Cities and metropolitan areas in OECD countries

How can metropolitan governance help?

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Urban Development Network
Sustainable Urban Development in Italy
Rome, 12-13 June 2018
OUTLINE

• Introduction

• What does the OECD evidence say on cities & metropolitan areas?

• What is the status of metropolitan governance in OECD countries?

• Conclusion
Organisation for Economic Co-operation & Development (OECD): peer-to-peer policy learning among 35 member countries + 2 countries newly invited
A platform for policy dialogue between national governments...
The world is increasingly urbanising
(share of world population living in cities)

Metropolitan areas represent around half of the OECD area
(share of total GDP, employment and population)
The OECD supports cities through 3 main tools:
Administrative vs. functional boundaries: Functional Urban Areas (FUA)
OECD supports cities through 3 main tools:

**Data**

- Metropolitan Explorer
- Select Indicator

**Reports**

- Thematic analysis
- Cities
- Countries

**Policy networks**

- Mayors
- National governments

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Many metropolitan areas are fragmented.
Higher administrative fragmentation is associated with lower productivity.

Productivity falls by 6% when the number of municipalities doubles (for a given population size).

Higher administrative fragmentation is associated with stronger inequalities

Source: Brezzi, Boulant & Veneri (2016), "Income Levels And Inequality in Metropolitan Areas: A Comparative Approach in OECD Countries", OECD Regional Development Working Papers, 2016/06
Big metropolitan areas are more productive

Source: OECD (2015), *The Metropolitan Century: Understanding Urbanisation and Its Consequences*
Big metropolitan areas are more unequal

Figure 2.5. Metropolitan population and income inequality

Metropolitan size and inequality, once controlled for income levels and country effect, 2014 or latest available year

OECD (2016), *Making Cities Work for All: Data and Actions for Inclusive Growth*
“Big” is not the only solution

Metropolitan governance
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Metropolitan governance is widespread in OECD countries

- About **2/3** of OECD metropolitan areas have a metropolitan governance body.
- Most of them work on **spatial planning, transport and economic development**.

Source: OECD Metropolitan Governance Survey
A wide variety of metropolitan governance in OECD countries: a few selected examples
Examples of OECD recommendations for two metropolitan areas in Italy: Milan (2006) and Venice (2010)

- **Innovation**: Bolster regional innovation dynamics and generate spillovers at the national level
- **Transport**: Improve mobility of goods and people across the metropolitan region by reforming the governance of transport
  - **Metropolitan vision**: Build an intergovernmental co-ordination body to move towards a metropolitan “Milan community”
- **Labour market**: Develop innovation and labour market inclusion, improve workers’ skills, expand innovation capacity and reinforce the entrepreneurialism of small- and medium-sized enterprises (SMEs)
- **Mobility**: Improve mobility and interconnectivity between Padua, Venice and Treviso, build a metropolitan transport network, reduce urban sprawl, and foster inter-firm linkages across the city-region
- **Environment**: Recognise and integrate environmental concerns into policy making
  - **Metropolitan governance**: Incorporate a metropolitan vision of governance and adopt a metropolitan spatial vision
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FACTS:
• Cities can **drive** national growth and improve people’s life opportunities, but they can also **leave many behind**.
• The way cities are **governed** has an impact on their economic performance and their level of inclusion.

LESSONS:
• While there is no single model for success, **aligning policy objectives** across city/metropolitan/regional/national/(supra-national) levels of government can help target public resources more effectively.
• Metropolitan governance needs to **add value** – rather than more complexity!