

Applying the degree of urbanisation manual - The legal and policy framework

Statistics Explained

2. The legal and policy framework

This article forms part of an online methodological manual, [Applying the Degree of Urbanisation – A methodological manual to define cities, towns and rural areas for international comparisons: 2021 edition](#) .

Designing effective policies requires a good understanding of the socioeconomic conditions that exist in cities and in urban and rural areas, which in turn depends on building a solid base of knowledge about people, their activities, communities, well-being and their interaction with the environment. Reliable, timely and internationally comparable datasets for different urban and rural areas can only be produced on the basis of coherent and harmonised methodology that delineates cities, urban and rural areas in a consistent manner.

2030 Agenda for Sustainable Development

In 2015, the [United Nations \(UN\)](#) General Assembly adopted the [2030 Agenda for Sustainable Development](#) (UN (2015)). At the core of the agenda, there is a set of [17 sustainable development goals \(SDGs\)](#) , which provides a global policy framework for stimulating action until the year 2030 in areas of critical importance related to people, the planet, prosperity, peace and partnership. A global list of 232 indicators was developed to measure progress towards 169 targets across these 17 goals from the 2030 agenda. Cities, urban and rural areas play a crucial role for many policy areas underlying the SDGs such as eradicating poverty and hunger, housing, transport, infrastructure, land use or climate change. [Beyond SDG 11](#) – make cities and human settlements inclusive, safe, resilient and sustainable – which focuses explicitly on cities and communities, an estimated two thirds of the 169 targets can be measured and analysed for cities and urban and rural areas which can help shape sustainable development policies from the ground up and provide support to help reach the targets set in the 2030 agenda.

New Urban Agenda

Urbanisation is a phenomenon that impacts economies, societies, cultures and the environment. It is projected that 55 % of the world's population will be living in cities by 2050 (OECD and European Commission (2020)). Not only is there a growing level of interest in the rapid growth and shape of urban developments, but also in the linkages that exist between individual cities and between urban and rural areas. One particular area of policy interest is that of mega cities and large metropolitan areas that benefit from economies of agglomeration, industrial clustering and innovation, while at the same time facing significant challenges with respect to sustainable urban development (for example, congestion or environmental impacts).

A [United Nations Conference on Housing and Sustainable Urban Development \(Habitat III\)](#) in Quito, Ecuador, on 20 October 2016 adopted the [New Urban Agenda](#) ; it was subsequently endorsed by the United Nations General Assembly on 23 December 2016 (UN-Habitat (2017)). The [New Urban Agenda](#) seeks to provide a vision for a more sustainable future by promoting a new model of urban development, based on the premise that cities can be the

source of solutions to, rather than the cause of, many global challenges. It provides standards and principles for the planning, construction, development, management, and improvement of urban areas following five main pillars: national urban policies, urban legislation and regulations, urban planning and design, local economy and municipal finance, and local implementation.

Rural development policies

Rural areas are intrinsically important and fundamentally different from urban areas and thus (often) require a different set of interventions and policies that aim to improve the livelihood of their populations. Research and empirical evidence show that rural areas are characterised by: slow dynamics of farm productivity, widespread income inequality and volatility of agricultural income; considerable outward migration flows to urban areas that result in depopulation of rural areas; a lack of efficient physical, technological and information technology (IT) infrastructures; public and private services that are more costly to provide and more difficult to access than in urban areas (OECD (2020)).

Despite their importance, rural statistics on income and livelihoods are sparse and uncommon, mainly due to the fact that there is no consistent international definition of rural areas. Rural areas are usually defined based on national policy objectives; sometimes, as a residual, once urban areas are defined, or sometimes based on a combination of multiple criteria, for example, population size and density, the presence of agriculture, remoteness from urban areas and a lack of infrastructure and/or basic social services.

It is important to highlight that rural statistics are territorial in nature, in contrast to sectoral statistics that focus on a single activity. People in rural areas are typically engaged in several different economic activities beyond agriculture, fisheries and forestry, for example mining and quarrying, as well as in craft production. Some of the main challenges facing rural areas include: malnutrition, food insecurity, poverty, limited adequate health and education services, a lack of access to other basic infrastructure and the under-utilisation of labour.

In formulating a rural development policy, the [FAO](#) draws on issues identified in the *2030 Agenda for Sustainable Development*, while acknowledging that rural areas have particular characteristics that present unique challenges. These include, among others: the dispersion of rural populations; topographical features (terrain and landscapes) that may act as a barrier for the efficient provision of infrastructure; an (over) reliance on the agricultural sector; ensuring that natural resources and environmental quality are protected.

International statistics differentiating between urban and rural areas

The idea of differentiating between urban and rural areas for international statistics dates back several decades. In 1991, the European Union [labour force survey](#) introduced a variable to indicate the characteristics of the areas where respondents lived. However, its results had limited comparability internationally.

In 2012, the [OECD](#) together with the [European Commission](#) developed a new way to measure metropolitan areas (OECD (2012), later extended in [Dijkstra et al. \(2019\)](#)). It seeks to ensure that statistics on urban development are made more robust through the provision of an internationally recognised definition of cities and their commuting zones as functional economic units that may guide policymakers better in areas such as planning, infrastructure, transport, housing, education, culture and recreation.

The European Commission's [Directorate-General for Regional and Urban Policy \(DG REGIO\)](#) published *A harmonised definition of cities and rural areas: the new degree of urbanisation* ([Dijkstra and Poelman \(2014\)](#)). It describes the degree of urbanisation classification and distinguishes three different classes: cities, towns and suburbs, and rural areas (or densely, intermediate and thinly populated areas) that are based on information for population grids to provide more robust data (greater comparability and availability).

Prior to 2017, territorial typologies and their related methodologies within the [European Statistical System \(ESS\)](#) did not have any legal basis. On 12 December 2017, an amending Regulation (EU) 2017/2391 of the European Parliament and of the Council was adopted as regards territorial typologies (Tercet), followed on 18 January 2018 by a consolidated and amended version of Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS). The main

objectives of Tercet include: establishing a legal recognition of territorial typologies for the purpose of European statistics by laying down core definitions and statistical criteria; integrating territorial typologies into the NUTS Regulation so that specific types of territory may be referred to in thematic statistical regulations or policy initiatives, without the need to (re-)define terminology such as cities and urban or rural areas; ensuring methodological transparency and stability, by clearly promoting how to update the typologies.

As part of the Global Strategy to improve Agricultural and Rural Statistics (GSARS), the FAO published *Guidelines on defining rural areas and compiling indicators for development policy* (FAO (2018)). These guidelines provide a definition of which territories should be considered as rural and a more detailed breakdown of different types of rural places to promote like-for-like comparison internationally. The guidelines seek to provide information on concepts and methods to improve the quality, availability and use of rural statistics.

The [United Nations Statistics Division \(UNSD\)](#) plays a pivotal role in the coordination of the world population and housing census programme and, in 2017, the United Nations published *Principles and Recommendations for Population and Housing Censuses* (UN (2017)). In a similar vein, the *Conference of European Statisticians Recommendations for the 2020 Censuses of Population and Housing* was published by the United Nations Economic Commission for Europe (UNECE (2015)), providing a set of recommendations tailored specifically to the needs of European statisticians. Both documents provide guidance and assistance in the planning and execution of censuses and, among others, aim to facilitate improvements in the comparability of subnational data. Two different approaches are identified for the coding of housing or population units: the first is based on coding units to their lowest-level enumeration area, while the second is based on a coordinate or grid-based system. European countries were urged to adopt the use of grid data and identifiers for coordinate references so that the results of their next censuses could potentially provide a wide spectrum of spatial analyses.

External links

- Dijkstra, L. and H. Poelman (2014), ' [A harmonised definition of cities and rural areas: the new degree of urbanisation](#) ', *Regional Working Paper 2014, WP 01/2014* , European Commission Directorate-General for Regional and Urban Policy.
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- FAO (2018), [Guidelines on defining rural areas and compiling indicators for development policy](#) , Food and Agriculture Organization of the United Nations (FAO), Rome.
- ILO (2018), [Rural-urban labour statistics](#) , 20th International Conference of Labour Statisticians, International Labour Office, ICLS/20/2018/Room document 3/Rev. 3, Geneva.
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- UN (2015), [Transforming our World: the 2030 Agenda for Sustainable Development](#) , United Nations, General Assembly, A/RES/70/1, New York.

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