



# URBAN-RURAL LINKAGES: NEW PERSPECTIVES FROM THE COVID-19 CRISIS

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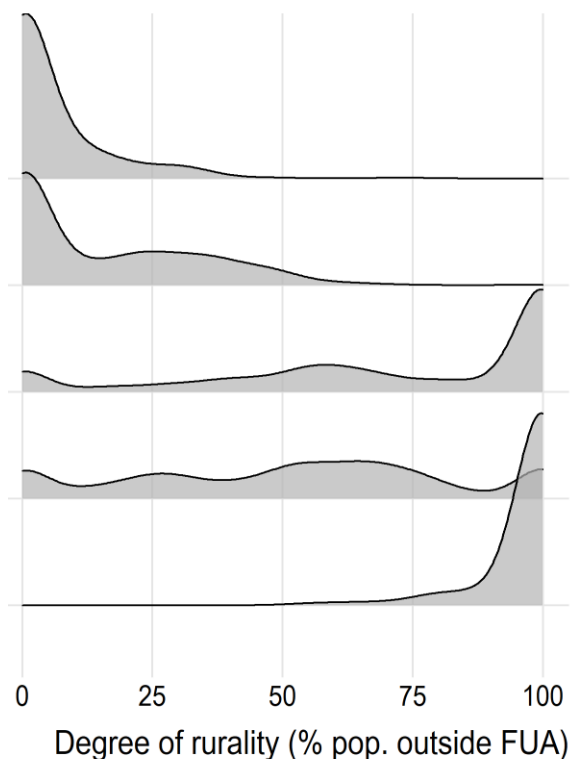
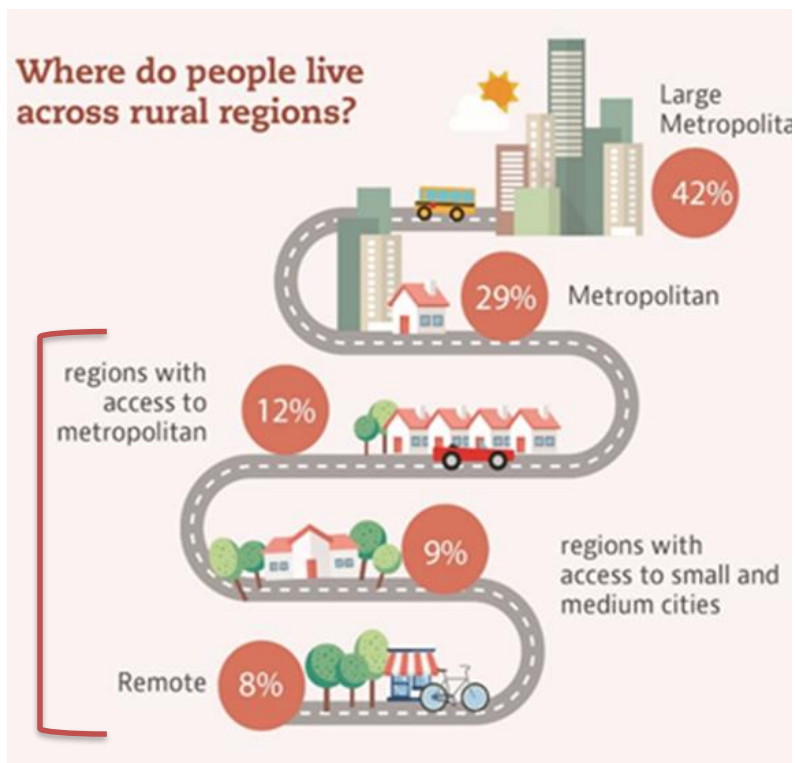


# Urban and rural places are strongly interdependent, which requires a regional/ functional approach.

## 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

Moving beyond urban-rural dichotomy to avoid silo approaches.



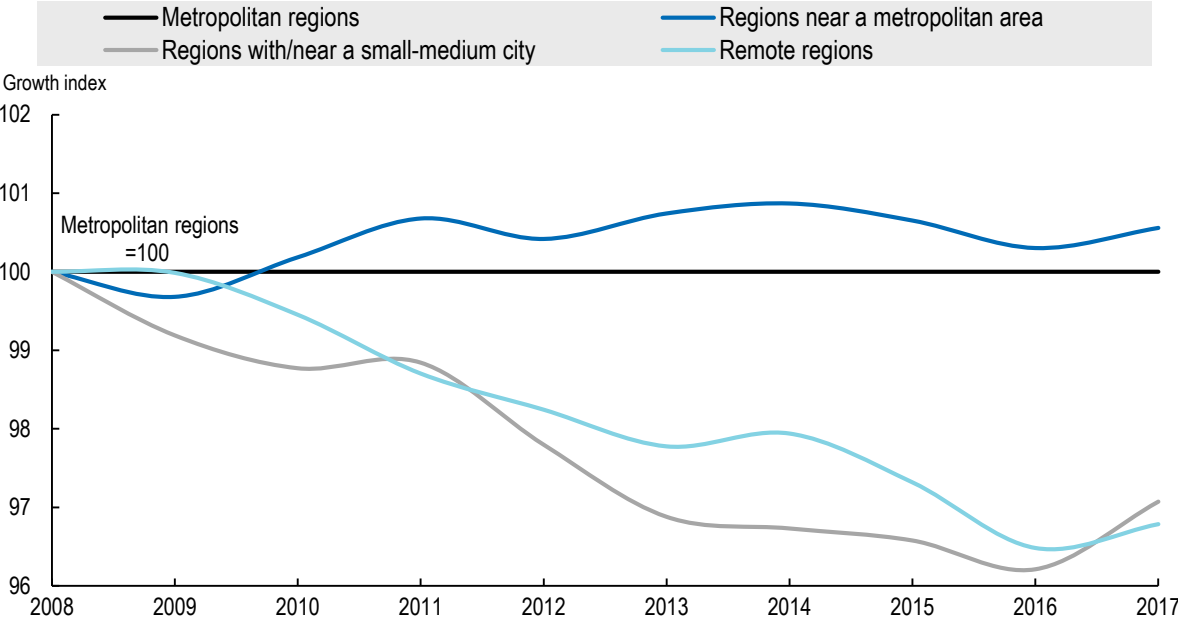
# Urban-rural linkages take different forms

Type of rural-urban linkage	Subtype	Challenges
Demographic linkages	Migration	Dealing with the demographic decline of remote areas
	Enlargement of commuting space and peripheral zones	Coping with the decline of old urban centres Developing better connections
Economic transactions and innovation activity	Productive relations	Boosting activities with a high territorial multiplier
	Knowledge diffusion and innovation links	Boosting competitiveness in remote areas
Delivery of public services	Public service (education, health, waste, etc.)	Ensuring access to basic services and combatting depopulation in remote areas
	Public transport	Ensuring access to both urban and rural resources
Exchange in amenities and environmental goods	Consumption links of urban amenities	Ensuring complex consumption for rural residents/quality of life
	Rural amenities and ecosystem services	Ensuring regional environmental sustainability and quality of life
Multi-level governance interactions	Joint planning	Improving the efficiency of public policy
	Co-ordination among local authorities	Increasing political relevance and access to funds



# Urban-rural linkages differ by type of region, which needs different solutions.

GDP per capita growth index in non-metropolitan relative to metropolitan regions



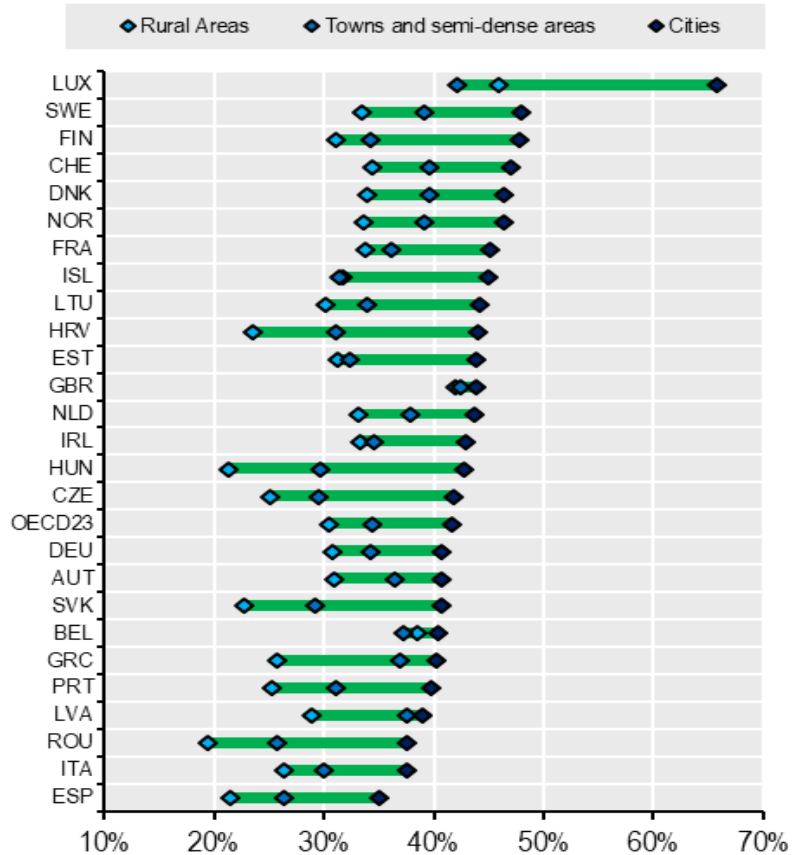
The “*distance penalty*”: regional income per capita, productivity and employment rates **decrease** as **distance** to high-density **increases**

Regions with access to large cities	Regions with access to/with small and medium-sized cities	Remote rural regions
<b>Cities</b> <ul style="list-style-type: none"><li>• Migration increases pressure on services in cities</li><li>• Greater job and education opportunities</li><li>• Greater cultural offer</li></ul>	<b>Cities</b> <ul style="list-style-type: none"><li>• Gradual urbanisation of the countryside.</li><li>• Specialise in the production of a particular service (e.g. university, hospital, etc.).</li></ul>	<ul style="list-style-type: none"><li>• Indistinguishable between towns and rural places</li><li>• Ageing and depopulation</li><li>• Most of the regional services are produced directly in rural regions</li><li>• tend to rely on natural resource actives,</li></ul>
<b>Rural places</b> <ul style="list-style-type: none"><li>• Face pressure to provide services to urban dwellers</li><li>• Demand for recreational areas by urban dwellers</li><li>• Urban sprawl</li><li>• May be obscured by the largest urban government</li></ul>	<b>Rural places</b> <ul style="list-style-type: none"><li>• Urbanisation of the countryside can impact the quality of the landscape</li><li>• may suffer from fragmented local governments</li></ul>	



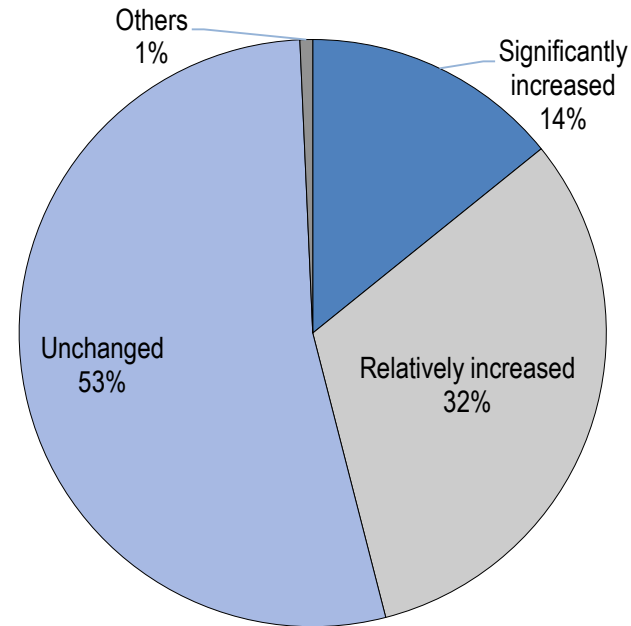
# The Covid-19 crisis has accelerated the potential for linkages

Share of occupations amenable to remote working

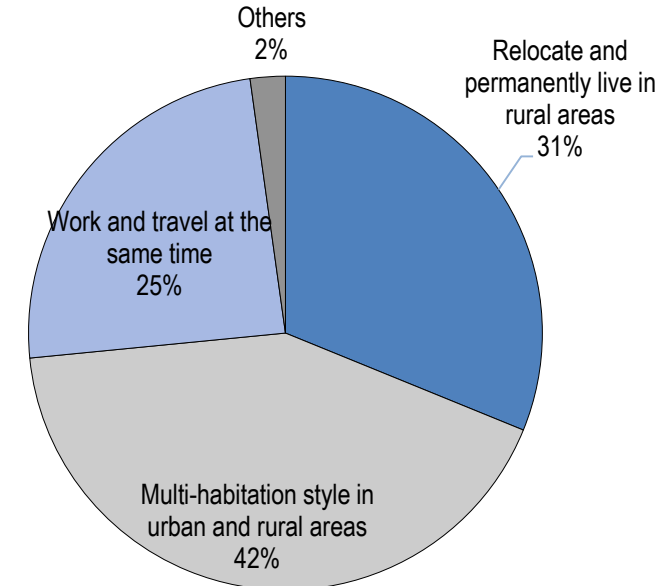


Survey to workforce in Tokyo on interest to live in rural areas, June 2020

Has your interest in living in rural areas increased after COVID-19 ?



What is your ideal living style in rural area?

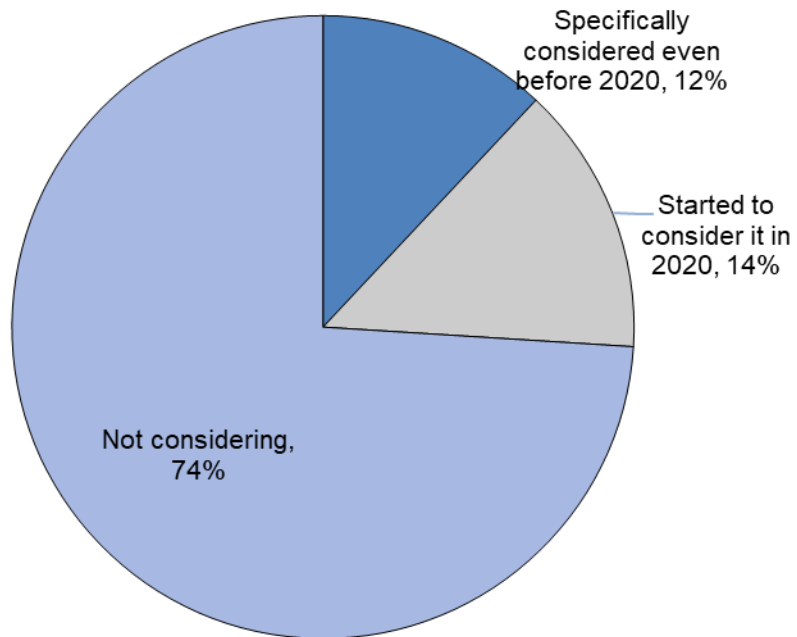


Source: Official data provided by MLIT (20120), Questionnaire in regard to rural living, June 2020 (Trust Bank Inc.)



# The COVID-19 can bring new opportunities to rural places

Survey to listed enterprises with headquarters in Tokyo, August 2020



Note: 375 enterprises

Source: Questionnaires conducted by MLIT in August 2020 to listed enterprises that have headquarters in Tokyo:

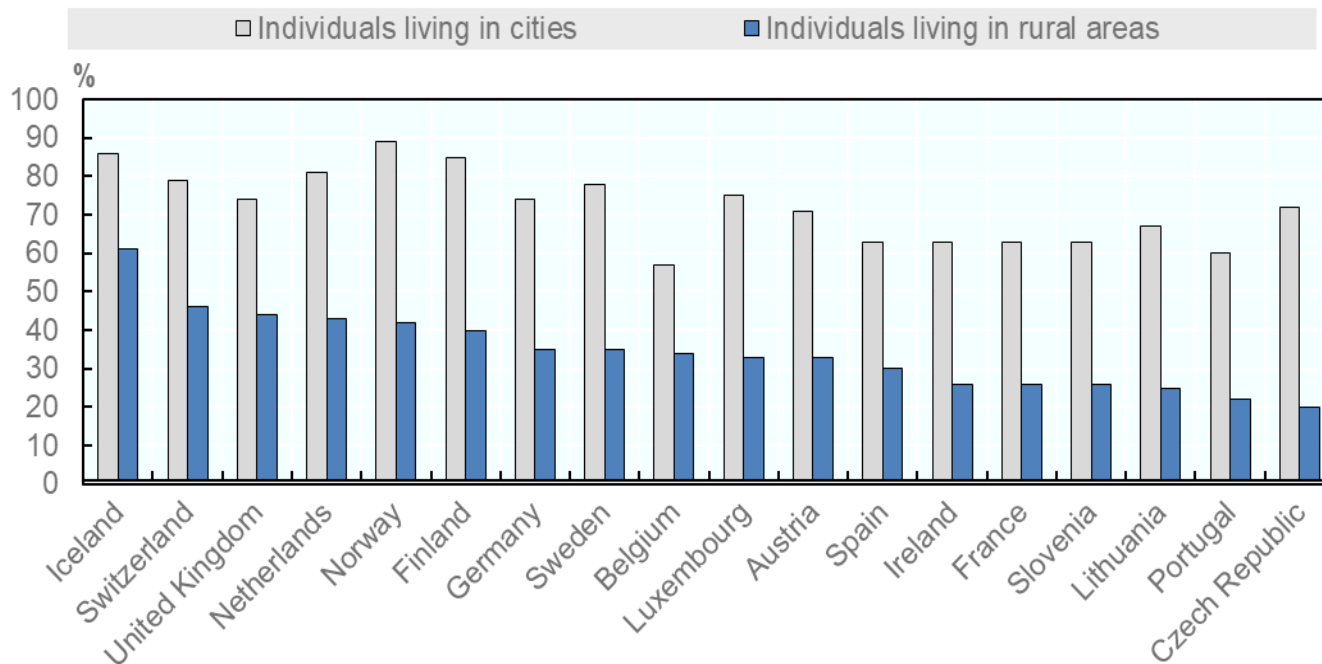
A number of opportunities emerging for rural places from the COVID-19 crisis

Opportunities
Higher relevance to enhance quality and use of digital tools/broadband in rural regions
Remote distributed work might increase linkages between rural and urban
Shift in consuming habits can favor local products and destinations
Greater awarness to ensure accessibility to quality services (ehealth, e-education)
Reshoring of strategic industries that were once delocalised (i.e. raw materials)
Momentum to accelerate a just transition towards a low-carbon economy for rural communities
Mobilise and strengthen local networks and co-operative structures to face future shocks



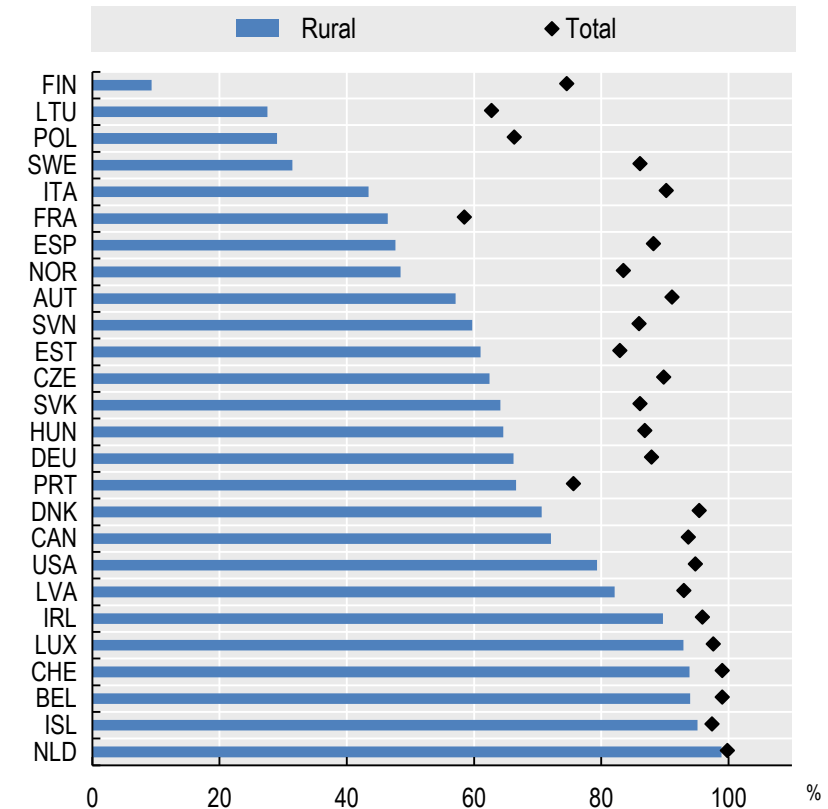
# Seizing the potential increase of linkages requires addressing the urban-rural digital divide

Share of the individuals living in rural areas and cities with basic or above digital skills (2019)



Notes: Not all OECD countries covered by data source. For further information on the Eurostat classification of areas by degree of urbanisation, see <https://ec.europa.eu/eurostat/web/degree-of-urbanisation/background>.  
Source: Eurostat (2020) EU European Social Survey.

Rural areas lag in access to fast broadband  
(%) of households with access to Internet >30Mbit/s in 2019





# Policy interventions need to strengthen rural-urban linkages by creating partnerships

## Two type of interventions

### Interventions to facilitate partnerships between governments

- Between cities of different size and municipalities or administrations of rural areas
- Metropolitan Regions govts. and rural regions

### Interventions to facilitate linkages between non-governmental entities

- Educational and research institutions, not-for-profit organisations
- Private businesses (supply chains)

## Strategy to build effective partnerships

1. Better understanding URL conditions and interactions

2. Addressing territorial challenges through functional approach

3. Working with all actors towards a common agenda

4. Building the enabling environment for partnerships

5. Clarifying the partnership objectives

Formal and informal arrangements, voluntary or mandated, living labs



# Examples of urban-rural linkages

## **Austria: Regional Management Agency (RMA) as intermediary for collaboration in Metropolitan Area of Styria**

The RMA was created to instigate inter-municipal co-operation in the metropolitan area to overcome issues of scale in services and address climate change.

The RMA receives fee from municipalities, but finds external funding. It created “small regions” around the main city (Graz) for a better counterpart to the city.

### Lessons:

- Independent institution to coordinate municipalities and create vision
- Partnerships in small scales reduce unbalance of power/capacity
- Involvement in international partnerships helps spurs cohesion to solve regional challenges
- Integrated public transport systems to unlock agglomeration benefits

## **National based support to URL: The Brest-Pays Centre-Ouest Bretagne reciprocity contract**

Based on the national initiative “city-countryside reciprocity contracts” (2016), the city of Brest and the rural area of Centre-Ouest Bretagne developed a partnership to avoid healthcare shortage and support economic diversification.

Agreed to support 4 innovative projects : i) economic development; ii) social inclusion; iii) health, culture and services; iv) energy transition .

### Lessons:

- National government played a facilitating role, leveraging only a small amount of incremental funding
- The notion of reciprocity – both sides were expected to contribute to the relationship, and to get something back.
- Identify the ways innovation in cities can be helped by rural areas

## **Canada: the Southern Ontario Scale-up Platform:**

Rural areas in southern Ontario are relatively close to cities and well connected, yet rural entrepreneurs have not had access to the array of support available to their counterparts in the major cities.

The Federal Economic Development Agency supported urban-rural linkages programmes between the three major business accelerators to make available the advisory services (offered in urban locations) to entrepreneurs and SMEs in rural areas.

### Lessons:

- Strengthening linkages between cities and surrounding rural areas can support economic development and inclusion for rural residents.



# Conclusions

- Urban and rural places are strongly interdependent through linkages that take different forms. Mobilizing those linkages require a functional approach.
- The type of region leads to different linkages, which require different solutions.
- Covid-19 has accelerated the potential for linkages - rapid digitalization and shift of preference to locate. Still early to say whether rural places and small cities will have a net benefit.
- Policy needs to create the right conditions for those linkages, including addressing digital divide.
- Shared interest, reciprocity, thinking in regional context and mechanisms to balance power/capacity among municipalities can lead to sustained co-operation



THANK YOU  
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