



OECD URBAN POLICY REVIEWS

What is an Urban Policy Review?

The *OECD Urban Policy Review* series, launched in 2010, aims to assess the role of central government in both explicit and implicit urban policies. Each review provides a comprehensive assessment of a country's urban policies as seen through multiple lenses, including economic, social and environmental perspectives. These reviews:

- Focus on explicit national policies as they affect cities and urban development (e.g. urban regeneration strategies, densification programmes)
- Analyse how interactions among national-level sectoral policies may have unintended yet profound impacts on urban development (e.g. the effects of housing and infrastructure investment on urban form, development and performance)
- Address issues of governance, including inter-governmental fiscal relationships and the various institutional, fiscal and policy tools designed to foster co-ordination on urban development among different layers of governments and different administrations at the central level

OECD Urban Policy Reviews follow a consistent method that features cross-national comparisons and recommendations on improving the integration of sectoral policies into urban policy and planning and strengthening urban governance.

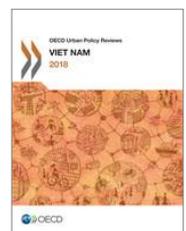
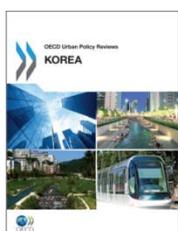
Why conduct an Urban Policy Review?

Urban issues have become increasingly prominent on national governments' policy agendas. The importance of cities and their metropolitan areas to national economies, as well as their role as global nodes in international markets, has led governments to renew their attention to cities. This is because:

- **What happens in cities is critical to national economic, social and environmental performance.** Cities are home to roughly two-thirds of the OECD's population and account for an even larger share of output.
- **Many policies with huge implications for cities are never really seen through an "urban lens".** Although a very wide range of national policies can have a profound effect on urban development, national governments rarely review this impact systematically.
- **A diagnostic framework is needed to assess the scope and coherence of national urban policies.**

Where have Urban Policy Reviews been conducted?

Urban Policy Reviews have been conducted in Korea (2012), Chile (2013), Mexico (2015), China (2015), Kazakhstan (2017) and Viet Nam (2018).





What kind of questions does an Urban Policy Review answer?

Municipal finance systems must be designed with a balance of efficiency, equity and environmental goals in mind.

- Money**
- Do revenue-raising mechanisms encourage cities to pursue economic development in a sustainable way? Do they create incentives that contradict other important policy goals? And do they link the costs and benefits of development effectively?
 - Do municipalities have the capacity and the incentive to manage spending efficiently?
 - Are municipal revenue sources sufficient to avoid over-reliance on transfers from above? Do fiscal equalisation systems and other transfers strengthen incentives for cities to enhance their own revenue bases and improve expenditure management?

Urban form matters. How cities develop spatially and how people and goods move through urban areas help determine whether the economic benefits of agglomeration outweigh the costs.

- Space**
- Do national legislative regimes affecting land use in cities encourage or impede the integration of economic and spatial development strategies? Do they support dynamic, inclusive strategic urban planning in place of a focus on periodic city master plans?
 - Does national legislation affecting land use foster inter-municipal co-operation and/or governance arrangements that correspond to functional needs as opposed to administrative boundaries?
 - What mechanisms ensure that municipal development priorities do not undermine outcomes across an urban area? Are planning processes at different scales coherent with one another?

Because cities do not exist in isolation, connectivity at all scales is increasingly important to the performance of national urban systems.

- Connections**
- What arrangements exist to co-ordinate the planning and management of national, regional and local infrastructure developments? Are cities' incentives aligned with the need to reduce the reliance on automobile transport?
 - How do national policies for air, land and sea transport shape the economic prospects of individual cities and the development relationships among cities?
 - How easy is it for people and goods to travel from one metropolitan area to another? From metropolitan areas to smaller urban areas? Within metropolitan areas?

A wide range of national policies are aimed directly at improving the economic prospects, well-being and opportunities of people.

- People**
- *Labour markets.* What national policies exist to foster a co-ordinated approach to workforce development within an urban area? How can national labour policies effectively address concentrations of under- and unemployment in cities?
 - *Housing.* How are national-level housing policies co-ordinated with local economic development and social policies? Do national policies support mixed-use development?
 - *Demographic change.* Does a national strategy for integrating immigrant populations into the economy exist? If so, are urban areas identified as having a specific role in the strategy?

Institutions can facilitate or hinder achievement of the kind of policy co-ordination cities need.

- Institutions**
- *Horizontal co-ordination at national level.* Is there a national vision or strategy for urban policies? How is progress monitored and which institution is responsible?
 - *Inter-municipal co-ordination.* Which national policies encourage co-operation/networking among cities and reduce the incentives for them to engage in unproductive forms of competition?
 - *Vertical co-ordination.* How are urban and regional policy priorities co-ordinated? What level of autonomy do sub-national actors have over urban administration and management?

For further information:

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