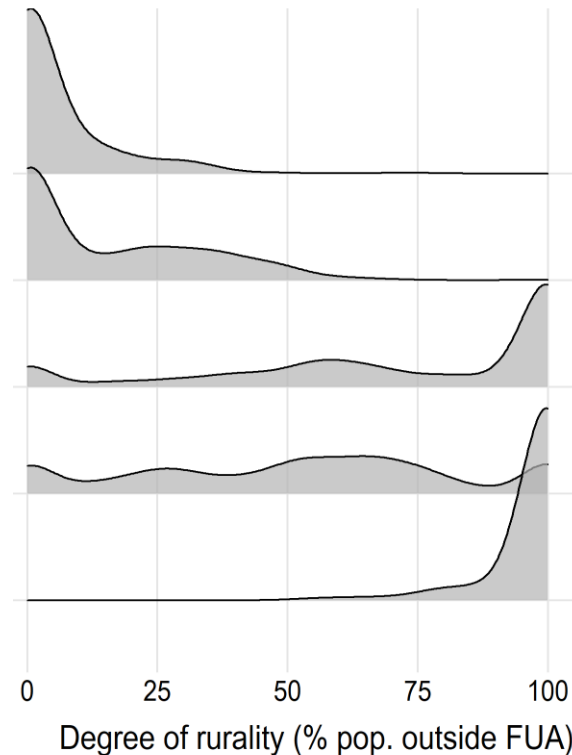
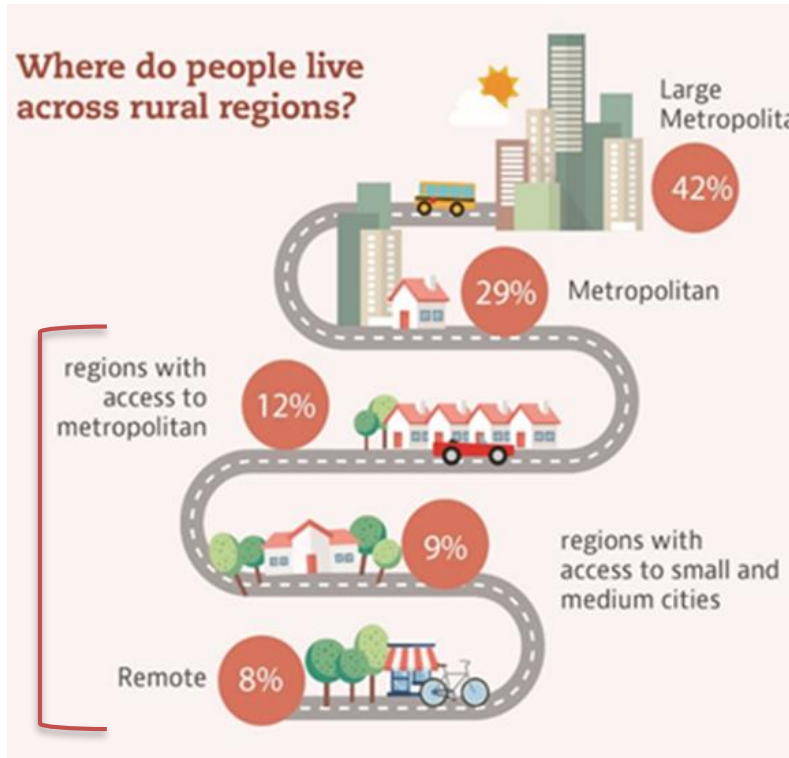
## Opportunities



## 2. Urban and rural places are strongly interdependent

### A typology of regions to emphasise linkages

- 29% of population live in rural regions (347 million)
- 21% in rural regions near cities (250 million)
- 8% in remote regions (97 million)



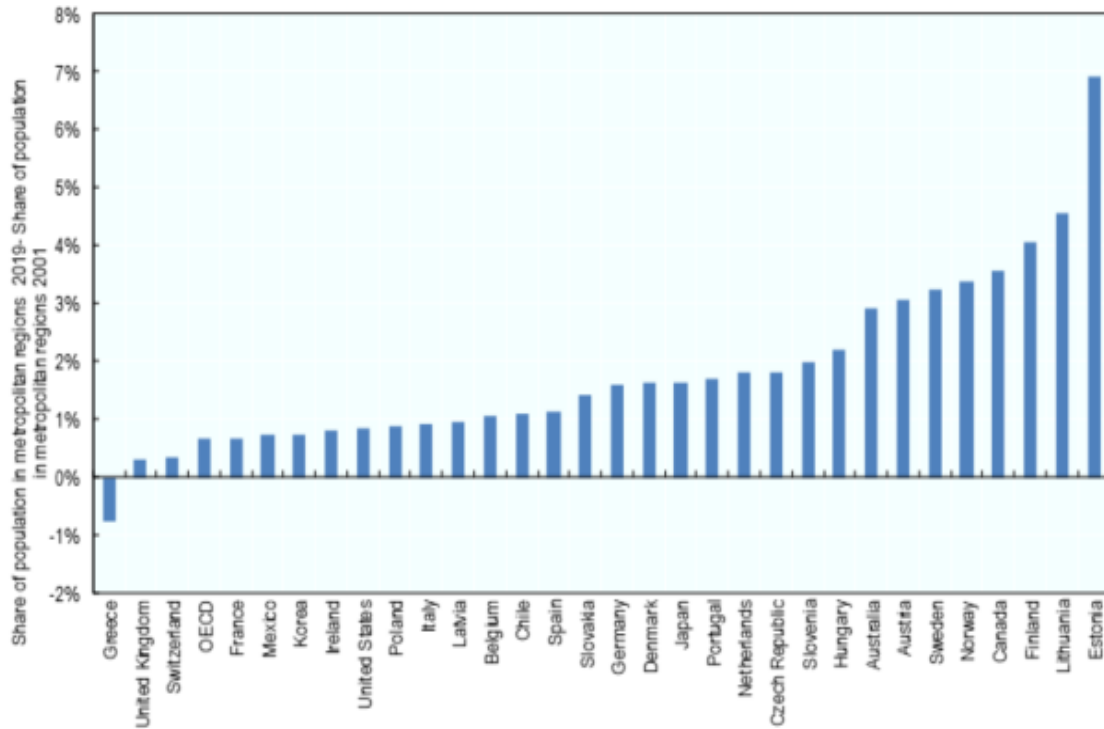
### *Many shades of rural*

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



### 3. Rural places face stronger demographic pressures

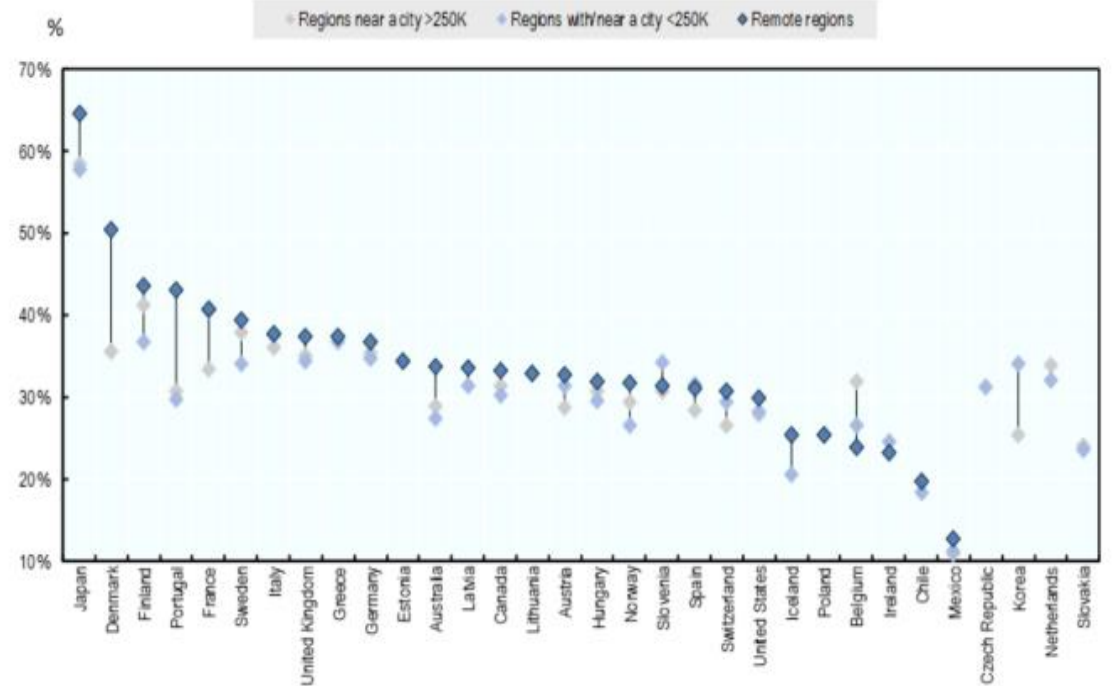
The share of population in metropolitan regions increased in the last two decades



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

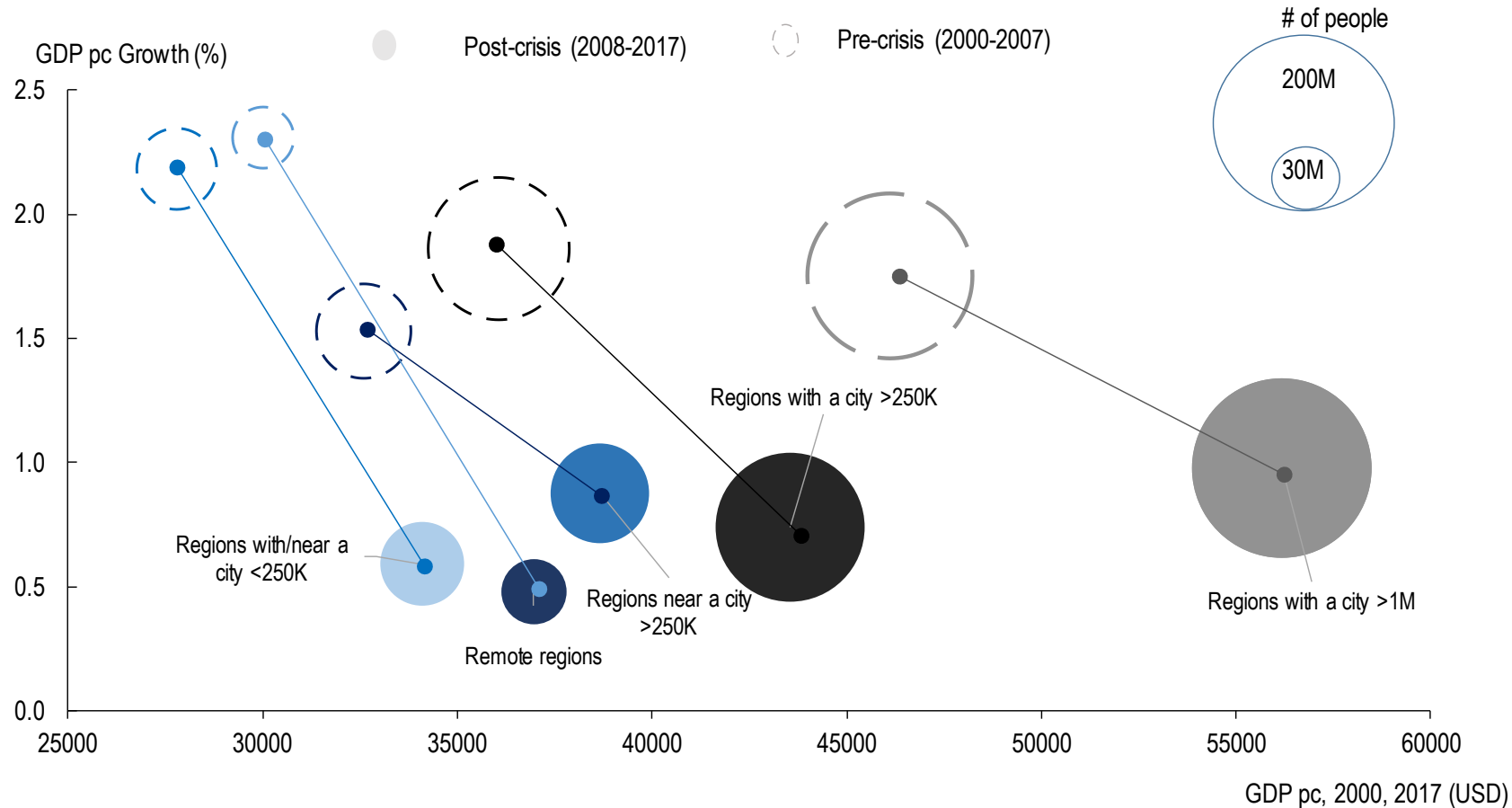
Share of +65 population with respect to working age population (15-64 years old), 2019



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. Rural-urban divides have grown since the global financial crisis



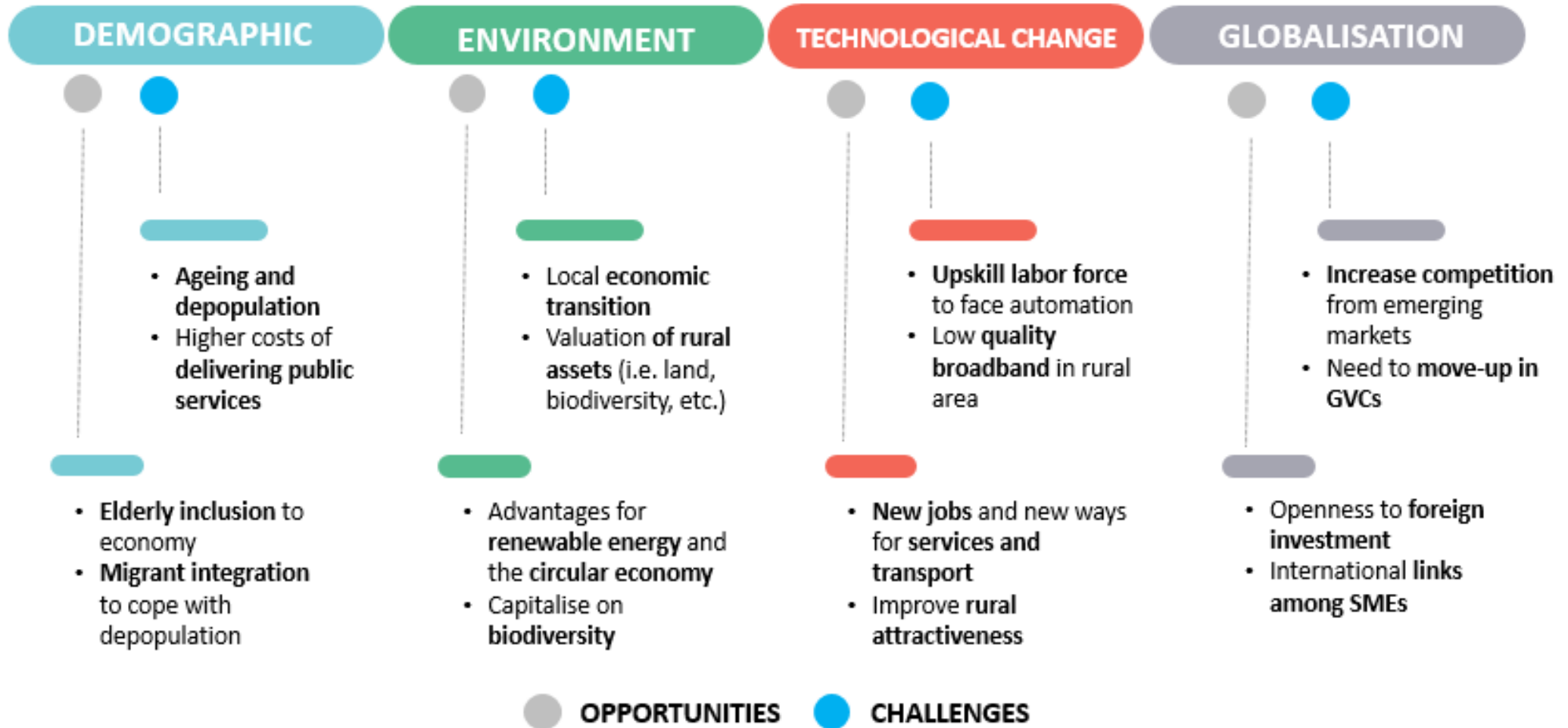
- **Prior to the 2008 crisis**, remote rural regions and those near a smaller city were **growing fastest** and catching up
- **Since the crisis**, their **growth, has fallen sharply**, contributing to growing **regional inequities**
- The crisis revealed the **higher vulnerability** of remote rural regions and those near a smaller city to economic shocks

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) OECD Regional Statistics (database), <http://dx.doi.org/10.1787/region-data-en>



## 5. Megatrends are shaping the context for rural places and opportunities

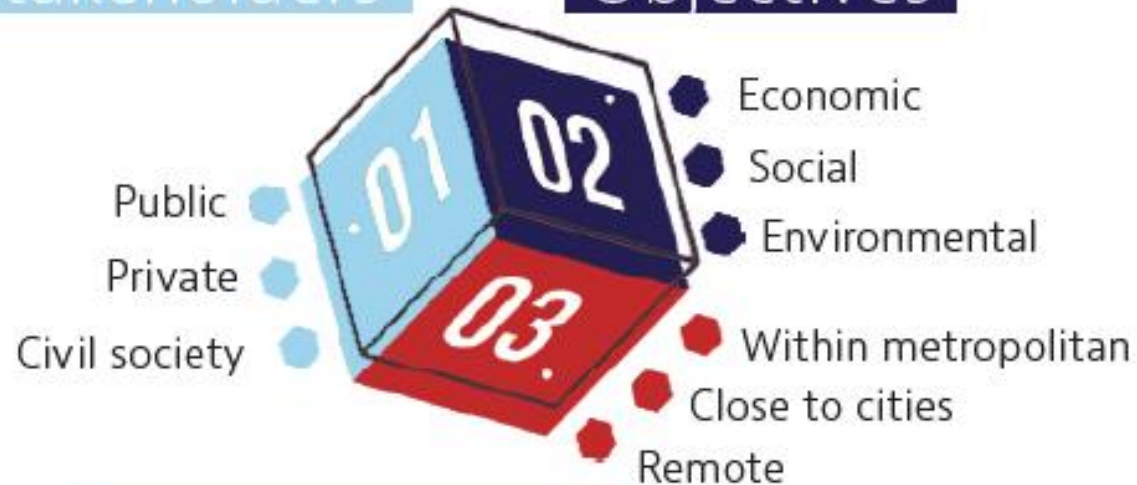




# The Rural Well-being Policy Framework

Stakeholders

Objectives



Rural regions

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



# The Framework identifies a number of **policy recommendations**



## ECONOMY

*Enhancing productivity and competitiveness*

- Deepening **smart specialisation** strategies and **promoting innovation**.
- Supporting **SME growth**
- Facilitating access to **sources of financing** for rural firms.
- Retaining **more value** in rural communities

- Enhancing the quality and availability of **digital tools** and skills
- Designing **resilient services** and providing **targeted mentoring initiatives**

- **Developing 'silver'** services to support the elderly population
- **Supporting social innovations** that target societal challenges
- Developing **targeted programmes for youth and newcomers**

## SOCIAL

*Planning to demographic change and social innovation*



## ENVIRONMENTAL

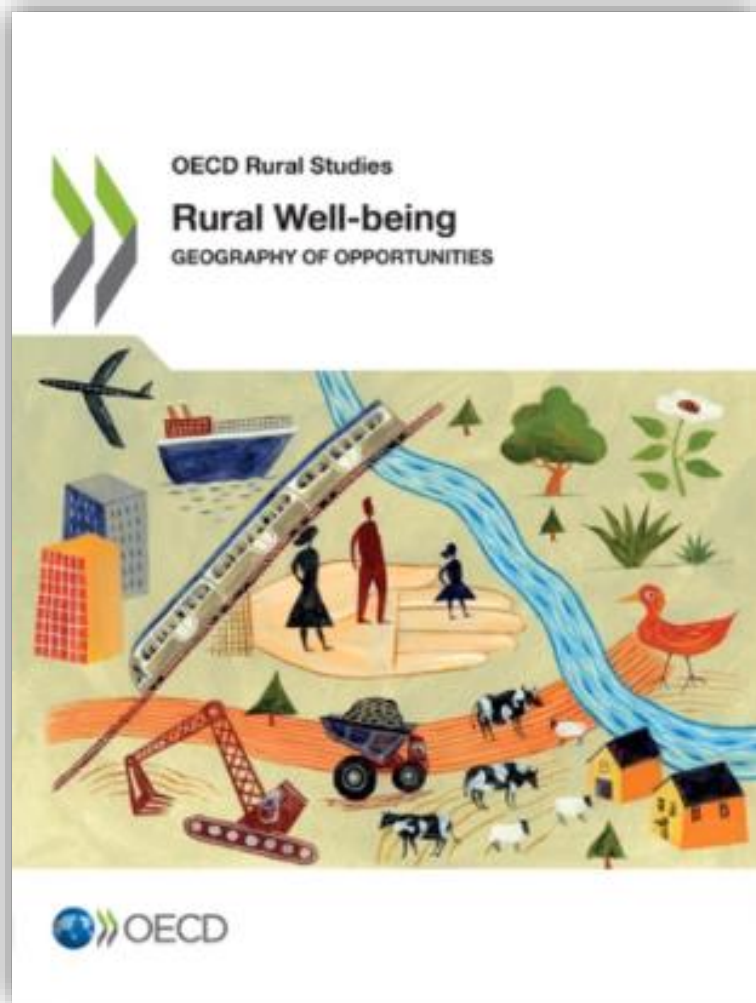
*Shifting to a low-carbon economy*

- Facilitating the **development of renewable energies**
- Identifying ways to account for and **create value from eco-system** services
- Promoting **sustainable land-use** a part of the circular and bio-economy.
- **Rethinking transportation** for rural dwellers





# Rural Well-being: Geography of Opportunities



The **Rural Well-being Policy Framework** provides guidance for:

- Delivering **improved well-being** for rural dwellers
- Understanding the **growth dynamics of low-density economies**
- Deploying a range of **policy instruments**
- Fostering a **multi-sectoral approach** that engages all stakeholders
- Delivering **integrated policies** that match the needs and circumstances of different rural economies
- Understanding the **spectrum of rural regions** ranging from those in an FUA to remote ones

Our full report, now available!  
Read our report at: <https://oe.cd./3fi>