The Regional Hierarchy and Differences in Rural-Urban Relations

OECD Rural Conference
Bologna, Italy
October 23-26, 2013
David Freshwater, University of Kentucky
Preliminaries

• Urban and rural form a continuum - there are degrees of urbanity and rurality, not a simple dichotomy.
• Urban and rural interactions take place at a fairly fine geographic scale because they involve direct contact between people in specific urban places and nearby rural territory.
• Functional regions defined on the basis of local labor markets – based on journey to work data are a useful geography for discussing these interactions.
• “City” is used as an urban descriptor without any connotation of population size.
Forms of Interaction

- People Flows – commuting for work, relocation of residence
- Business Linkages – supply chains, retail trade areas
- Infrastructure Connections – roads, rail, power lines
- Shared Public Services – health, education, police
- Environmental Services – natural and cultural amenities, water supply, waste management
- Government Coordination – planning, shared tax base
The Degree of Urbanization Is Increasing

• In almost every country the urban share of population is increasing.
• Urban areas or systems are increasingly recognized as extending beyond the high density core of the traditional city to include nearby small places and adjacent rural territory.
• The regional city, or functional region, contains linked urban and rural economic, social and environmental elements that have complementary functions.
The Size Distribution of Cities and Regions

• The size of a city reflects a balance between attractive forces (agglomeration effects, market-size effects, thick labor markets) and dispersal forces (fixed factors, land rents, congestion effects) (Krugman, 1998).

• There is no ideal size city (Krugman, 1996).

• If there were an ideal city size we would expect to see a large number of cities of roughly similar size.

• Instead we see a distribution of city/region sizes that has great regularity.
Zipf’s Law

• In almost all countries the distribution of city sizes follows the same basic relationship first described by George Zipf in 1949.
• The “law” is given by the relation
  \[ x(k) = \frac{x_M}{k} \]
  where \( x \) is size, \( k \) is rank and \( x_M \) is the largest size element in a set of \( N \) objects.
• The consequence is that most elements in the set are small and only a few are large.
Zipf’s Law and City Sizes

• Within a country the product of the city rank and its size is approximately a constant. The largest city will be roughly twice as large as the next largest city, three time larger than the third largest city, and n times larger than the \( n^{th} \) largest city.

• The relationship is often less precise for the first few very large cities and tends to break down for cities of less 10,000 population.

• Hsu (2013) shows that Zipf’s Law for cities can be explained by Christaller’s model of Central Places.
City Size Distribution for 16 Countries
Christaller (1933) described a hierarchy of regions with each region containing urban and rural territory.
Main Points

• Each place higher up the hierarchy provides all the goods and services that are available at lower order places plus additional items.

• The large number of small regions at the bottom of the hierarchy:
  • have a small urban center,
  • offer a very limited set of goods and services
  • have a narrow economic base,
  • rely on exports from a few industries to generate revenue to import most locally consumed goods and services
  • are economically fragile

• The small number of very large metropolitan regions at the top of the hierarchy:
  • have a large urban center
  • offer all goods and services both locally and to other lower rank regions
  • have a broad economic base
  • have a large home market that absorbs the majority of local production, and serve variety of export markets
  • are relatively stable economies
Functional Regions and Economic Footprint

• Functional regions are typically defined as local labor markets.
  • They consist of one or more urban core areas and a hinterland where there are strong commuting flows.
  • Typically strong commuting flows are bounded by a 1 hour travel time to the urban core(s) – 100 km. or 60 mi. But two hours of commuting is common in some very large metropolitan regions.
  • In general a functional region can be thought of as a 100 km circle surrounding the boundary of the urban core.

• The economic footprint of a region can be defined by the distance people travel to the region to purchase goods and services.
  • The size of the foot print depends on the size of the urban core, or alternatively its place in the hierarchy.
    – Small regions have a foot print the size of the local labor market.
    – Large regions have a foot print that extends far beyond the local labor market.
An Extended Typology of Functional Regions Based on Local Labor Markets

- Large Metropolitan – population larger than 1.5 million
- Metropolitan - population between .5 million and 1.5 million
- Medium Urban - population between 200,000 and 500,000
- Small Urban – population between 50,000 and 200,000
- Large Town and Rural- population between 25,000 and 50,000
- Small Town and Rural- population between 5,000 and 25,000
- Rural - population below 5,000

OECD. *Redefining Urban*, 2013

Largely follows Tweeten and Brinkman, *Micropolitan Development*, 1976
## Varying Rural-Urban Relations Across The Hierarchy

<table>
<thead>
<tr>
<th></th>
<th>Most Rural</th>
<th>Intermediate</th>
<th>Most Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rural</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People Flows</td>
<td>weak commuting flows reflecting small local labor market</td>
<td>limited linkages reflecting small number of firms, towns serve as market points</td>
<td>only basic infrastructure, largely shared</td>
</tr>
<tr>
<td>Business Linkages</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure Connections</td>
<td>only basic public services, largely shared</td>
<td>growing separation of infrastructure quality and forms between rural and urban</td>
<td>largely not an issue</td>
</tr>
<tr>
<td>Shared Public Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Services</td>
<td>area government (county, district) often dominates</td>
<td>potential for cooperation and for conflict increases as objectives and concerns diverge, but interaction increases</td>
<td>for urban core maintaining rural environmental services is crucial. For rural this can result in limited development opportunity</td>
</tr>
<tr>
<td>Government Coordination</td>
<td>town government informal approaches are common</td>
<td></td>
<td>metro government dominates adjacent local government, rural governments lack capacity to partner</td>
</tr>
</tbody>
</table>

### Large Metro
- mainly one way flows from rural to urban
- few linkages from the core to the hinterland, high rural dependency, metro firms dominate but focus is urban markets
- advanced infrastructure in urban area that may or may not be extended to the rural territory
- rural population mainly uses public services in urban core, weak rural services
Rural-Urban Interaction – Small Regions

- In small remote rural regions there are only small settlements—essentially these places are too small to be termed urban.
- Settlements can form functional regions defined by 1 hour commutes, but the number of commuters depends on the strength of the local economy.
- Each settlement provides only a limited variety of goods and services because the local demand is limited. This means that people in the region rely on nearby larger regions for many of their purchases of goods and services.
- In many cases these settlements serve as “market towns” for rural activities that are the main economic engine for the region.
Rural-Urban Interaction – Intermediate Regions

- Intermediate regions contain a few medium size urban centers, but a larger number of small settlements and rural territory.
- Some small places are tightly coupled to larger places, but some are not.
- Intermediate urban centers may compete for dominance or cooperate, but none is capable of providing high order goods and services.
- Urban centers in intermediate regions provide some goods and services to the small rural places in the region and to nearby small rural regions.
- The rural economy is more diversified and may contribute significantly to the total regional economy.
- Collaboration with nearby settlements is a strategy that can enhance the growth of an intermediate urban center.
Rural-Urban Interaction – Metropolitan Regions

- The region is dominated by a large urban core but contains smaller cities and settlements as well as rural territory.
- The economic footprint of the core dominates the region and extends far into other regions. It provides high order goods and services (universities, government, hospitals, airports) locally and to other regions.
- The core competes with the core cities in other major metropolitan regions – largely in advanced activities.
- For the core the main value of proximate rural territory is its ability to provide green space and other environmental amenities, which are locally scarce and non-tradable.
- Rural settlements typically contribute little to the region in terms of economic activity because they are small and their products are broadly available from other regions.
- Proximity to the core limits opportunities for rural growth.
Reprise of Key Points

• A useful way to define cities of any size is in terms of local labor markets. These functional regions contain an urbanized core and a surrounding commuting zone.
• For all but the very largest cities the commuting zone extends about one hour of travel or 100 km.
• In almost all countries there is a regular size distribution of cities that results in a small number of very large cities through a large number of small cities.
• Economic theory suggests that this size distribution results in a hierarchy of functions with small cities having a limited number of functions and a small economic footprint and large metropolitan cities having a large number of functions and an extensive economic footprint.
• The fundamentally different nature of cities at different levels in the hierarchy leads to differing relations between the urban core and the surrounding ring of rural areas that makes up the commuting zone.
  – At the lowest level in the hierarchy the urban portion of the region mostly functions as a service center for rural firms that generate export earnings.
  – At the highest level the urban core of major metropolitan centers is largely economically autonomous and tends to view its hinterland as a land reserve that provides green-space and for future expansion.
  – At intermediate levels in the hierarchy the relations between urban and rural become more complex because there is more of a symbiotic relationship where collaboration makes both stronger.
Conclusion: Managing Rural-Urban Interactions

• The position of a region in the regional hierarchy dictates the form and types of interactions.

• In all sizes of region urban and rural can play complementary roles, but as the size of the region increases the scope for rural is more constrained – focus of the core is increasingly on amenities and environment.

• Because regions of different size play very different roles, there is little reason to expect economic convergence. While some regions will move up or down a rank, most will remain at the same level. T

• There may be long term benefits from managing rural-urban relations, especially for regions further down the hierarchy where rural economies are more significant and interdependencies are larger.

• Even the largest metropolitan regions benefit from broader regional growth, because a significant share of their economic activity is associated with supplying higher order goods and services to regions further down the hierarchy (economic footprint).
Urban Rural Partnership
OECD Conference
Prague Metropolitan Region

Jaromír Hainec
City Development Authority Prague
Office of the Metropolitan Plan

Bologna, Italy
October 24, 2013
kancelář
Metropolitního Plánu [---]
June 7, 2012

Prague City Assembly agreed and approved that,
the Land Use Plan Concept from 2009 („Concept 09“) had to be aborted
the work on a new concept of the Land Use Plan has started
„Metropolitan Plan“. 
Updating Strategic Plan (STR)
Management Plan of UNESCO Heritage Site
Updating Regional Development Policy (ZUR) – 1:100 0000 / 1:50 000
Planning Analytical Materials (UAP) – update 2014
Metropolitan Plan (MPP) – 1:10 000 / 1:25 000
Master Plans (MCP) – 1:5000
Planning Study (US) – 1:2 000
Regulatory Plan (RP) – 1:1 000 / 1:2 000
Prague building standards (PSP)
2013 NEWS
Upgrading Strategic Plan of Prague

6 working groups (professionals, stakeholders, policymakers, planners)

Criteria of analyses:

• Quality of life
• Sustainability
• Benchmarking (other EU cities)
• Implementation

We tune Prague!
Prague and Central Bohemia

Example of the large Metropolitan region
Prague and Central Bohemia

Dynamics and Functional links
Prague

Area: 496 sq. kms

Nr of inh.: 1 246 780

Nr. of Boroughs: 57

Density: 2 601 p./sq. kms

Central Bohemia

Area: 11 014 sq. kms

Nr of inh.: 1 279 345

Nr. of Municipalities: 1 145
(82 from that towns)

Density: 116 p./sq. kms
Functional Urban Area
Regional Development Plan

Axial Development Areas
Number of working, Czech labour market share

In thousand, Eurostat, 2013
Public Transportation
Commuting time by public transportation
Prague and Central Bohemia

„Difficult“ Relationship and Issues to be solved

Challenges to develop Partnership
Land Use Changes (1995-2006)
New housing and commuting

Prague

Central Bohemia
Commuting

Commuting to Prague, in thousand of persons,  Czech Statistics Burea, 2013

- Total: 124,2 thousand (2013)
- From Central Bohemia: 78 thousand (2000)

Year:
- 2000: 78 thousand (78,000)
- 2004: 112,6 thousand (112,600)
- 2009: 160,3 thousand (160,300)
- 2011: 160,3 thousand (160,300)
- 2013: 124,2 thousand (124,200)
Public Transport in Prague

Public transport

- metro: 45.65%
- tram: 24.97%
- bus: 27.74%
- funicular: 0.14%
- boat: 0.04%
- railway: 1.46%

Total share of traffic, all routes by motor vehicles in Prague

- Public transport: 63%
- Cars: 37%
Public Transport in Prague

Public transport

- metro 45.65%
- tram 24.97%
- bus 27.74%
- funicular 0.14%
- boat 0.04%
- railway 1.46%

Total share of traffic, all routes by motor vehicles in Prague

- Public transport 63%
- Cars 37%

but costs: 1/3 of annual Prague budget
New housing and commuting

Intensity of traffic (outer /blue/ and inner/yellow/ ring)
Working day, 0-24 h, both directions
Planning Issues
57 City Boroughs
Planning Issues
City Boroughs and Administrative Units

Source: City Urbanism Authority, 201
Planning Issues
City Boroughs and Administrative Units in comparison to actual state of land
Municipality of Prague
Prague 57 units – Boroughs and 22 administrative districts

The New Land-use Plan of the City of Prague can not stop the sub-urbanization process beyond the city limits, it tackles or reduces consequences only

Vs. Regional Government

1200 municipalities, former districts and MAS, Agenda 21/Microregions etc.

Regional Land Development policy
- Regional Government in case of CB
- Municipality of Prague in case of Prague

National Development Policy
(2008/Ministry of Regional Development)
- not sufficient, sectoral
**Prague**
- Institutional and professional background – Universities, URM and others
- Law – Municipality of Prague has planning in its responsibility
- Top – down, delegated and controlled development
- Bottom up initiatives
- Strong public

**Versus Central Bohemia**

Lower possibility and capacity of Central Bohemia
Several Master Plans and different uncoordinated development (both top down and bottom up)
Departments of Regional Government

**Plus**
Not really active role of Ministries or central government to be a mediator
Prague and Central Bohemia

Rural - Urban Partnership in Action
Initiative of Ministry of Regional Development

Land Use Development Policy Coordination

• Several themes
  (transportation, suburbanization, waste management, ...)

• Mostly infrastructural projects, plans and issues

• Not institutional linkages

• Project based cooperation
Flooding
06/2013
2013 NEWS

Memorandum

Prague and Central Bohemia Region

* June 19, 2013, Prague

- Signed by Mayor of Prague Mr. Hudecek and President of Region Mr. Rihak

- After decades of separate development, the initiative of Prague turned in to the active process
2013 NEWS
Memorandum
Prague and Central Bohemia Region

* June 19, 2013, Prague

- Document declares needs and will to cooperate in the development of the wider Metropolitan Region
- Initiative of City Development Authority and City Council Member
- Long term perspective and collaboration in different areas of interest
2013 NEWS
Memorandum
Prague and Central Bohemia Region

Together with Central Bohemia Region Integrated Strategy

ITI – Integrated Territorial Investments (tool)

Characteristics:
Projects with remarkable and adjustable positive effects on both regions
Not necessary to be placed at both regions (cases and effects)
2013 NEWS
Memorandum
Prague and Central Bohemia Region

ITI – Integrated Territorial Investments (tool)/UE commission programmes

Difficulties:

Prague
different region of EU Cohesion Policy than CB
50% co-financing

Central Bohemia
different region than Prague
15% co-financing

ITI – possibility not to compete
2013 NEWS
Memorandum
Prague and Central Bohemia Region

Since June 2013 working body 3+3 (Major, strategy, implementation)

3 key themes:

- Regional Education

- Transportation and Integrated Traffic Systems

- Natural Environment and Floods Protection /Water Resources vs. Agricultural Production side-effects /

Note: further cooperation is expected
2013 NEWS
Memorandum
Prague and Central Bohemia Region

Prague will guarantee the project by the Major of the City and City Development Authority Prague

Projected period 2014 - 2020

Minimum investment of 10 bil. CZK
(~40 mil. EURO ~ 1/4 of annual Prague budget)

Possibility to invest from schools to soft investment in the systems and its infrastructure

ITI starting point for further cooperation!
2013 NEWS in PLANNING
Upgrading Planning Process
New Land Use Plan of the City of Prague
Spirit of the Plan

\[ m_p \]
Implosion of Architecture
Historical City
Modern City
Infrastructure
Potential of transformation versus development in unbuilt areas
Potential for City
Potential for periphery
Thank you for your attention!

Grazie!

hainc@urm.praha.eu

www.uppraha.cz
ww.urm.cz
www.praha.eu
Sources:

City Development Authority Prague
Office of the Metropolitan Plan
Office of the Strategy
IT Office

Ministry of Regional Development of the Czech Republic

Municipality of Psáry

Eurostat

Czech Statistical Bureau

Czech Technical University in Prague
Rural-Urban partnerships: an integrated approach to economic development

Forms of Rural-Urban Partnership in Italy

Bologne, 24 October 2013

Francesco Mantino

(National Institute of Agricultural Economics, Rome)
Strong competition between rural and urban areas for the use of available resources:
- land;
- water;
- Energy;
- and the production of negative externalities.
## Losses of agricultural land in Italy 1990-2010

<table>
<thead>
<tr>
<th>Geographical areas</th>
<th>Mountain</th>
<th>Hill</th>
<th>Plain</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Center</td>
<td>-27,6</td>
<td>-21,5</td>
<td>-18,4</td>
<td>-22,8</td>
</tr>
<tr>
<td>Islands</td>
<td>-16,0</td>
<td>-19,5</td>
<td>-20,9</td>
<td>-19,0</td>
</tr>
<tr>
<td>North East</td>
<td>-31,4</td>
<td>-19,1</td>
<td>-7,0</td>
<td>-19,3</td>
</tr>
<tr>
<td>North West</td>
<td>-44,7</td>
<td>-27,9</td>
<td>-0,6</td>
<td>-24,9</td>
</tr>
<tr>
<td>South</td>
<td>-27,5</td>
<td>-16,9</td>
<td>-10,0</td>
<td>-19,3</td>
</tr>
<tr>
<td>Total</td>
<td>-31,1</td>
<td>-20,1</td>
<td>-8,3</td>
<td>-20,9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Geographical areas</th>
<th>Center</th>
<th>Islands</th>
<th>North East</th>
<th>North West</th>
<th>South</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-626.674</td>
<td>-469.963</td>
<td>-135.918</td>
<td>-210.224</td>
<td>-424.641</td>
<td>-1.867.420</td>
</tr>
<tr>
<td></td>
<td>-61.146</td>
<td>-123.402</td>
<td>-126.901</td>
<td>-7.536</td>
<td>-106.905</td>
<td>-425.890</td>
</tr>
<tr>
<td></td>
<td>-990.030</td>
<td>-709.180</td>
<td>-847.448</td>
<td>-908.960</td>
<td>-1.057.112</td>
<td>-4.512.728</td>
</tr>
</tbody>
</table>

|                | 49%      | 41%     | 9%        | 100%       |
Changes of agricultural land in Italy (1990-2010)
Main losses due to urbanisation

1. Some areas in Northern mountains
2. Areas behind coastal areas (Liguria, Campania, Sardinia);
3. Peri-urban areas around some big metropolitan areas (Milan, Rome)
4. Municipalities around small and medium centres (Tuscany, Umbria, Latium)
5. Touristic coastal areas (Calabria, Sardinia, Liguria)
Three main types of cooperation/integration between rural and urban areas

1. Partnerships based on a food chain integration
2. Partnerships based on integration among sectors
3. Partnerships based on spatial planning and land management
Common criteria for assessing the quality of the partnership

- Formalised;
- Wide and inclusive, including both urban and rural representatives;
- Covering specific needs of public goods;
- Vertical and/or horizontal integration
Partnership based on food chain integration: the case of the processing tomato district in Northern Italy

1. The Processing Tomato District is a formalised partnership between: 12 Producers Organisations; 4 Cooperatives; 21 processing industries; 4 Farmers Unions; 7 Provinces between ER, LO and PIE; Chambers of Commerce; Research institutes, etc.

2. Agricultural area involved in the district: 29.000 hectares, whose 70% in Emilia-Romagna. 98% of the processing tomato of North of Italy. Parma province coordinates the District.

3. Sector and non-sector functions:
   - market agreements within the food chain (contracts);
   - diffusion and control of agri-environmental practices;
   - quality certification, promotion;
   - research, innovation and extension;
   - food education;
   - re-use of processing by-product
Superfici effettive distinte per regione e per anno

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Area Nord</td>
<td>34.784</td>
<td>32.472</td>
<td>28.217</td>
<td>-4.255</td>
<td>-6.566</td>
<td>-13,10%</td>
<td>-18,88%</td>
</tr>
<tr>
<td>ER</td>
<td>24.403</td>
<td>22.144</td>
<td>20.015</td>
<td>-2.129</td>
<td>-4.388</td>
<td>-9,62%</td>
<td>-17,98%</td>
</tr>
<tr>
<td>LOM</td>
<td>7.004</td>
<td>6.507</td>
<td>5.453</td>
<td>-1.054</td>
<td>-1.551</td>
<td>-16,20%</td>
<td>-22,14%</td>
</tr>
<tr>
<td>VEN</td>
<td>1.699</td>
<td>2.259</td>
<td>1.679</td>
<td>-580</td>
<td>-20</td>
<td>-25,66%</td>
<td>-1,15%</td>
</tr>
<tr>
<td>PIE</td>
<td>1.678</td>
<td>1.562</td>
<td>1.070</td>
<td>-492</td>
<td>-608</td>
<td>-31,49%</td>
<td>-36,21%</td>
</tr>
</tbody>
</table>
A. **Harmonisation of environmental rules** in the agricultural practices among regions

B. Better control of **environmental impact** (integrated production, reductions of chemical inputs and water, waste treatment)

C. **Coordination of research and innovation transfer** to farms; distribution of research costs among producers

D. **Coordination of the different policies** addressed to agri-food system (1st and 2nd pillar), to other linked industries, infrastructures and services

E. **Coherence with spatial planning** coordinated by the provinces
Some conclusions

1. Increasing diffusion of new forms of relations between urban and rural areas (short food-chains; farmers markets, ecc);

2. But they are micro-experiences, often with limited impact on the sustainability of these relations. Competition prevails on cooperative attitudes; erosion of land, water and soil resources still dominate the panorama.

3. Need of a wide and well structured participation to the rural-urban partnerships and inclusion of civil society

4. Public support to some form of intermediate institution that is able to promote and coordinate these structured partnerships

5. Condition for support should be the provision of public goods under the form of social or environmental public goods
OECD 9th Rural Development Policy Conference
Rural-Urban Partnerships: An Integrated Approach to Economic Development

Sesion II: How the size of the city changes the dynamics of the partnership

Case Study Region: Extremadura, Spain

Prof. Francisco Javier Jaraíz-Cabanillas, PhD
Prof. Ana Nieto-Masot, PhD
Gema Cardenas Alonso
University of Extremadura, Spain
Index


2. Types of partnerships that can occur in the region.

3. Interrelation of the Cáceres area with the provincial rural surroundings. The city as a supplier of equipments and services.


5. Conclusions. Does the rural development promote the existence of partnerships?
1. Contextualization: urban structure
1. Contextualization: urban structure
1. Contextualization: urban structure

- Extremadura: **large region**, located in the C-W of Spain on the **border with Portugal**, with an outstanding **natural and cultural** wealth.

- **Characteristics:**
  - **Population:** 1 million inhab., decades of high **emigration**.
  - **Territory:** 40,000 km² area, **long distances** between its borders, **density** of 27 inhab./km².
  - **Economy:** **agricultural sector** significant influence: 10% of regional employment and 8% of the GDP.

- Extremadura is a **predominantly rural region**, based on the different methodologies used.

- Methodology of the **OECD** adopted by the European Commission in the 2007-2013 programme of rural development: 100% of the Extremaduran territory is **predominantly rural**. This classification is justified by the fact that **88.09%** of its **population** lives in **rural municipalities** (fewer than 150 inhabitants/km²).
1. Contextualization: urban structure

![Population Graph](image)

- Rural population centres: < 2,000 inhab.
- Intermediate population centres: 2,000 - 10,000 inhab.
- Urban population centres: > 10,000 inhab.

![Municipalities Graph](image)

- Rural population centres: < 2,000 inhab.
- Intermediate population centres: 2,000 - 10,000 inhab.
- Urban population centres: > 10,000 inhab.
1. Contextualization: urban structure

- The rural setting is the largest part of the territory, as there are very few cities.

- 39.3% of the population of Extremadura is located in towns with fewer than 2,000 inhabitants, according to the Census of 2012.

- 51% the total is concentrated in 371 municipalities, each with less than 10,000 inhabitants.

- Just 14 municipalities of over 10,000 inhabitants, are located 49% of the population.

- Extremadura is a region with a highly dispersed settlement, concentrated in the biggest cities, located in more productive agricultural areas where we find the more productive investment, employment opportunities, infrastructure and facilities and services.
1. Contextualization: urban structure
1. Contextualization: urban structure
2. Types of partnerships in Extremadura
3. Interrelation of urban areas with rural surroundings
3. Interrelation of urban areas with rural surroundings
3. Interrelation of urban areas with rural surroundings
4. Benefits and challenges in working with Portugal
4. Benefits and challenges in working with Portugal

**BENEFITS IN WORKING WITH PORTUGAL**

1. Soil and climate conditions for developing strategic segments.
2. High environmental conditions, food and health quality of agricultural livestock and forestry output.
3. Traditional and emerging clusters capable of expansion.
4. Dam system enabling the development of economic activities.
5. Strong endogenous potential: renewable sources.
6. Historical and cultural heritage and excellent natural conditions for tourism segments growing.
7. Good network of universities and technology centres.
8. Potential availability of human capital (over 100,000 students enrolled in higher education).
9. Excellent geographic location face to face with the main Iberian markets.
4. Benefits and challenges in working with Portugal

- CHALLENGES IN WORKING WITH PORTUGAL
  1. New public policies for rural development and the current agri-environmental payments for reforestation.
  2. The realm of renewable energy.
  3. The realm of inclusion (jobs, qualifications, training).
  4. Ongoing and planned investment in infrastructure for agriculture, tourism, transport and logistics.
  5. Current and future applications for World Heritage status by cross-border heritage sites.
  6. Growing demand for tourist products that combine green-environmental and cultural tourism.
  7. Growing demand for high-quality foods as an opportunity to improve production and quality of traditional produce.
  8. Growing awareness on the part of businesses and civil society of the importance of ICT.
  9. Extra impetus prompted by the current crisis to share amenities and services in the public sector.
5. Conclusions

- In the case of *Mancomunidades integrales* the partnerships are functional to achieve an appropriate spatial scale to *provide public services in a financially sustainable way*.
- The other two types of partnerships address issues of *economic development and capacity building*.
- An important challenge of Rurban partnerships in Extremadura is the *dialogue among different government levels*. Vertical partnerships were not evident.
5. Conclusions

- There was little evidence of the urban dimension in the observed partnerships. Reasons for this:
  1. **LAGs and the partnerships with Portugal** were incentivised by EU funding for activities in rural, not urban, areas.
  2. **The layers of the vertical partnership need to be considered to maximize effective rural-urban partnerships**: municipalities are very small and the region is too big.

- The key challenges are keeping population stable in the more remote areas and developing economic activities, exploiting the potential of the existing economic base.
- There is a need for a coherent strategy for developing employment, shared among different government levels.
5. Conclusions

- Because it is a large geographic region is there a trade-off between having a small number of bigger development agencies that offer scale economies and the problem of people not feeling connected to a larger body that covers a broad territory.

- Is there any sense for what the main opportunities for development are both at the large region level and within smaller sub-regions – Local labor markets.

- We say no. **We bet on smaller sub-regions.** One solution could be **dividing the territory in functional areas**, which in the case of Extremadura could be the **comarcas/counties**.
5. Conclusions

- This solution would require **two actions**:
  1. A detailed **analysis of the territory in order to adjust the boundaries** of the comarcas/counties **on the basis of the functions** that link different territories (not only services).
  2. The second would be a **real attribution and a more clear distinction of competences** to this spatial level from both, municipalities and the region.
- The *comarcas/counties* would be able to play a real **territorial government role** that will assure enough proximity with citizens, especially rural dwellers in the more peripheral areas, and at the same time higher economies of scale.
RURAL DEVELOPMENT POLICY CONFERENCE
THE ROLE THAT SMALL TOWNS CAN PLAY IN RURAL-URBAN PARTNERSHIPS

OECD Conference: Bologna, ITALY
October 2013

The European Council for the Village and Small Town (ECOVAST)

Valerie J Carter    President ECOVAST
This presentation will cover

- ECOVAST – an NGO – and its work on RURBAN and the role of small towns
- What small towns have to offer
- Conclusions on why small towns are important – and can make a substantial contribution to future rural-urban partnerships
ECOVAST is an International Non Government Organisation set up in 1984.

Its remit is to foster the economic, social and cultural vitality and identity of rural communities throughout Europe.

Its key areas of work are small towns; landscape identification; rural buildings and rural tourism.

We have been working for nearly 30 years to promote small towns and are using this experience to try and influence policy makers in both the Council of Europe and the European Commission.

- we have prepared a formal Position Paper on ‘The Importance of Small Towns’ (October 2013) to submit.
No specific policies exist for small towns

ECOVAST is aware of and supports the developing concept of Rural-Urban Networks
  - we are a member of DG Regio’s RURBAN

And that the new 7 year period of EU funding will encourage a multi funding approach rather than ‘silos’

And that the Council of Europe Guiding Principles for Sustainable Spatial Development of the European Continent include:
  - improving relationships between town and countryside
  - enhance cultural heritage as part of development
  - encourage high quality sustainable tourism
SETTLEMENT PATTERNS 1

Not just about urban areas and rural areas

- Metropolitan areas / large towns
- Medium sized towns
- Small towns
- Rural areas – not all the same
  - rural areas around metropolises
  - rural areas outside metropolitan areas
  - remote rural areas – mountains and islands
- Lots of different linkages between them
But it is not a simple pattern

- Not every region has a metropolis
- The role of a metropolis is not always felt by people living in middle sized or smaller towns
  - even though they acknowledge its importance
- All towns even small ones have hinterlands too
  - small towns particularly have a hinterland of villages, hamlets and countryside
  - they attract people into them on a daily basis for employment, shopping, education, and leisure
  - and are often the hub of local transport
- But in turn they are in the hinterland of large towns
Patterns of links are influenced by major rail and motorway links which enable places far away to commute

- for instance in SE England there are no fast Intercity rail routes and places within the region can take 1.5 or more hours into London even though they are only 80-90 miles away, yet places with Intercity (nearly 200 miles away) can get to London in just over 1 hour

- Many regions have no single major city and are multi centred

- Some regions have nothing except small towns

- So the situation is diverse not simple

- Future rural-urban partnerships will have several different models
WHAT IS A SMALL TOWN

- There is no formal definition of a town
- A town is about function as well as size
- There is no formal agreement of what is a ‘small town’ – it varies from state to state
- BUT there are
- **4,580** small towns with populations between 10,000 -30,000 people across Europe
  - 64% of all towns in Europe
  - 78 million people live in them
- **AND** very many very small towns of less than 10,000 population
WHAT HAVE SMALL TOWNS GOT TO OFFER

- Small towns serve a hinterland
- They are a hub of activity for these villages
  - providing essential local jobs, shops, and many services
- They and their hinterlands are used to working together
- They are the backbone of rural areas
  - a healthy, vibrant small town can contribute to the well-being of rural areas
- They should be an important element of any future partnership between rural and urban areas
- They can form the ‘jam’ in the sandwich of urban/rural partnerships
Small towns have experienced some major challenges

- centralisation of services
- out migration of young people
- pressures of new development
- impact on landscapes
- A major economic recession
  - loss of jobs; loss of retail; loss of services; and declining public purses
  - that has had an impact on tourism; and will have an impact on long term sustainability of projects
BUT
- It is not all doom and gloom
- Small towns are places with huge opportunities

Their assets include:
- Lots of activities
- Distinctive architecture and historic heritage
- Culture and traditions
- Closeness to landscapes that surround them
- Many opportunities for them to improve their economic situation – particularly tourism
  - many examples of activity from across Europe
These opportunities have been developed by local people from local communities – they feel passionate about their town and want to be involved in its future

- some have managed to access European funding
- some funding from their own country

They have kept their local traditions alive

Local people are used to working with others - in partnerships

- continual interplay with their surrounding communities

They have also shared their ‘space’ with outside visitors

It is a ‘bottom up’ process

BUT it also needs the support of ‘top down’ too

- local, regional and national governments and agencies and NGO’s too
DIRECT CONTRIBUTION TO ECONOMIES
MARKET FOR LOCAL PRODUCTS
CELEBRATING LOCAL TRADITIONS
CELEBRATING PAST INDUSTRIES
NICHE MARKETS
MAKING USE OF LANDSCAPES
PARTNERSHIP WORKING

- Working in partnerships is not new to small towns

The following slides list the types of networking experience of small towns

- Working in programmes in a local area
  - following guidelines on partnership development
  - leading to supported activities
- Promoting the role of a ‘small town’
- Sharing experiences through developing local networks with other small towns
- Sharing experiences through symposiums
England has had several programmes to support small towns
- mostly using UK funding
- some had access to Leader

In SE England the programme was for ‘towns’ under 20,000 population

The town had to meet certain functional criteria
They had to develop a formal partnership
Must include private, public and voluntary sectors
It must be a ‘bottom up’ approach
The partnership had to be inclusive
- all sectors of the local community
- Including the hinterland of villages

They had to carry out a formal ‘health check’
- SWOT analysis
- develop a local Action Plan

It was about empowerment of local people
- many local leaders emerged - voluntary

It was about local decision making

It was about local delivery

A successful programme supported 70 towns
- £10 million (11 million Euros) over 10 years – 2000-2010
Small town of Wittstock, in Brandenburg, Germany

- The state considered their were only major towns
- Wittstock wanted to make sure that it was recognised as a ‘town’ not a ‘village’ - small towns provide similar services as large towns but on a smaller scale
  - Wittstock calls itself a ‘mini-metropole’
  - Now works with 30 other small towns – programme to support historic town centres
Towns are also used to working in networks set up in their own countries or within states or regions

- There is a pan-European Network formed from networks in France, Germany, Hungary, Poland, Romania and Spain
- Single country networks can be found in:
  - Croatia
  - UK
- Some are dedicated to small towns
- Some are dedicated to historic towns
Austria started a series of symposiums on small towns

- To discuss common interests and common problems & potential opportunities to maintain them
  - 1998 in Murau; 2002 in Waidhofen an der Ybbs & 2005 in Retz
- They all recognised the problems of globalisation and centralisation
- **BUT also that they had significant historic assets.**
- They all agreed that they should develop their local resources and diversify their economies
- ECOVAST has also discussed small towns in 26 events in 14 different countries
Small towns are the backbone of rural areas – thriving small towns contribute to the well-being of the surrounding rural area.

Small towns - the centre of the local ‘rural economy’

There are thousands of small towns across Europe.

Small towns have many opportunities and where local people who live in them feel passionate about their future – local empowerment.

- They recognise that this will take time – most of it voluntary.
- Programmes have enabled local people to become leaders.

Small towns are distinctive & demonstrate history and architecture over the centuries.

They have often maintained culture and local customs.

The landscapes they are set in are part of their character.
CONCLUSIONS 2

- They are an essential part of the economic resource of any local area
  - but also contribute to regional and national economies
- Small towns are a major part of the cultural heritage of Europe
  - and have a key role to play to exploit the future potential for sustainable rural tourism
- Small towns have experience of working in inclusive partnership with others
  - they understand different peoples needs and managing conflicts
- The role of small towns needs to be acknowledged and supported by European policies
  - they already have experienced CLLD working
- Small towns are therefore an essential part of any future urban / rural partnerships
  - and should be recognised for the role that they can play
URBAN RURAL LINKS IN AMERICA LATINA
TOWARD A TERRITORIAL VISION

Claudia Serrano
Rimisp
October 2013
Summary of Presentation

1. Rural and Urban: what does it mean?
   2. Rural complexity
   3. Trends in regional growth
   4. Lessons from territorial research
Sources
Urban-Rural

500 million people live in cities
3 cities are over 15 millions people (São Paulo, Buenos Aires, Ciudad de México).
49 cities are over 1 million people
62 cities over 500,000 inhabitants
16,000 little cities
Cities Growth Rate

49 cities over 1 million people are growing at 2.4%
62 cities over 500,000 inhabitants .... at 1.5%
16,000 little cities .... at 3.7%

Distortion:
Few cities with too many population
Many cities with few people
Perú

Lima rate growth was 5% (1961-1972) and 2% (1993-2007)

Small cities (under 10,000 inhabitants) increased from 47 by the end of sixties to 142 in 2007
Changes in patterns of settlement and trade in the territory

- Migration from “small to big” changes
- Small cities grow due to rural migration
- Literature shows that the criteria “demographic concentration” overestimate the urban rate in Latin American countries

Taking into account the criteria "activitie", the distinction rural /urban changes.
Under estimation of rural population

Cifras oficiales y mediciones OECD
## Similar trends

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Predominantly urban</td>
<td>233</td>
<td>1.93%</td>
<td>22,568</td>
<td>124%</td>
</tr>
<tr>
<td>Predominantly rural close to city</td>
<td>199</td>
<td>2.33%</td>
<td>14,324</td>
<td>79%</td>
</tr>
<tr>
<td>Predominantly rural remote</td>
<td>123</td>
<td>2.24%</td>
<td>16,234</td>
<td>89%</td>
</tr>
<tr>
<td>Intermediate</td>
<td>295</td>
<td>1.83%</td>
<td>17,855</td>
<td>98%</td>
</tr>
<tr>
<td>Total</td>
<td>850</td>
<td>2.06%</td>
<td>18,172</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: OECD Regional Database.*
New Rural

- From the farming perspective to the rural space which includes urban centers linked to an rural hinterland
- From the small farm to the wider rural view
- From the farm work to multiple rural tasks (agriculture + rural nonfarm)
- From the agricultural production to clusters, agro business and services.
- From agricultural policy to territorial approach.
Rural cities (traditional?)

- Agriculture is more productive and continues to have an important influence on the rural economy
- Rural amenities attract investment and workers (quality of life and environment, natural heritage and other amenities)
- Rural maintain a strong agricultural stamp
- Workers live in cities but work in the country
- This “urban inhabitant” has rural activities in his mind
- The so called urbanization process has a lot of rural.
Links rural urban

Urban centers influence the hinterland by:

- Rural cities articulate the urban network with the rural hinterland.
- Rural cities contribute to commercial and administrative functions.
- Bigger human capital endowment
- Wider social diversity
- Wider access from firms and people to specialized services
- Larger market labor
- Higher connectivity, innovation environment and educational services
Trends in Regional Growth

- Concentration not a sufficient nor necessary condition
- Benefits of concentration not linear nor infinite
- Diseconomies of scale and congestion costs can hinder growth in agglomerations
Territorial contributions to aggregate growth: Chile

- Los motores de crecimiento son 3 centros regionales con áreas metropolitanas (72%)
- Las otras regiones contribuyen muy poco al crecimiento nacional (28%)
- Hay una pérdida de potencial económica dado el bajo rendimiento de 80% de las regiones chilenas.

Source: Banco Central de Chile, Cuentas Nacionales
Territorial contributions to aggregate growth: OECD countries

Contributions to growth by OECD TL2 Region, 1995–2007

32% of growth

68% of growth

Regions in declining order of growth contribution

Source: OECD Regional Database (Territorial Level 2 regions).
Policy implications

➢ Traditional strategies in rural development shows limitations in his purpose of inclusive and sustainable development

➢ The main focus of public policy has an urban vision, resolving problems under a certain degree of concentration.

➢ In virtually all countries rural and urban policy are disconnected.
How regions grow: model results from de OECD

The most important growth drivers are *endogenous* to the region

**Human capital** positively influence regional growth. The effects are larger addressing bottlenecks of low skilled workers when high skilled workers

**Innovation** also has a positive effect. Effects tend to be in the long term

**Infrastructure** influences growth, but only when human capital and innovation are present

**Agglomeration** influences growth but is not necessary or sufficient.

Effects of **distance to markets** and **accessibility** not very robust
Drivers in A.L.

Coaliciones sociales
- Composición
- Recursos
- Proyecto

Inversión Pública
- Tipos de inversiones
- Bienes públicos o privados
- Gobernanza de la inversión pública

Ciudades pequeñas e intermedias
- Servicios Económicos
- Servicios social y demográficos
- Servicios políticos y culturales

Estructura Agraria y gobernanza de recursos naturales
- Disponibilidad
- Reglas de acceso y uso
- Tipos de actores

Vínculos a mercados
- NGE
- Reglas de gobernanza
- Derechos de propiedad
- Reglas de intercambio
- Ejercicio de derechos

Estructura productiva
- Diversificación
- Vínculos intersectoriales
- Tipos de firmas

Dinámicas Territoriales
Crecimiento, Inclusión social
Sustentabilidad ambiental
• Rural is not synonymous with decline
• There is growth potential in rural regions
• Agglomerations generate trades off development
• Growth Patterns are very Heterogeneous
Lessons from territorial approach

- Rural is not synonymous with decline
- There is growth potential in rural regions
- Opportunities for growth exist in all types of regions
- Agglomerations generate trades off development
- Growth Patterns are very Heterogeneous
- Need to coordinate rural and regional development policies
- Policy focuses on the very largest cities and rural policy focuses on remote: need for a focus on intermediate regions and urban-rural linkages.
- Effective tool for poverty reduction.
Muchas gracias!

• Claudia Serrano
• cserrano@rimisp.org